



## Case Study

### Coastlines surfs the cloud with SAP Business ByDesign



A marriage between a 23 person kiwi surf and beach lifestyle brand and the global market leader in enterprise application software may at first seem unlikely, but for Coastlines New Zealand it's all about trust. Or more accurately, about T-R-U-S-T.

“From top to bottom our business is based entirely on a unique model we developed ourselves,” says Coastlines CEO, Sean Kennedy. “We call it TRUST, and it stands for Think – Relate – Understand – Find a Solution – Take action. It's a whole of business approach which we carry through into all our relationships and it underpins everything we do. But to help us put that into practice we needed some high powered assistance to add system to our soul. And we've found it with SAP and their partner Soltius.”

Coastlines supplies surfboards, wetsuits, clothing and accessories to some of the largest retail groups in the world – companies like French multinational retailer, Carrefour, with 9800 retail outlets worldwide, the giant Portuguese conglomerate, Sonae, Decathlon and Sportzone in Europe, Animal in the UK and, closer to home, leading Australasian retailers, Torpedo7 and Super Retail Group.

“Each of our customers presents us with thick, multi-tabbed procedural manuals detailing their precise requirements on packaging, labelling, shipping and invoicing” he says. “We have to comply with them in every respect. When we load a 40' container we have to match exactly the plan they give us so their people anywhere in the world can unpack it in 24 minutes. If we don't, they can't, and then we incur penalties. SAP enables us, hand on heart, to guarantee we can meet their standards, every time.”

Not only has Coastlines taken on a system that they believe will allow them to deliver and collaborate globally, they've stolen a march on New Zealand companies that are larger than them by several orders of magnitude. Coastlines is the first New Zealand organisation to adopt SAP Business ByDesign as an integrated suite, which allows it to run all its operations in the cloud.

The implementation, carried out by SAP partner Soltius will allow the business to consolidate its core project management and finance operations to a fully-integrated cloud business platform, providing flexibility and long-term scalability, without additional IT overheads.

“We knew that as we compete in global markets then one day we would have to take big a step up from the software we were using and adopt the systems and business processes that would let us consistently meet our commitments. Capital Office, MYOB and manual spreadsheets were good for business last century, but they can't cope with where we need to be tomorrow. We looked around for a several years and finally chose SAP. We provide the art; they deliver the science.”

The decision will allow the company to plan its future with confidence. “Our projects have very long lifecycles” says Sean. “It can take up to two years from the initial idea to the time we deliver the finished goods. With staff in four countries and growing, we can now have up to 120 projects running at any given time. So it is crucial to have a scalable and integrated solution that allows us to tightly manage the progress, risks and profitability across all of these projects.

“People think being an entrepreneur is about taking risks. It’s not. It’s about quantifying and managing risk, about understanding risk and reducing it. That’s why we went with SAP, to help us understand and manage risk.”

While the software project is still in its implementation phase, the decision is already paying off for Coastlines. “Because large companies like these all tend to run SAP, it gives us a lot of credibility with them” says Sean. “If you want to foot it with the big boys in global markets you have to play by their rules using their tools.”

Coastline’s Operations Manager Duncan Turnbull, is not fazed by the scale or complexity of the challenge project. “I have to say I’ve been impressed with the quality of the online support that’s available, and how easy it is to access and to follow” he says. “Also the responsiveness. I raised an urgent request and received a reply from SAP within half an hour.

“ByDesign has end-to-end business processes already preconfigured. While we could have changed the system configuration, we made the decision to take the standard functionality and process flows as much as possible. The built-in implementation process helped us to get hands-on early, and things have gone very smoothly for us so far.

“Soltius have been great,” says Duncan. “At the outset they spent time helping us to understand the system. They didn’t just give us a fish: they taught us to fish. While we know we can rely on Soltuis to support us if we need it, we’re already very self-sufficient. I’m impressed that they took the time to learn how our business operates. What that means is when we ask how to do something, like invoice a new line of wet suits, they come back with a simple solution. And it just works.”

In the next phase, Coastlines will roll out the CRM functionality of SAP Business ByDesign across the business. Duncan says the ability to simply switch on additional functionality and easily configure it to the business needs is one of the strengths of the system. “It can scale with the business as we grow, and it provides a long-term global platform for us.”

Graeme Riley, Managing Director of SAP New Zealand added, “We’re excited to have a rapidly growing entrepreneurial business like Coastlines place its trust in our capabilities. The SAP Business ByDesign solution will provide Coastlines with the functionality and performance it needs to grow its business. SAP and our partner Soltius will continue to commit to helping other organisations in New Zealand take advantage of the cloud and the agility, simplicity and cost effectiveness it enables.”