

SOLUTION SNAPSHOT:

- **Industry:** Retail, Apparel
- **Challenge:** Quickly comply with Internet connectivity mandates while cutting operating costs and positioning for e-commerce growth
- **Solution:**
 - GXS TrustedLink® iSeries
 - GXS BizManager® BizLink®

BENEFITS:

- Solidified relationships with key retailers
- Reduced connectivity costs \$500,000 per year
- Improved in-house computer performance and availability
- Increased IT staff productivity
- Positioned for rapid e-commerce growth and 1SYNC compliance

Tandy Brands Accessories

The Situation

Tandy Brands Accessories, Inc. designs, manufactures and markets fashion accessories for men, women and children. Key product categories include belts, wallets, handbags, suspenders, socks, scarves, sporting goods and cold weather and hair accessories. Merchandise is sold under various national brand names as well as private labels to all major levels of retail distribution. Formed in 1975, this international firm is headquartered in Arlington, Texas, USA.

After successfully using the GXS TrustedLink® iSeries solution to trade via EDI with over 80 retailers, Tandy Brands was faced with a mandate from Wal-Mart to use the Internet and AS2 standard as a requirement for doing business.

At the time, Tandy Brands was using TrustedLink to translate all outbound trading transactions and a COBOL legacy system for translating most inbound transactions. For connectivity, they were using three different value-added network (VAN) services, four bisynchronous dial-up connections, two direct connections and two file transfer protocol (FTP) connections.

GXS was chosen, initially, for its product functionality and its ability to map and adjust to different trading partner requirements. “The [GXS] solution is one to two years ahead of the competition in functionality and gives us the flexibility to meet Wal-Mart’s requirements and do anything we want around 1WorldSync standards,” said Brian Myatt, EDI Development Manager at Tandy Brands.

The Business Challenge

Tandy Brands needed to quickly embrace emerging Internet technologies to satisfy the Wal-Mart AS2 mandate while reducing operating costs for itself and its trading partners and positioning for future e-commerce growth and 1SYNC compatibility.

To increase IT performance, the company needed to reduce its send and receive times for Wal-Mart transactions and create greater time slots for computer maintenance, upgrades and software implementations. This required replacing lengthy bisynchronous transmissions that tied up the system for hours each day with AS2 connectivity.

For communications, Tandy Brands wanted to consolidate its VAN usage and reduce costs while establishing point-to-point communications with key trading partners.

A Complete Solution

In addition to consolidating its VAN usage, Tandy Brands chose the BizManager® BizLink® solution largely because of its tight integration into the TrustedLink iSeries solution. “No one offered more, although some did cost more. The ones with similar pricing simply couldn’t scale to support our needs,” explained Myatt.

Other buying factors included the solution’s user-friendly, browser-based interface, its compatibility with both NT and the iSeries platform and the company’s high level of commitment to service and support.

AS2 Results

Bisynchronous communications to Wal-Mart have been replaced by Internet connectivity and what used to take five hours a day now takes a minute and a half. “We are almost bi-sync-free,” stated Myatt, “and what’s more, AS2 is problem-free so we have a huge savings of time that used to be spent monitoring bisync connections and recovering lost records.”

Before Internet EDI (EDI-INT), Tandy Brands had little machine time for maintenance and upgrades. Now, there is plenty of time for improving IT performance and fine-tuning the system.

Another feature that Myatt likes is the ability to locate raw transactions within the solution and reprocess them—without outside assistance. “It’s like having your own piece of a VAN,” said Myatt.

VAN Results

Tandy Brands consolidated its VAN usage from three vendors to one and realized a 70% savings in communication costs. “Most of that savings came from consolidating and negotiating better VAN rates,” said Myatt. “A little bit came from our AS2 connections but we will realize more AS2 savings when we get more trading partners on the Internet.” Tandy Brands is moving slowly to AS2, dealing with mandates first and then looking at cost savings.

Tandy Brands used to get 20 different VAN bills and now they get just one. “We can look at one bill and see where our VAN traffic is,” stated Myatt.

Technical Challenges

Myatt cited GXS’s strong commitment, willingness and ability to solve Tandy Brands’ unique technical challenges as a key buying decision. These challenges involved backup capabilities and integration with an old legacy system.

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— BRIAN MYATT
EDI DEVELOPMENT MANAGER
TANDY BRANDS
ACCESSORIES, INC.

Redundancy

Tandy Brands wanted a guarantee that it would never lose a connection or any transactions, so the company installed the solution on two servers, one of which backs up the other. They run in tandem and if the primary server goes down, the backup server takes over. This required the installation of special software to mirror the transactions and, in the beginning, there were “teething” problems. However, the GXS Professional Services group worked through them all.

“You can usually set up BizManager in a week, but our unusual requirements for tandem processing made it take a little longer. Even if you are a normal installation, you need someone to guide you and the [GXS] implementation team did a super job for us,” said Myatt.

Rules

The second technical issue involved translating inbound transactions from more than 80 trading partners and three VANs into legacy processing files for nine divisions, creating the need for more than 400 business rules. Once the rules were in place, performance issues had to be resolved.

“We were doing something that hadn’t been done before,” explained Myatt, “and it took the team a while to work it out. They did a beautiful job and we haven’t had any measurable increase in chargebacks, which would happen if we were losing transactions.”

Myatt plans to migrate all inbound transactions from the legacy system to the GXS solution by integrating it with Tandy Brands’ new ERP system, Geac System21.

Value

The GXS solution has enabled Tandy Brands to continue doing business with retail giants, such as Wal-Mart, when they mandate the use of AS2 for Internet connectivity. It has also saved the company a vast amount of money. “The [GXS] solution paid for itself in less than six months and saved us half a million dollars in annual connectivity costs,” stated Myatt. In addition, the combined solution increases the company’s return on investment in people and technology and paves the way for cost-effective expansion of its trading community.

“ We chose [GXS] because of its flexible connectivity options, its support of AS2 and its ability to scale across multiple platforms and document types.”

— BRIAN MYATT
EDI DEVELOPMENT MANAGER
TANDY BRANDS
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About GXS

GXS is a leading B2B integration services provider and operates the world's largest integration cloud, GXS Trading Grid®. Our software and services help more than 550,000 businesses, including 22 of the top 25 supply chains, extend their partner networks, automate receiving processes, manage electronic payments, and improve supply chain visibility. GXS Managed Services, our unique approach to improving B2B integration operations, combines GXS Trading Grid® with our process orchestration services and global team to manage a company's multi-enterprise processes. Based in Gaithersburg, Maryland, GXS has direct operations in 20 countries, employing more than 2,800 professionals. To learn more, see <http://www.gxs.com>, read our blog at <http://www.gxsblogs.com> and follow us on Twitter at <http://twitter.com/gxs>. You can also access our public filings with the Securities and Exchange Commission at <http://www.sec.gov/edgar.shtml>.