



Case Study

The situation

Hanover Direct, Inc., a \$500 million dollar direct marketer, provides quality branded merchandise through a portfolio of catalogs and e-commerce platforms to consumers, as well as a comprehensive range of Internet, e-commerce and fulfillment services to businesses. Hanover Direct answers more than nine million yearly customer calls and ships over seven million packages to customers. With the explosive growth of Internet retailing, Hanover Direct is transforming itself to become a leader in general merchandise electronic commerce. "We recognized very early on the potential of e-commerce and the Internet and the need to continuously evolve to keep ahead of the competition," says Michael Contino, Senior Vice President and CIO of Hanover Direct.

Solution Snapshot

Industry:

Retail

Challenge:

Implement a solution that would allow them to communicate via the Internet with all its trading partners

Solution:

BizManager™

Benefits

- Connected with all trading partners, even the smaller ones
- Reduced costs by minimizing reliance on VANs
- Can exchange any data (EDI, XML, binary, flat file)
- Can perform comprehensive document reporting and tracking

The business challenge

Hanover Direct had been using traditional Value-Added Network (VAN)-based transaction management for several years to communicate with its trading partners in order to reduce errors and improve cycle times. However, despite the advantages, e-commerce remained out of reach for many of Hanover Direct's smaller trading partners due to the high recurring costs of VAN fees. Hanover Direct began searching for a cost-effective solution to bring these smaller trading partners online. The company was also looking for a way to integrate its supply chain with transaction management for real-time knowledge of expected delivery dates and other logistical information.

A complete solution

Hanover Direct chose Inovis' BizManager™ to replace its outdated system and migrate its supply chain transactions to the Internet. BizManager is a robust transaction management solution designed to optimize e-business among trading partners with secure, flexible document exchange. Hanover Direct selected the BizManager product line because this industry-leading solution has:

- **Universal transport support.** Internet, VANs, TCP/IP, HTTP, FTP, SMTP, point-to-point, VPN and proprietary networks
- **Powerful administration features.** Monitoring and control of transaction events
- **Complete document tracking and reporting.** Guaranteed delivery acknowledgement, statistical reporting and administrator alerts

Inovis selection

Inovis' use of the Internet was critical to Hanover Direct's decision. Explained Contino, "We were the first in our industry to exchange Internet transactions with trading partners. We chose the Internet over a VAN because we wanted to make something better, not just solve an existing problem."

The future of the company's e-commerce environment also weighed heavily on Hanover Direct's selection of Inovis. "Inovis' complete suite of e-business applications and support for open standards will enable us to take advantage of XML and other data formats," said Contino.

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Michael Contino
Senior Vice President
and CIO
Hanover Direct

Empowering trading partners

The benefits of a fully integrated supply chain are substantial: lower costs, greater efficiency, faster cycle times and better trading partner relationships. And these benefits had been out of reach for Hanover Direct's smaller trading partners. With BizManager, the rules have changed.

“This is a tremendous benefit for our trading community,” said Contino. “For example, our Gump's catalog has over 60,000 available items, but a small vendor may only be selling six items. He doesn't need a full-blown system. The interface allows these small vendors to get the same real-time information as our larger partners. With BizManager, the savings ripple throughout the entire supply chain as transaction cycle times go down and efficiency goes up. Everyone benefits.”

Inventory management

Hanover Direct will be using BizManager with 4,000 trading partners to track and manage the company's vast inventory. As purchase orders are entered, BizManager sends the PO to the vendor that then communicates electronically with the carrier for delivery. BizManager tracks the product through the supply chain, allowing Hanover Direct to expedite certain shipments when necessary and receive priority merchandise in a more timely manner. This real-time knowledge of product location and expected delivery dates will enable Hanover Direct to tighten their supply chain.

“Now, we will be able to track shipments at all touchpoints throughout the supply chain, enabling us to make necessary adjustments,” noted Contino.

Drop-shipping for reduced costs

In addition to inventory management, Hanover Direct is using BizManager to increase the number of trading partners working with the company on a drop-ship basis. Hanover Direct currently works with approximately 100 drop-ship vendors, reducing Hanover Direct's warehouse costs in inventory, storage and personnel. Orders placed online with BizManager are linked to Hanover Direct's internal billing system which automatically charges the customer and pays the vendor. This technological advance allows Hanover Direct to expand to more specialized and drop-ship vendors, as vendors can get paid much more quickly than with a traditional manual process.

The Inovis advantage

Contino cited many benefits that his company is gaining from BizManager. These include:

- Decreased cycle times
- Improved supply chain efficiency
- Improved relationships and goodwill with trading partners
- Expedited payment processing for drop-ship trading partners
- Minimized data-entry errors associated with manual operations
- Reduced costs associated with manual billing processes

Contino suggested that any business implementing or expanding its e-business operations give Inovis' BizManager a serious look. “BizManager has been a key factor in helping us work towards our e-business goals. We are living in the age of *now*, and BizManager helps us deliver to that expectation.”

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