

SEEBURGER Technology Proves Profitable for SEGA

SEGA AT-A-GLANCE

BUSINESS CHALLENGE

SEGA of America needed to comply with Wal-Mart customer mandates, streamline its order process and create greater visibility into inventory. Uploading new orders via modem to its 10-year old B2B/EDI system took hours.

TECHNOLOGY SOLUTION

SEEBURGER's B2B Gateway now handles business integration for SEGA.

PAYOFF

With SEEBURGER performing B2B/EDI duties, SEGA has:

- Reduced time to load orders into SAP from 1-1/2 hours to less than 4 minutes;
- Gained real-time updates to improve visibility into inventory and incoming orders;
- Slashed monthly VAN expenses in half;
- Reduced administrative personnel training from three-months to three weeks.

When you play with the big boys of American retailers – Wal-Mart, Toys “R” Us, CompUSA, Target and Circuit City, to name a few – you don’t take chances with your Business Integration strategy and infrastructure. And when it’s time for a change, you need to move in a smart, deliberate manner -- which is where SEGA of America found itself not long ago.

SEGA of America, Inc., a subsidiary of SEGA Corporation in Japan, manufactures games for PCs, wireless devices and gaming platforms like Microsoft’s Xbox, Sony’s Playstation and Nintendo’s GameCube. Their operations, however, are anything but a game.

Time’s up: searching for replacement Business-To-Business Solution

SEGA had been using the same B2B/EDI system for more than a decade, batching information into its SAP system with a 9600 baud modem. Because it often took several hours to up-load new orders, this slowed the order process and clouded the company’s visibility of its inventory.

According to Jake Salgado, SEGA’s Director of IT, Wal-Mart’s push for AS2 compliance among its vendors, and a need to streamline the ordering process, as well as a more efficient system, convinced the company to investigate a system upgrade. “We looked at the EDI products supplied by our primary VAN, Sterling Commerce,” he explained. But Sterling couldn’t help solve one of SEGA’s biggest headaches: how to “explode” a single PO from a retailer into separate orders for multiple locations. It was a familiar issue for Salgado, who had spent a significant amount of time and money with UNIX programmers writing the scripts to do just that.

SEEBURGER takes a turn

But then Salgado saw SEEBURGER solutions in action at a trade show and, with SAP’s encouragement, decided to investigate their capabilities. Besides being able to explode the PO and then pass each individual order through to the SAP system, SEEBURGER showed SEGA they could help reduce monthly VAN charges and train their staff in a fraction of the time – and at a significant cost savings for the technology. Salgado commented that “we found that the technology was very easy to implement, easy to

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learn and easy to use. They showed us how their software was flexible enough to meet our special EDI needs.”

To meet those needs, SEGA selected SEEBURGER’s Business Integration Server (BIS) to handle B2B/EDI communications. BIS is a scalable platform for seamless integration of business processes and includes adapters, a Conversion Engine, workflow, a repository of best-in-class, industry-specific business processes and numerous communications protocols.

Eliminating complexity is a winning strategy

Selecting SEEBURGER as their Business Integration partner has turned positive changes at SEGA:

- Reduced monthly VAN expenses by more than 50 percent – and continuing to lower them. Salgado cut his charges from \$4,000 to \$1,500 each month, moved from working with four VANS to two (both of which are being used less), and is hoping to use them even less in the future.
- Reduced time to load orders into SAP system significantly. Batched uploads that took 1½ hours with the old system now take “less than 4 minutes” with SEEBURGER’s solutions.
- Reduced training costs and time. “Because SEEBURGER’s so easy to use, we were able to train a non-EDI person on the system. Now I’ve got three people who can handle our EDI – and I can sleep well at night,” Salgado laughed. While it took three weeks of SEEBURGER training to get the employee up and running, Salgado said the old system required a person who was knowledgeable in EDI who then took 3 months of training – a significantly greater investment in both time and training costs than SEEBURGER’s BIS requires.
- Improved visibility of inventory and incoming orders. With realtime updates, SEGA’s sales and distribution

group is now much more aware of how product is moving. Because they no longer have to wait for the orders to be batched and uploaded into their SAP system, they have a head start on orders that empty their just-in-time inventory and require additional production time.

Working with SEEBURGER has been a positive experience for SEGA, from the sales process through implementation and into production.

“I am very pleased with the investment we have made with this project,” Salgado said. “I remember, years ago, that just upgrading from an old version of Premenos took over a year and a half to migrate, working with five consultants. With SEEBURGER, we were able to go live with all retailers in about seven months – and I only hired two consultants. SEEBURGER is very easy to use, easy to migrate to, and less expensive to implement, as well.”

