



CASE STUDY

Vallen increases customer satisfaction and reduces TCO by 30% with Infor CloudSuite Distribution Enterprise

With locations in Singapore, Malaysia, Thailand, and China, Vallen is a leading provider of integrated supply chain solutions and MRO industrial distribution across Asia. Vallen designs, builds, and operates “best in class” solutions to optimise the total cost of ownership (TCO) for the indirect material (IDM) supply chain. Vallen is part of the Sonepar Group, one of the world's leading international service companies, giving it the capability to leverage Sonepar Group’s global strength and provide international reach to its local clients. Vallen offers an extensive range of industrial MRO product offerings and digital business tools to meet industry demands. The company continues to expand and adapt to changes in the market, reinforcing its position as a market leader.



Industry

Distribution

Infor products

Infor CloudSuite™ Distribution Enterprise, Infor® Rhythm for Commerce, Infor Birst® Enterprise, Infor OS (Operating Service)

Website

vallen.asia

Locations

Singapore, Thailand, Malaysia, and China

Total inventory

US \$50M

Active customers

700+

“ In distribution, we are highly dependent on technology. Previously, it was hard to scale as fast as we needed when we had a sudden growth spike. But now with our multi-tenant cloud solution, we are ready to scale and go.”

ANDREW BENNETT
CEO, Vallen Asia

Operating 15 warehouses, Vallen's total inventory is worth US \$50 million, with 50,000 total order lines each month, and a 100,00 square foot distribution area. Vallen has more than 700 active customers and over 146,000 SKUs, along with 155 licensed users of Infor M3 and 250 associates.

Leading Asia-based 3PL moves to the cloud in four months

Vallen is deeply committed to meeting the needs of its customers in Asia. In a hyper-competitive market, Vallen must better anticipate demand, react quickly to changing market conditions, and promote greater transparency and collaboration with its customers. With its stated mission to achieve 100% on-time fulfilment of orders and improve customer satisfaction, Vallen needed to make an investment to achieve its goals.

Vallen recognised long ago that investments in technology, automation, and digitalization are the fastest ways to achieve success. In 2017 Vallen became one of the first Infor customers to move from its existing on-premises Infor M3™ ERP platform to a single-tenant cloud deployment of Infor CloudSuite Distribution Enterprise (CSDE). A cloud platform is ideally suited to support Vallen's ongoing growth, which equated to over 8% over the last few years with CARG expected to grow to 25% over the next 5 years.

More recently in 2020, Vallen's visionary leadership decided to move to the multi-tenant cloud to take advantage of additional innovation and value. Vallen became the first company in Southeast Asia to move to the multi-tenant cloud version of Infor CloudSuite Distribution Enterprise. Compared to its experience running the same software on-premises, Vallen is excited to be on a new platform with regular access to new features and enhancements without being bogged down by major upgrade projects. As part of its CloudSuite Distribution Enterprise ERP, this pioneering company benefits from Infor Birst Enterprise for analytics and Infor Rhythm for Commerce's e-commerce capabilities.

Business challenges

- Handling intermittent spikes in customer demand
- Enabling customers to have greater visibility into the order processing cycle
- Placing increased expectations on a small IT team covering multiple countries
- Managing manual processes with limited resources
- Coordinating regular, major ERP upgrade projects
- Overseeing a limited interface solution with third-party applications
- Providing business continuity in the event of cyberattacks

“Five years ago, Vallen went through a huge growth spike. It took us years to digest it. We missed a tremendous market opportunity because our platform, systems, and capabilities were not robust enough to scale quickly and support the demand for our solutions and services,” said Andrew Bennett, CEO, Vallen Asia. “With Infor CloudSuite Distribution Enterprise, we will be better poised to capitalise on those market opportunities in a way that doesn't require us to stop. The business is able to scale quickly and effectively as it's not resource-intensive, and we're already seeing the results. We run bespoke integrated supply customer programs for our customers, and we are now more robust and efficient in our service delivery because of the Infor technology and platform. The first couple of programs that have launched, witnessed seamless customer onboarding and enhanced automation. Ultimately, we want to achieve scalable growth with Infor's partnership and innovation. This will be a true measure of success for us.”

Upgrading to the multi-tenant cloud platform in just four months was a big achievement. The implementation spans four countries: Singapore, Malaysia, China, and Thailand. The project was very successful and described as “smooth.” In addition to looking forward to discovering the additional value now available, Vallen is elated to never again manage a major upgrade project, which consumes time and resources from its small IT team. “We heavily customised our on-premises ERP and couldn’t control our own destiny with the hassle of going through a cycle of upgrades every couple of years. Single-tenant cloud was the steppingstone to get us to multi-tenant cloud, which I believe is the proper solution,” Bennett reports.

Now Vallen’s lean IT team consists of only two to three people supporting its four countries. The IT team can focus on strategic initiatives, while leaving Infor and Amazon Web Services® (AWS®) to support and maintain the multi-tenant cloud solution. Like most companies in the cloud, Vallen feels confident leaving the network and infrastructure responsibilities to AWS and Infor to constantly monitor and maintain the ERP environments. This is especially true for cybersecurity concerns, which put undue pressure on small IT teams. Being on the multi-tenant cloud, Vallen no longer needs to invest in the cost of hardware, maintaining customizations, upgrades, operating system licenses, and dedicated IT support costs. The Infor OS technology platform supports seamless and stable integration with other third-party systems including vending machines and bank interfaces. This approach has reduced operational costs and provides a 30% lower total cost of ownership (TCO) for the solution.

Business results

- 30% reduction in total cost of ownership after cloud upgrade
- 10% expansion of new customer profiles through enablement of Infor Rhythm for Commerce
- 5% improvement in customer satisfaction with greater visibility across order fulfilment
- Achieved a single version of the truth with a centralised database
- Replaced manual reports that regularly took hours to create with automated on-demand reports
- Gained an always current version of its ERP to benefit from continuous innovation
- Moved to a plug and play design for its business model



Another benefit enjoyed across the organization is having a single version of the truth with the same master data centrally deployed on the cloud. With Infor Birst Enterprise implemented for analytics, users gain the ability to build their own reports easily. Financial reports that previously took several hours to create are now automated. Other approval workflows, involving customer quotes and purchase orders, are also automated. Vallen now benefits from better and faster decision-making in an environment where everyone can use and trust the same data.

While improving efficiency and reducing costs is always important, for many distributors, improving customer satisfaction is the ultimate goal. It was crucial for Vallen to achieve real business scalability to support growth and accommodate customer demand spikes. With the move to the multi-tenant cloud, Vallen's customers are now able to track their supply chain status, perform data analyses, and monitor their orders. With the implementation of Infor Rhythm for Commerce, Vallen's customers now have greater visibility via an enhanced platform. With the transition from manual processes to digitalised processes, Vallen can reach its commitment to fulfil 100% of its orders on time. "We have increased customer satisfaction through the digitalization of processes in the cloud and managed to bring our customers closer to us. They now have more visibility and traceability of their orders," Bennett said.

Infor partners with Amazon Web Services (AWS) for its cloud infrastructure globally.

Andrew Bennett, CEO, Vallen Asia



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