



## Cougar changes its spots

### How a pump distributor evolves into an online global marketplace using a Web-enabled accounting package

Cougar Group, an international distributor of pumps, is not the sort of company you'd expect to be turning supply chain processes on their head. By normal industry standards, only enviable levels of time, investment and technical expertise could achieve this. And you certainly wouldn't believe that an ambitious IT philosophy and an accounting package would be the catalyst of the transformation.

Cougar's philosophy is to use technology whenever it can envisage time-saving, cost or process-facilitating benefits. It has customers as globally and commercially diverse as Oxfam and the Jersey Flood Relief Programme, as well as independent plumbing and heating engineers. This means it needs to appeal to high- and low-end users. It wanted to introduce external links to pass on the benefits of electronic commerce to its customers, and compete globally on a larger scale.

The group has had computerised accounts for 16 years; it used Pegasus Opera until two and half years ago, when it decided the software was outmoded and wanted a product with more functionality. The company evaluated a number of packages, including Great Plains and Navision, but chose Exchequer Software's Enterprise accounting package due to its comprehensive management reporting function and overall flexibility.

Like many companies around this time, Cougar was looking to modernise its supply chain by utilising Web-based technology. Initially driven by the ongoing development of its Web Site, Cougar realised the huge cost and time savings available by introducing the Web-based transaction language, XML, into its purchase ordering.

Exchequer had been working on an open Internet standard, eBIS-XML, for two years. The standard, developed by BASDA (Business Application Software Developers' Association), enables B2B

transactions to be automatically processed by all parties in the supply chain.

Unlike HTML, which describes how the content should be displayed, XML describes what the content actually is. The open standard provides a simple schema which allows formatted data to be sent and received via the Net. Each piece of information is allocated a tag which describes what it is in context.

This doesn't sound too impressive, but then, simple technologies often have the most far-reaching implications. XML allows information to be exchanged between any application, running on any system or platform.

As eBIS-XML is an open standard, there are also no issues of compatibility - all eBIS-XML-enabled applications can talk to each other.

Non-enabled applications can still open eBIS-XML forms in a conventional browser, although they won't be able to process them automatically. This means that a company can use eBIS-XML to communicate with everyone in the supply chain.

For Cougar, an automated supply chain to incorporate an e-commerce transaction system was an ideal service enhancement, since the vast majority of its customers know exactly what products they need and therefore don't need to browse.

It was keen to avoid the trap which many dot-coms fell into and coerce customers into using one channel only, the Internet. It was important that its customers could use Cougar's service via the most convenient channel available to them, more often than not, email. Cougar approached Exchequer about using eBIS-XML to link its suppliers, delivery company and customers via its Web site.

One of Cougar's suppliers, Grundfos, a leading pump manufacturer, uses SAP for its accounts. The challenge was therefore to send purchase order transactions from Exchequer's Enterprise directly into the SAP system. XML was the carrier and with Exchequer's assistance, full integration was achieved. Cougar can now send paperless purchase orders to Grundfos, which in turn sends out electronic delivery notes and invoices, creating a truly paperless supply chain. This essentially gave Cougar leeway to become a point of virtual contact to link its suppliers with customers via the Internet. It is no longer merely a pump distributor but an online marketplace and, as such, has been approached by other customers and suppliers, who have become aware of

the project, to supply and distribute other engineering-related products.

The company has also designed a way of putting a personalised product catalogue, its 'Pump Selector' program, onto a customer's corporate Intranet. Cougar then becomes, in effect, an additional division to the customer's business.

"We were a distributor, but we're now becoming a co-branded industrial showroom. We're unique in our industry. Everyone in the company has been trained to use the system in order to share the knowledge with our customers. In this respect, there's not a single function in the company which hasn't been impacted by using Exchequer's eBIS module," said Phil Harris, managing director at Cougar Group.

"Blue chip companies like the idea of automating the supply chain but most interest has come from medium-sized companies, as they are able to be more flexible," said Eduardo Loigorri, managing director at Exchequer Software.

"As we've proved with the Cougar project, implementing an e-supply chain can change the very nature of your business. This can be done for any product or service-based company. Most online marketplaces probably won't succeed because they're decreeing how their customers should work. You actually need to work back from the customer to get the pieces to fit together," he continued.

For the future, Cougar Group is looking to roll out the service from its other offices and become multi-company, multi-catalogue and multi-product. It has set a modest target of £500,000 turnover from the new service, achievable by getting ten to fifteen medium-sized companies to move online.

"My advice to other online marketplaces would be to recognise that the using the Internet in this way is an evolution, not a revolution. It's about real businesses dealing with other real businesses to deliver recognisable benefits - saving time and driving down the cost of purchasing," finished Harris.

