

ITOCHU INTERNATIONAL, TEXTILE DIVISION

The ITOCHU Corporation, an international trading company based in Tokyo, Japan is cited by *Forbes* as the world's largest corporation. ITOCHU grossed nearly \$165 billion in 1992 and employs more than 10,000 people among its approximately 900 affiliated companies. The corporation plays a prominent role in a variety of industries, from telecommunications and infrastructure development to retailing and natural resource development. ITOCHU International is the largest subsidiary of ITOCHU Corporation. ITOCHU International's textile division is headquartered in New York City.

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■ Needs Analysis

Until recently, many of the textile division's operations were not automated. Precontract tracking, document storage and retrieval, factor management and other business operations were handled using paper forms, ledger books and file folders. These manual processes were inefficient and caused a number of productivity problems.

Factoring and credit risk. To reduce credit risk, ITOCHU International sells some of its receivables to a factoring company at a discounted price. This improves cash flow and eliminates any credit risk for the receivables. A separate factor must be approved for each shipment, and any changes that occur after the initial approval—such as the shipping date or the amount of goods—requires a new approval. Also, each of the nine departments within the division used different procedures to manage factor approval which complicated the process even more. Because the release of one shipment without approval could cost ITOCHU International thousands of dollars, management wanted to automate the process to make it more efficient and give them tighter, centralized control over the procedures.

Manual precontract tracking. To track precontract information such as purchases, sales, commissions and offerings, ITOCHU International employees entered information into ledger books and manually calculated and balanced the figures. Employees then prepared a separate copy of the information for approval by management. This time consuming process was prone to errors and provided no backup for lost ledgers and documents.

The manual tracking system also limited management information. "It took up to two weeks to compile reports from the ledger books," says Matthew Amato, textile division vice president. "To make accurate, useful forecasts, managers needed more timely reports."

Document storage and retrieval. Secondary documents such as memos, faxes and purchase orders were filed manually in boxes for storage. According to Amato, when these documents were needed, it took as long as three days to locate some items. ITOCHU International installed a microfilm system which helped improve efficiency, but the system was expensive to use and document retrieval often still took several days.

In order to solve these and other productivity problems, the textile division needed a system that would integrate and automate its operations. "Our goal was to free up sales representatives and assistants, so they could make more sales and serve our customers better," says Sidney Fein, senior systems analyst.

Novell Professional Developer Information

With the help of Novell Professional Developer ARvee Systems in Bohemia, New York, ITOCHU International installed a NetWare network and implemented a customized textile order-tracking system. The service-oriented software-development company proved to be exactly what ITOCHU International needed to help automate its operations. "I have worked with many software development companies, and ARvee is, by far, the best," says Fein. "The code has been excellent, and ARvee has been very willing to make changes to fit our needs."

■ The Novell Solution

ITOCHU International decided to automate its textile operations with a PC network running Novell's NetWare 3.11 operating system and NetWare SQL™ data access system. "The network and NetWare SQL was cost-justified and offered easy programmability for user-friendly MS Windows or GUI environment," explains Fein. NetWare SQL also gives the textile division a definite competitive advantage. "Our database-management system gives us better functionality and response times than our competitors," says Fein. "This helps reduce our operating expenses and improve overall profitability."

Reducing credit risk. ITOCHU International is minimizing its credit risk with newly implemented standardized procedures and the new network factor-management software. "The NetWare network provides management with easy access to factor information for receivables from all nine departments," says Fein. "Managers now check factor approval electronically, so paper forms don't have to be passed from one person to another."

Fully automated contract tracking. With the new contract-tracking software running on the NetWare network, employees no longer have to make entries in ledger books. Instead they enter the information into the system on their PC workstations. The software automatically balances the figures and other precontract data and compiles them into a usable format. Using this precontract information, a contract and invoices can be generated with the touch of a button.

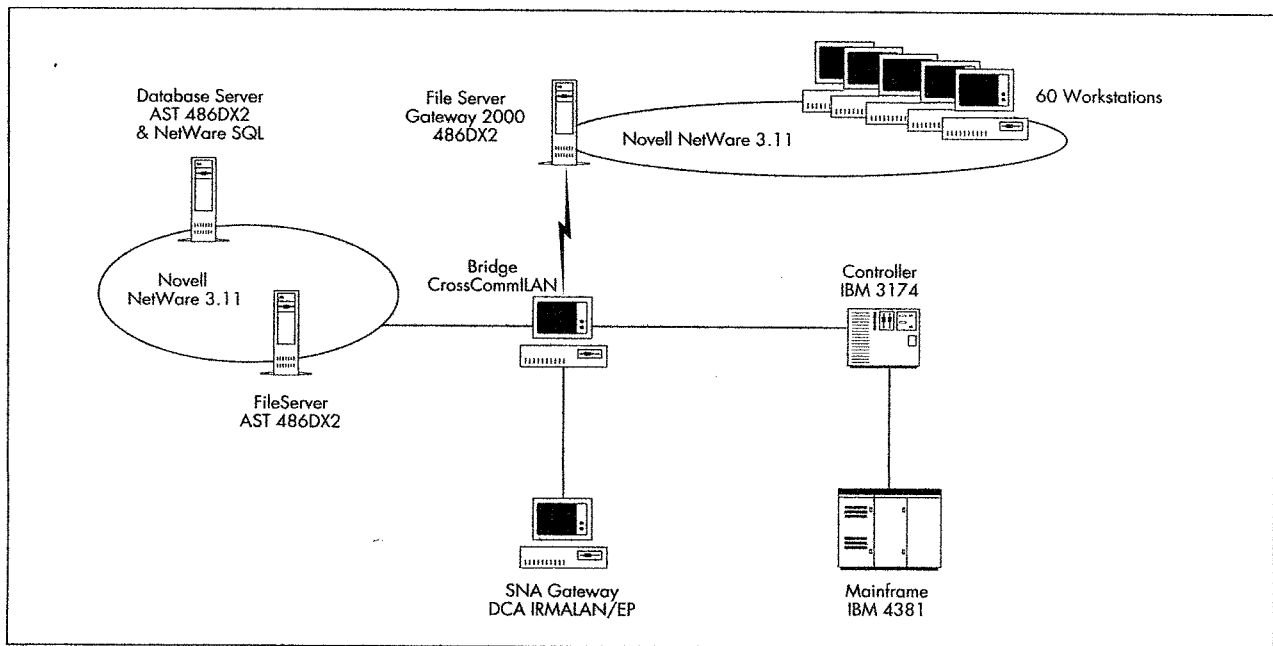
The NetWare network makes managers' jobs easier by allowing them to pull up contacts on screen and approve them electronically. One summary screen contains all the information managers need to approve contracts, and if a contract changes, it is automatically re-queued for approval in the system. The simple-to-use reporting package, developed by ARvee Systems, enables managers to include up-to-the second information and allows them to design their own reports using full-color graphs and charts.

Scanning documents allows easy storage and retrieval. With an imaging system, also developed by ARvee Systems, connected to the NetWare network, employees can now scan secondary documents directly into the system, thereby improving productivity and eliminating the need for microfilming. "If, for example," says Amato, "a client needs a copy of a packing slip, we can locate it, print it, and fax it within minutes." Even actual textile samples can be scanned, for future reference, in full color.

Improved productivity. By making tasks such as document retrieval and contract approval easier, the NetWare network is improving the textile division's performance. "In the past," says Fein, "any increase in profit was a direct result of a large increase in sales volume. The NetWare network and custom-designed applications have eliminated the inefficiencies from our procedures and made many tasks easier, so employees can spend more time generating business and serving our customers."

Technical Information

Network configuration. ITOCHU International's network in New York City consists of two local area networks that span two buildings. These networks are connected through CrossCom ILAN bridges with a 56KB leased line. The networks are cabled with unshielded twisted pair Level 5 (AT&T 2061A) cabling.



ITOCHU International's network in New York City consists of two networks running NetWare 3.11 with NetWare SQL for its database engine. The network includes two NetWare servers and 60 workstations running MS-DOS and MS Windows. An IBM 4381 mainframe with accounting and other financial data is connected to the network via a DCA IRMALAN/EP SNA gateway.

Servers and workstations. Two AST 486 DX2s running NetWare 3.11 function as file servers for the two networks. The database server is an AST 486 DX2 with a dual one-gigabyte drive which runs NetWare SQL database-engine software. This server is UPS protected and backed up with Mountain Filesafe 1200 as well as hardware and software.

The division's 60 workstations include 25 Gateway 2000 386/SXs, 25 IBM PS/2s and 10 Dell 486 DXs running MS-DOS 5.0 and MS Windows 3.1.

Host connections. The textile division network is connected to an IBM 4381 mainframe through a DCA IRMALAN/EP SNA gateway that connects to an IBM 3174 controller with a Token Ring interface coupler.

Remote connections and E-mail. Users have dial-out capabilities through three workstations with modems running PC Anywhere software. cc:Mail for DOS provides electronic mail capabilities for the division.

TOOLBOX

■ Hardware

Servers:

3 AST 486 DX2s

Workstations:

25 Gateway 2000 386/SXs

25 IBM PS/2s

10 Dell 486 DXs

Mainframes:

1 IBM 4381

Mainframe connections:

DCA IRMALAN/EP SNA gateway

■ Software

Network Operating System:

NetWare 3.11

Database:

NetWare SQL

Remote Access:

PC Anywhere

Applications:

cc:Mail for DOS

Lotus 1-2-3

Proprietary textile order-tracking system

Word Perfect 5.1

■ Cabling

AT&T 2061A UTP cabling

Ethernet

Token Ring

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