Rawlings/Hilton takes a uniform approach to improving its B2B transaction environment

Cooperation is key to any successful business-to-business (B2B) interaction. If business partners aren't on the same page at the same time, one of them - usually the vendor - is likely to miss out on future business opportunities. After all, it's often the purchaser that dictates the relationship, requiring, for example, that the vendor use EDI if it's going to be the purchaser's method of choice.

Up Close

CUSTOMER: The Rawlings Group, Hilton Apparel Division
HEADQUARTERS: St. Louis
BUSINESS: Manufacturer and distributor of casual business uniforms
HARDWARE: An IBM iSeries 270
SOFTWARE: LANSAn CodeStart, JD Edwards’ ERP software
CHALLENGE: Integrating Rawlings/Hilton back-office systems with the Ariba Supplier Network
SOLUTION: Using LANSAn's CodeStart program to jump-start its application-integration efforts

That's why companies must be able to quickly respond to ever-changing business needs. Crucial to this effort is the ability to tie electronic forms of transactions to back-office systems, allowing for near autonomous back-and-forth ordering, fulfilling and billing. For some companies - Fortune 500 companies, in particular - this isn't a big deal; they have IT staff devoted to nothing else but developing and deploying such integration solutions.

But others may lack the resources or time to commit to these projects. Instead, they may rely on third-party software developers to get the job done. In many cases, this approach to meeting their B2B requirements can be very effective, negating the need for large IT staffs, in-depth development knowledge and the sometimes high costs of making it all happen.

Such is the case with The Rawlings Group, Hilton Apparel Division (Rawlings/Hilton), which had to meet a business-partner request to offer third-party, portal-based online ordering of store-personnel uniforms. Rather than create the hooks from the portal to its IBM System i hardware-based, back-office system and vice versa, it turned to LANSAn and its CodeStart program to assist in the implementation. Thanks to this quick-start approach, the company is saving an average of $20,000 a month in transaction fees. And the solution paid for itself in six months.

Regaining Control

The St. Louis-based Rawlings/Hilton, which is owned by K2 Inc., is best known for its core business, which, according to Matt Bensing, director of operations, includes “the bat, ball and glove business, as well as anything a player would wear on the field, from basketball to football to baseball.”

Perhaps less well known is that Rawlings/Hilton also manufactures and distributes through a business-partner company custom uniforms for business employees, such as those at PETCO Animal Supplies and Buffalo Wild Wings Grill and Bar.
Their largest customer happens to be a large national retailer. According to Bensing, the relationship works as follows: "There's a small distributor who has its uniform account. What we do is all of the back-end operations for her, including manufacturing, invoicing, shipping, fulfillment and Web hosting. We handle all of this as a supplier to this distributor, although, from the retailer's perspective, we're looked at as a single team."

Working in the background is the IBM iSeries* 270 running JD Edwards ERP software. This hardware/software combination supports much of Rawlings/Hilton operations, allowing it to easily take, track and fulfill orders, as well as handle all financials, including accounts payable and accounts receivables.

In the past, things worked pretty much as they do now, except that the national retailer's individual stores would log in to its Web site to place orders. Once approved, the order information would be forwarded to Rawlings/Hilton for processing. Unfortunately, any item or pricing changes would have to be sent to the retailer to be updated on its site. "We really didn't have any control over it," Bensing remarks.

In addition, when those stores would place orders, they'd pay for them with store-specific credit cards. Although this method of payment ensured Rawlings/Hilton would indeed get paid for orders, it also meant that it had to pay a 3.5-percent transaction fee each time a store placed an order. This, according to Bensing, meant, "We were essentially losing three margin points on every order."

Because of these and other issues, the two organizations came together to brainstorm possible solutions. One of them was moving to the Ariba Supplier Network, a portal-based transaction system. This would allow the particular retailer to centralize its ordering process and bring purchasing under the corporate umbrella, (instead of having each store pay for its own purchases) and use and approve only preferred vendors. As Bensing puts it, "This meant that an employee couldn't go down the street to a buddy's T-shirt shop, place an order there and then pay for it by simply turning in an invoice." Ultimately, the national retailer began requiring all of its suppliers to create what Bensing calls "punch-out sites," or a Web-based item catalog that would integrate with the Ariba portal.

As a result of this decision to move to the Ariba Supplier Network, Rawlings/Hilton now has a chance to control the content of its Web site by taking it in-house, no longer relying on customers to update their own sites with Rawlings/Hilton price and item changes. Similarly, the individual stores no longer had to use their store-specific credit cards to pay for purchases, saving Rawlings/Hilton that 3.5-percent transaction fee. "We gained the ability to have open invoicing," Bensing recalls. "So instead of using their credit cards, they have open terms, and they have 45 days to pay for the order. And that works for us because we send a summary invoice to the retailer, and it pays for everything with one check." As far as Rawlings/Hilton was concerned, "It was a two-way street for us - they centralized their buying, and we took control of the Web site and eliminated the transaction fees."

**The Whys and Hows**

Of course, this type of change to even simple business processes didn't come without some complications. For example, the company now had to create its own punch-out site. Doing this allowed the national retailer's stores to go to the Rawlings/Hilton Web site through Ariba to place orders. The whys of doing so were obvious, but the hows weren't necessarily so. "We didn't have people on staff who knew Ariba," Bensing says.

As a result, Rawlings/Hilton had to partner with a company that could help it move quickly and efficiently to this new model of doing business with the retailer. That partner turned out to be LANSA, with which Rawlings/Hilton was already familiar, having used the company for past projects, mostly related to Web development. That familiarity might have been enough, but LANSA brought an additional tool to the table: its CodeStart program.

This program essentially involves a modular approach to application development, using pre-existing code to create customized software solutions. As much as 70 percent of an application is provided to LANSA customers, with the remainder developed in-house. This allows users to customize code based on their specific requirements rather than purchasing a shrink-wrapped solution, thereby helping them avoid costly licensing and maintenance fees. This is the approach Rawlings/Hilton took when creating its punch-out site. LANSA had already developed code that allows users to integrate with Ariba, which Rawlings/Hilton used to
jump-start its development effort. The actual Ariba-integration effort went rather quickly, wrapping up with a
go-live date of March 1, 2005. It took, according to Bensing, 120 days to bring everything together.

This was in part because of the K2 acquisition of the Rawlings Group, which involved rolling an existing K2
custom-uniform business into Rawlings/Hilton apparel division. When the two business units were combined,
the company decided to operate under JD Edwards on the existing System i hardware. Unfortunately, the K2
custom-uniform business had very little experience with JD Edwards. "We were doing all of this integration
on a system we weren't used to," Bensing says. "So we had some struggles getting the product up onto
the punch-out site from JD Edwards and then to Ariba. That, and we had to make sure all of the back-end pipes
were aligned with the products and SKUs. Then we had to develop the look and feel of the site."

Although Bensing admits this was all somewhat of a challenge, he's pleased with the end result - a seamless
integration between this particular customer, Ariba and Rawlings/Hilton. "The first time we might see an
order is when an invoice is generated or a shipment goes out," he says. And as far as its customers are
concerned, they're accessing the Rawlings/Hilton site when they go through Ariba. "Nobody knows the
difference," he adds.

Thanks to this effort, Rawlings/Hilton now has an Ariba expert onsite, who works with both Ariba and LANSA
to help ensure things are operating as they should. And LANSA continues to have a vested interest in the
program, continuing to help Rawlings/Hilton when needed and corresponding with Ariba on the company's
behalf. "They've been a great help," Bensing says, referring to LANSA.

A World of Difference
This new, cooperative ordering process has had a dramatic impact on both the national retailer's and
Rawlings/Hilton's businesses. The former has more purchasing control over individual stores and can now
simply write a single check to Rawlings/Hilton instead of having to deal with multiple credit cards and their
subsequent payment. The latter has more control over its own Web site and has reduced the costs
associated with the credit-card payments. In fact, the company says that it's saving an average of $20,000
per month in transaction fees.

In addition, the LANSA assistance with the project, which it spurred with its CodeStart program, has already
paid for itself, a scant six months after Rawlings/Hilton hit the switch on its punch-out site. "That's in part how
I sold it to management," Bensing says. "It's really just a matter of showing them the financial benefits of
committing yourself to a project like this. Sure, it wasn't always easy, but it's made a world of difference."

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