

Electronic Arts SA – Case Study

About Electronic Arts

Electronic Arts (EA) is the number 1 computer & video game company in the world. Formed in 1982 by an Apple employee with \$200,000 of his own money and venture capital input the company had grown to an annual turnover of USD4.212 in 2008. This revenue is distributed globally with approximately 50% in the US, 40% in Europe and 10% in Asia.

Key Issues

EA required a full service logistics provider for the South Africa region that could offer import freight forwarding and customs clearance as well as warehousing and distribution. This developed into a requirement for merchandising and full EDI integration.

Proposed Solutions

Toll SA gained the Electronic Arts import freight forwarding and customs clearance in South Africa in 1995 and the warehousing and distribution in 2003. With a volume of 500 orders per month the operation was distributing with a 24-72 hour SLA throughout South Africa from part of the airfreight bond store.

Outcomes Achieved

The distribution model was so successful that by 2004, two other major game manufacturers came to Toll South Africa for the same model. The model grew at the same time to include a merchandising function with 8 full time merchandisers and also full EDI integration between the two companies. Today, Toll SA has 18 full time merchandisers visiting 800 stores each week on behalf of the 3 customers. The operation still handles all of the inbound international freight forwarding, customs clearance and domestic distribution of over 3 million games per annum. This is approximately 75% of the entire video gaming market for South Africa.