



CASE STUDY

Kiss Products, Inc.



Organization Profile Kiss Products, Inc. Port Washington, New York

Kiss is the world's largest manufacturer and distributor of professional quality nail products.

Solution Profile

Applications implemented:

- SAP R/3 (2001)
- SAP WM (2007) in 3 warehouses
- SAPConsole & installed wireless network and delivered and configured mobile computers (2007) in 3 warehouses

Environment:

- SAP R/3 v 4.6c
- WEBSAPConsole 6.10

www.kissusa.com

SUMMARY: CIBER Helps Support Kiss Products Rapid Expansion

Kiss Products, Inc. is the world's largest manufacturer and distributor of professional quality nail products offering nail care, nail color, nail jewelry, nail art, and pedicure products to over 40 countries. Kiss Products continues to achieve substantial growth and success within the beauty industry.

Because of this growth, the existing inventory management system reached a point where it was not able to keep pace and the warehouse facility was unable to accommodate the rapid expansion. In addition, manual processes were proving cumbersome which affected inventory accuracy.

Back in 2003, CIBER implemented the initial SAP suite implementation for Kiss, but then reengaged in 2007 to assist with their changing warehouse needs. Kiss requested CIBER to implement SAP Warehouse Management and a wireless data entry solution. CIBER installed the wireless network, provided hand-held computers, and set up SAP Warehouse Management and SAPConsole. This setup allows material handlers to enter data accurately and in real-time. The new system was implemented in a record time of 3 months using 2 full time consultants. It optimized inventory accuracy, decreased physical inventory duration, and reduced data entry errors, which led to improved customer satisfaction and employee morale.

CHALLENGE: Need More Accurate Inventory Control With Zero Effect On Customer Service

Kiss operates one large warehouse to store all finished products for both wholesale and retail customers. The inventory includes nail care, nail color, nail jewelry, nail art, and pedicure products. Inventory in this warehouse was tracked using SAP's inventory management system:

- Receipts and issues were entered manually, so data entry errors were frequent and inventory information was not up-to-date. All of this caused inaccurate inventory counts.
- Inventory information was only available at the warehouse level, not the bin level. This led to ineffective picking paths and incomplete inventory data.

While Kiss's inventory management system worked, it produced high costs:

- There was continual search of inventory, due to the inability to manage multiple bin locations per material.

- There were no optimal travel paths for putaway and picking actions, which led to constant searches for available inventory locations.

In order to maintain its leadership position in the professional quality nail products business, Kiss needed to implement a new warehouse management system that would work with its existing SAP foundation and provide accurate inventory control. The system needed to enhance their supply chain and optimize space and resource utilization, without negatively impacting customer service.

SOLUTION: Wireless Warehouse Management System and Business Process Enhancements

Kiss selected CIBER because of their extensive experience with SAP products, including SAP Extended WM, SAPConsole and Web Dynpro, as well as their knowledge of supply chain business processes, expertise with RFID technology, and top-tier relationships with major radio frequency (RF) hardware vendors. Also important was CIBER's ability to offer "one-stop shopping" for the complete implementation of SAP, mobile computing, and wireless solutions.

CIBER implemented a wireless warehouse management system, SAPConsole, which would integrate smoothly with Kiss's existing SAP landscape. The system would provide an easy transition for Kiss warehouse employees because of its easy navigation capabilities and lack of dependency on language skills. CIBER also refined the business processes design, such as relabeling and regrouping bin and material locations.

In addition, CIBER provided project management, using its "building blocks" methodology to decrease implementation time and guarantee a stable platform for SAPConsole development. "Building blocks" refer to CIBER's preconstructed strategy for SAPConsole and Web Dynpro development based on several years experience with mature custom coding. Use of this methodology enables fast implementation, saving the client time and money at product launch.

CIBER conducted site surveys to determine locations for wireless access points that would ensure complete

coverage throughout the warehouse. They also created schematics, installed bar-coding and RF hardware, implemented and integrated the SAPConsole application, and barcoded all items and bin locations to ensure faster, more accurate inventory control. In spite of the aggressive project schedule, CIBER implemented the project on time and on budget.

BENEFITS: Accurate, Real-Time Data, Employee Approval, High Customer Satisfaction

Benefits were evident soon after go-live. Kiss's transition to the new system occurred smoothly. Warehouse employees quickly adapted to the new system and process because of its user-friendly interface and the ease of use with the mobile computers. With the new solution, Kiss's warehouse employees are now a truly mobile workforce, being able to enter or scan data on wireless hand-held computers without having to return to their desks. This allows the utility to maintain an accurate, detailed, up-to-the-minute view of inventory.

In addition, warehouse employees have more time for other tasks because of the speed and efficiency of data entry, so Kiss can schedule warehouse resources most efficiently, without increasing response time or diminishing customer service. Kiss's investment in implementing SAP's warehouse management module enabled a quick ROI in terms of reduced costs, more accurate data, and simplified business practices. The new warehouse system now supports the continuous growth.

Learn More

To learn more, please call us at 800-242-3799 or visit www.ciber.com

About CIBER, Inc.

CIBER, Inc. (NYSE: CBR) is a pure-play international system integration consultancy with superior value-priced services for both private and government sector clients. CIBER's global delivery services are offered on a project or strategic staffing basis, in both custom and enterprise resource planning (ERP) package environments, and across all technology platforms, operating systems and infrastructures.

Founded in 1974 and headquartered in Greenwood Village, Colo., the company now serves client businesses from over 60 U.S. offices, 20 European offices and four offices in Asia. Operating in 18 countries, with 8,000 employees and annual revenue of approximately \$1 billion, CIBER and its IT specialists continuously build and upgrade clients' systems to "competitive advantage status." CIBER is included in the Russell 2000 Index and the S&P Small Cap 600 Index.

The logo for CIBER, Inc. features the word "ciber" in a lowercase, bold, sans-serif font. The letters "c", "i", and "e" are in a dark blue color, while the letters "b", "r", and the final "e" are in a lighter blue color. A registered trademark symbol (®) is positioned to the upper right of the final "e".

5251 DTC Parkway Suite 1400
Greenwood Village, CO 80111
800.242.3799

© 2008 CIBER, Inc. All Rights Reserved.