



MADE IN THE SH

By Jim Utzler

Business reports are sometimes a mixed blessing. They generally provide vital information but, in printed form, they also take up a lot of desk space and consume paper, toner and valuable IT time. Just ask the folks at The HammockSource.

According to IT Manager Max Valdman, the company had been using “a literal ton” of paper each year. And much of this was unnecessary, with some users maybe perusing, for example, only a few pages of a 20-page report that subsequently got filed away, never to be seen again. Similarly, the company’s distribution department was creating multiple copies of order-fulfillment documents, with one copy acting as a pick ticket and the other simply used as a packing list.

Realizing there had to be a better, more environmentally efficient way to deliver reports and generate picking and packing documents, the company sought tools that would enable electronic report distribution and decrease paper use for distribution purposes.

To that end, The HammockSource began replacing printed reports with Microsoft* Excel files sent to the appropriate recipients using IBM Lotus* Notes*. It also started using Help/Systems’ SEQUEL to allow for dynamic drill-downs into other reports. Additionally, packing slips were replaced with simple and consolidated explanatory shipping labels.

Along the way, Valdman says, “we cut down on our paper usage by around 60 to 70 percent.”

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How The HammockSource saved a ton of paper and improved business processes

IT Manager Max Valdman says The HammockSource streamlined business processes while cutting paper use.





Self-Replicating Reports

Greenville, N.C.-based The HammockSource's roots go back to 1971, when Walter Perkins Jr. decided—out of simple curiosity—to strip a hammock apart to see how it was manufactured. That prompted him to wonder how he could make a better hammock. Once he did, Perkins began selling his version from the trunk of his car at local beaches. Soon, however, he became almost too successful and had to quit his regular job as a tobacco buyer to focus solely on what he now called Hatteras Hammocks.

He brought in his son, Walter Perkins III, to help, and by 1987, Hatteras Hammocks had become one of the leading hammock manufacturers in the world. Ten years later, Perkins established The HammockSource, which now produces and distributes not only hammocks, but also other outdoor-inspired items, such as outdoor rugs, hats and bags. The HammockSource brands now include Hatteras Hammocks, the Original Pawleys Island Rope Hammocks, Nags Head Hammocks, Hatteras Outdoors, the Sawgrass Mills and Southport outdoor-rug companies, and Real Deal Brazil hats and bags.

The company's customer base is quite diverse, consisting of sporting and department stores, home-improvement

centers, wholesale clubs, specialty stores and online merchants. It also sells goods to individuals via its online consumer site and at several physical storefronts located in North Carolina Outer Banks and South Carolina Myrtle Beach.

About 50 percent of the company's products are manufactured overseas, while the entire Nags Head brand and most of the Hatteras and Pawleys Island branded goods are made domestically in a plant in North Carolina. All of the original design work is conducted at the company's headquarters. Once products are delivered to the company after manufacture, they're sent to customers from its single distribution center in North Carolina. Most of these customers are located in the U.S. and Canada, although a fair amount of shipments now go to Europe.

Supporting these operations is an IBM Power Systems* 520 running the HarrisData ERP suite, as well as an IBM BladeCenter* S chassis hosting several PC-centric applications in a virtualized environment on two blades. "This was part of our recent consolidation effort," Valdman says. "We had around eight or nine PC-based physical servers, and

now we have five virtual servers within the BladeCenter chassis. A year or two from now, all of our servers will be in this IBM rack."

In a way, The HammockSource's move from printed to electronic reports is also a consolidation story. The company was adrift on a sea of paper, with daily reports being generated whether or not employees needed access to them that day. Adding to that, multiple copies of reports were output for different people in various departments. Although rarely physically consulted, month-end reports were also printed, primarily for compliance purposes.

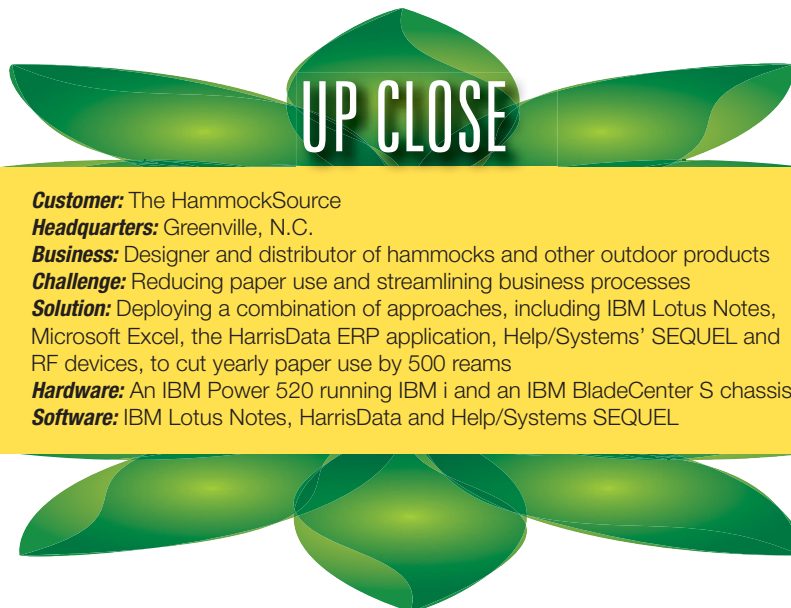


"Reports tend to replicate on their own. If you generate a report someone wants, then almost certainly, someone else will want the same report. The problem with this is that, first, that person may not need that report every day. Second, someone might refer to only page one while someone else might only need to look at page five. We were printing reports whether people actually needed them or not," Valdman says.

This dependence on printed reports was in part due to the company's success, particularly as it pertained to direct-to-consumer shipments. Before The HammockSource reduced its reliance on paper, each order would get its own pick ticket, even if it contained only one item. The cost associated with disposing of these tickets and other printed documents began to take its toll, whether they were being thrown out or sent to an onsite storage shed. The company was also realizing the impact its paper use was having on the environment. "Something had to be done," Valdman says.

A Two-for-One Deal

The process for reducing the company's reliance on paper began when Valdman took on the IT-manager mantle in July 2006. But it wasn't until The HammockSource upgraded its e-mail system that the work began



Customer: The HammockSource

Headquarters: Greenville, N.C.

Business: Designer and distributor of hammocks and other outdoor products

Challenge: Reducing paper use and streamlining business processes

Solution: Deploying a combination of approaches, including IBM Lotus Notes, Microsoft Excel, the HarrisData ERP application, Help/Systems' SEQUEL and RF devices, to cut yearly paper use by 500 reams

Hardware: An IBM Power 520 running IBM i and an IBM BladeCenter S chassis

Software: IBM Lotus Notes, HarrisData and Help/Systems SEQUEL

“It’s really a kind of two-for-one deal—improved processes and less paper.”

—Max Valdman, IT manager,
The HammockSource

in earnest. The company had been using Exchange 2000, but found that switching to the latest version of Lotus Notes, which is running on the Power* 520 running IBM i, was more cost-effective than upgrading to the latest version of Exchange.

After careful consideration, and taking into account that the paper issue was companywide, The HammockSource’s IT department decided to tackle the problem in several ways. First, it began replacing some printed reports with Excel files that included the same information and then distributing them via Notes and storing them in a Notes database. Now users can print reports locally or simply view them online, and because the reports are stored online, users can access them from anywhere. Users who don’t need part of all of these reports can ignore them or skip to the information they need.

Second, because the reports are stored online, users can access them from anywhere.

The company also began generating PDFs of other daily reports instead of outputting them to paper. These too are stored in a Notes database and easily accessible to whomever has the proper authority to view them. As with the Excel files, Valdman says, “Users can decide if they want to review the report, and if they do, maybe glance at just one page, depending on the information they need.”

Similarly, lengthy month-end reports are no longer printed but simply converted to PDFs and, because they’re infrequently referred to but are required for compliance reasons, burned to CDs. This alone has saved The HammockSource many reams of paper and much storage space. “We still have a shed,” Valdman says, “but it just happens to be a smaller one.”

Another key aspect to the company’s paper-use purge was deploying Help/Systems’ SEQUEL. Although end users can manipulate some data in Excel, the company wanted to offer a more robust querying environment. SEQUEL lets users drill down into the data to a granular level, whether by customer, supplier or single orders. “This capability,” Valdman says, “actually

deters people from printing out reports. They have everything they need right in front of them, right down to the particular details they want to view and take action on.”

These were just some of the technological changes that took place in the company, but more importantly, they represent process improvements across the company. This also applies to The HammockSource’s distribution center. In the past, all orders—no matter how large or small—had their own two-copy pick slips, one for the actual picking and shipping and the other for backup. That changed when the company decided to move to more modern and less paper-reliant business processes.

Large orders still had their own pick lists, but the second copy was eliminated. Small orders no longer had their own pick printouts, but were instead consolidated into a summary page, reflecting when those individual purchases were scheduled to ship. This was made possible by changes in the pick-ticket generation process. Another contributing factor is the use of radio-frequency (RF) devices in the distribution center, which let employees scan items as they’re picked based on the item lists, which automatically updates the HarrisData ERP application. Based on the data held in HarrisData, orders aren’t considered complete and ready for shipment until the RF devices have read every item on the pick list.


“These are really procedural changes,” Valdman says. “We’re streamlining operations in distribution with things like the RF devices and bar codes, but that has the added benefit of saving paper because we’re not printing nearly as much as we used to. So it’s really kind of a two-for-one deal—improved processes and less paper. That’s worked out very well, and we’re always looking for ways to further refine how we operate throughout the business.”

The True Measure of Success

As The HammockSource has proved, it doesn’t take a great investment to reduce paper use. It only requires



some creative thinking—even, as in the case of The HammockSource, in an IT department with only five employees. By combining several seemingly disparate tools, companies can benefit across the board, whether in a manager’s office or the distribution center.

Of course, perhaps the most tangible example of this is at The HammockSource is the amount of paper it’s saved. Based on Valdman’s calculations, the company is literally saving a ton of paper annually (or 250,000 sheets of paper, which equals 500 reams). This represents a 60 to 70 percent reduction in the amount of paper purchased, as well as the time it took the company’s IT department to generate reports. Valdman and his four IT coworkers can now focus on helping the business further innovate, which is the true measure of success. 



Jim Utsler, IBM
Systems Magazine
senior writer, has been
covering technology
for nearly 20 years.