

# Partners *at* Work

with Unicity Network

## Oracle and Niche Consulting Group with Unicity Network

"Having an Oracle-based system means everyone shares the same knowledge base. Suddenly, everyone speaks the same language, which has helped our globalization effort become very focused. "

*-Alan Gloyne, Vice President, IT, Unicity Network*

Going global is a great idea—until you discover how profoundly complicated entering a new region can be. For Boca Raton-based Unicity Network, expanding its programs beyond North America was critical to its continued success as a provider of nutritional and personal care products. A division of Royal Numico, the world's largest specialized nutritional company, Unicity Network's sales effort relies on thousands of independent business operators (IBOs) who market the vitamins and other items as well as engage additional individuals to help sell their monthly volume. Through Royal Numico's U.S.-based Nutricia manufacturing facility, Unicity Network—formerly Rexall Showcase International—draws on more than 700,000 square feet of state-of-the-art manufacturing and distribution facilities. Employees produce 11 million product units each month and fulfill 100,000 orders every 48 hours.

"Each Unicity Network IBO is appointed a monthly volume," explains Alan Gloyne, vice president, information technology for Unicity Network about the company's multi-layer marketing structure. "And that volume can be shared with other individuals. Now, as it gets toward the end of the month, IBOs need to know exactly what their remaining volume is so they can get the best benefit out of their investment. Because of cross-country sponsorship, it's essential that this information go around the world quickly and accurately."

### Seamless global system

Unicity Network brought in the Oracle E-Business Suite 11i to create a seamless global system for financials, manufacturing and supply chain with Niche Consulting Group's inStore for webstore order capture and Niche's AppFoundation Software Toolkit for developing reusable code modules—all geared to support the company's international expansion. In addition, a customized front end, built with Oracle's Designer and Internet Development suite products, handles order entry, fulfillment and commissioning.

### Business Profile

A network marketing division of nutritional giant Royal Numico, Unicity Network is a new organization borne of the merger between Rexall Showcase International and Enrich. A provider of vitamins, personal care and anti-aging products, the company markets its products through a multi-layer marketing structure of independent business owners.

### Solution Snapshot

#### Primary use:

Worldwide Oracle E-Business Suite implementation for financials, manufacturing and supply chain with custom designed order entry module.

#### Hardware:

Hewlett-Packard 9000 Series

#### Partner Products and Services:

InStore™ for webstore order capture  
AppFoundation Toolkit for developing reusable code modules

#### Partner Profile:

"Our goal was to allow our business to grow without IT hindering it or having to build a global infrastructure," says Joe Traber, senior director of IT, Unicity Network. "Our vision was a global system that would immediately support any order placed anywhere in the world."

Things didn't always work this smoothly: in the past, IT staffers would have to reinvent an information technology system every time the organization established itself in a new region. "At times, it could be very difficult getting systems into a country to open up a new market," recalls Gloyne. "Plus, there was the added expense of setting up a complete system and staff in each country. For example, in Asia, we currently have equipment in several different countries. With the new Oracle e-business suite, we'll soon streamline all that equipment and staff to one single box in Japan supporting the entire region."

Now, through a central repository located in Boca Raton, Gloyne and his staff can handle all key business functions using the Oracle E-Business Suite—from sales through order processing, fulfillment and customer service. "Being able to monitor everything from here is a huge advantage," says Gloyne.

One advantage: cost savings. By running an Oracle-based system, Unicity Network has been able to trim its off-site accounting staff in half. "Now all we need is a small account payable staff in each country," says Gloyne. "Everything else can be handled from here. And as we open up new countries, there's no hardware requirement so the cost savings is immense.

"In fact, we're estimating a two million dollar savings over the next two years," he continues. "These savings are attained by eliminating the need for server hardware in each country as well as savings in hardware maintenance agreements, IT personnel salaries and travel."

Instead, Unicity Network's IT group relies on Oracle for global support. "Every time you go into a new country, there are localizations that have to be done," explains Traber. "There are tax and legal issues. You have to be able to process in local currency. Oracle has applied all those localization features for each country we've gone into, which is enormously helpful. How many vendors can offer that kind of localization support and, at the same time, offer storing multiple languages and currencies?"

Adds Gloyne, "When the decision was made that the system should be Oracle-based, this standardization brought great benefits," he points out. "Now, having an Oracle-based system means everyone shares the same knowledge base. Suddenly, everyone speaks the same language, which has helped our globalization effort become

The Niche Consulting Group is a US company focusing on Oracle's financial, distribution, manufacturing and Web-based applications. Niche consultants perform installations, upgrades and training, and are uniquely positioned to assist companies in maximizing their Oracle investments with a proven and documented history of innovative services and solutions for all types of businesses.

#### **Oracle Products:**

E-Business Suite 11i  
Designer 6i  
Oracle 9iAS

#### **Benefits**

- Will have reduced costs by \$2 million over next two years by eliminating need for server hardware in each country as well as reduced IT personnel, hardware maintenance agreements
- Ensured localizations while overseeing entire system from centralized location
- Allowed independent business operators to view commission status real-time, which upped sales and helped retain active IBOs in organization.

very focused. Plus, it's helped us from an employee recruitment standpoint. Everyone wants to be on the Oracle bandwagon so it's much easier to attract people into this world."

### **Global backbone geared for localization**

Even more critical is keeping the organization's IBOs happy. And to do that, Unicity Network had to offer a robust system that worked at lightening fast speed. "Certainly direct selling can be a volatile industry," acknowledges Gloyne. "So the more stable you can be, the more IBOs you'll retain. These independent business operators want to know exactly how their business is running. Our job is to provide stability—and we do that by offering accurate and clear-cut information so they know exactly where their business is at any given time. Using the E-Business Suite, we've developed a system with a global backbone but that's specific to each market's needs."

Further complicating this stability was the organization's recent merger with Enrich International. "Implementing our merger meant converting Enrich's supply chain application—they were running on BAAN—to the E-Business Suite," says Traber. "It was a huge task—two different cultures, two IT systems, two sets of IBOs had to be brought together."

Fortunately, says Traber, folding in Enrich's regional offices—including those in Venezuela, Canada and Singapore—were accomplished without major glitches. "One of the main benefits of our new IT structure is that we could go into these countries we inherited and fold them seamlessly into our system," he says. "At the same time, we've been able to move into new countries like the Philippines where we don't have any hardware infrastructure and establish ourselves in these new markets as well."

And as these new countries come on board, Unicity Network is able to maintain a crystal clear picture of its expanding global business. "In the past, forecasting was pretty difficult," says Gloyne. "We were working with numbers that were either sent or downloaded off each country's system at the end of the month. Now, because we have multiple sets of books in their own currency all housed within one database, we can get a clear picture not only at the financial outlook, but inventory forecasts for all Unicity."

Even when that office is grappling with its own infrastructure challenges. "In Venezuela, for example, we have 20 individual offices called casas," explains Gloyne. "These casas can't afford ISP and there's still the unreliability factor when dealing with phone lines. So we installed a mini Oracle database that runs applications behind it. When the casas sell product offline, they can still fulfill these orders and know what inventory they have because every time they can

make a connection, their system is linked to the Oracle E-Business Suite database to capture inventory and distribution information.

"We don't want infrastructure to get in the way of doing business," says Gloyne. "Even with their infrastructure issues, we can still do local forecasting for these small casas because each organization is maintained within the Oracle E-Business Suite. We can transfer inventory to them overnight. They can see anything that's on backorder. Before, this was all done manually by someone picking up the phone and asking, 'Hey, how much did you sell?' Now, we can go into a country, evaluate the market and choose to make a presence there. No matter what the individual challenges for a particular region, we can open a new country very cost effectively. Everything is in place for a very bright future."

***Partners at Work, August 2001***