



Slade Gorton & Co., Inc.

# SLADE GORTON

## SAP BUSINESS TRANSFORMATION STUDY

### AT A GLANCE

<b>Industry</b>	Wholesale distribution
<b>Revenue</b>	US\$320 million (FY 2005)
<b>Employees</b>	155
<b>Location</b>	Boston, Massachusetts
<b>Web Site</b>	www.sladegorton.com
<b>SAP® Solution and Services</b>	SAP® ERP Financials solution

Slade Gorton & Co. Inc. is the industry leader in the development, marketing, and direct distribution of seafood. Since 1928, the company has worked hard to provide its customers with the finest and widest line of fresh and frozen seafood available. By offering only the highest-quality seafood products from around the world, Slade Gorton is transforming the way foodservice and retail customers and consumers perceive and buy seafood.

#### Key Challenges

- Scalability, functionality, and uncertainty of existing system
- Untimely, inaccurate information and complex data administration
- Burdensome compliance with regulatory statutes
- Concerns related to losing historical data in migration to new system
- Corporate acquisition requiring minimal IT disruption

#### Why SAP Was Selected

- Ability to scale for corporate growth
- Support for Slade Gorton's shared services vision
- Out-of-the-box, seamless integration with other key business functions, such as procurement and warehousing
- Confidence in SAP's future vision and plans for solution development

#### Implementation Best Practices

- Strong executive leadership and participation
- Minimal customization of SAP® solution
- Phased rollout to promote rapid adoption, complete business ownership of implementation, and reduced time to benefits
- Parallel shared services implementation
- Strong alignment with company objectives

#### Low Total Cost of Ownership

- Rapid, on-time implementation within 5 months
- 6 locations live on a single instance
- Ongoing application support by 0.5 FTE
- In-house support from day one after go-live
- Real-time, accurate, timely reports, with lower IT support costs

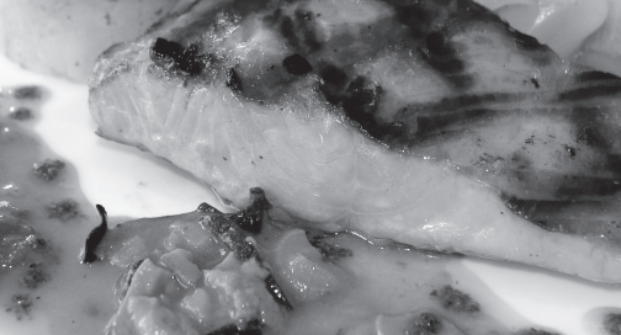
#### Financial and Strategic Benefits

- Ability to operate with very lean staff and minimal costs, while maintaining very high levels of customer service
- Separation of duties, especially critical in a very lean environment

#### Benchmarking Results

KPI	Avg Benchmark*	Slade Gorton
Number of FTEs in finance department per billion \$ in revenues	100	38
Finance costs as % of revenues	1.2%	0.35%
AP FTEs per billion \$ in revenues	10	6
Billing FTEs per billion \$ in revenues	8	3
Unresolved time collection disputes	83	5

\* As measured in the ASUG/SAP Benchmarking Study



**“Sales is now fully integrated with us here in Boston. . . . We now function as a single entity with multiple locations.”**

Bonnie Hardy  
Vice President of Shared Services  
Slade Gorton & Co. Inc.

**“With our growth, the ability to service our customers both in-house and externally with one single financial platform with limited customization was a must.”**

Michael Mistrot  
Corporate Controller  
Slade Gorton & Co. Inc.

### **A Stable Vendor with a Proven Commitment to Innovation**

Slade Gorton & Co. Inc. is a leading U.S. wholesaler of seafood products. Efficiency is one of its key working principles, from back-office finance through order-to-cash management, procurement, warehousing, and distribution. The company’s vision was to organize its business processes as a shared service, so that all units, including sales, could function as a single entity, despite numerous locations. It also wanted to introduce best practices company-wide. Slade Gorton needed a vendor that would be there in the long term – one that could support its vision from a technological perspective as well as accommodate its plans for growth. Other important criteria in selecting a vendor: financial stability, a large roster of existing customers, and a proven commitment to ongoing innovation. SAP and the SAP® ERP Financials solution met all Slade Gorton’s requirements.

### **Use of Best Practices All Around**

Slade Gorton looked to implement an organizational model as well as processes and technology based on best practices supported by SAP. To support a standardized shared services environment, it rolled out the solution in six sales offices and two warehouse locations on a single instance. Business users began to benefit almost immediately from robust functionality and integrated technology. For example, with historical and forward-looking views into financial and operational performance, managers could now plan more effectively. They were also able to benefit from online ad hoc analysis

and reporting functionality and tools to leverage internal and external information. In addition, users could take advantage of exception-based reporting and automated use of alerts to notify stakeholders of predefined exceptions. An integrated data model of financial and nonfinancial information was put in place, enabling consistent data across all business units.

Another plus: because the AR software is fully integrated into the billing system, any open items automatically appear on customers’ bills. AR balances are also automatically adjusted when payments are made electronically, with all customer payments systematically flagged by the system. In addition, billing is tightly integrated with order entry and credit management through a common customer database.

### **Immediate and Long-Term Benefits**

Using SAP ERP Financials, Slade Gorton has managed to streamline its finance and order-to-cash operations, reducing costs and cycle times. At the same time, it’s been able to enhance its customer service; for example, billing cycles are down to 24 hours for most invoices. The company has also benefited from consistent, accurate financial data and processes and simplified and accelerated reporting.

Slade Gorton can now grow its operations with confidence and plan more effectively, as a result of greater supply chain visibility. In fact, in the years ahead, it expects to reduce inventory levels. Finally, with better control over its operations, Slade Gorton can more effectively mitigate financial risk.

### **ASUG/SAP Benchmarking and Best Practices Program**

The ASUG/SAP Benchmarking and Best Practices program was established in response to Americas’ SAP Users’ Group (ASUG) member organizations needing benchmarking information to help compare performance against that of their peers and other SAP users. Participants benefit by allowing them to determine the value of adopting suggested best practices, understand how IT drives performance, and track value realization. To learn more, visit [www.asug.com](http://www.asug.com) or [www.sap.com/usa/solutions/asugbenchmarking/index.epx](http://www.sap.com/usa/solutions/asugbenchmarking/index.epx).

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