SAP Business One

SAP Customer Success Story
Industrial Machinery and Components

ALGEOS
IMPROVING CUSTOMER SERVICE AND RELATIONSHIPS WITH SAP® BUSINESS ONE

"How we manage our customers is crucial. We could see that SAP Business One would give us the ability to build stronger relationships with them and improve our business as a result."

Billy Howard, Company Accountant, A. Algeo Ltd.

QUICK FACTS

Company
- Name: A. Algeo Ltd. (Algeos)
- Headquarters: Liverpool, United Kingdom
- Industry: Industrial machinery and components
- Products and services: Materials, components, and machinery
- Revenue: £3.5 million (€4.18 million)
- Employees: 35
- Web site: www.algeos.com
- Implementation partner: Intelligent Information Systems Ltd. (formerly OneBusiness)

Challenges and Opportunities
- Accommodate small company with complex business model
- Control and manage sales leads in small company with no sales team
- Anticipate demand and enhance supply management functions

Objectives
- Create needed reports more quickly and effectively
- Integrate processes for customer response and management
- Improve efficiency in handling imports and exports

SAP® Solutions and Services
SAP® Business One application

Implementation Highlights
- Configured system and trained employees before application was installed
- Completely migrated to new system in 1 weekend

Why SAP
- Integrated functionality
- Friendly, familiar interface
- Affordability for small company

Benefits
- Stronger business relationships with customers resulting from improved customer service
- Better stock control yielding a 25% increase in sales without significant stock increase
- Easier handling of foreign exchange transactions
- Straightforward integration of newly acquired company
- Enhanced ability to control and manage customer leads
- Improved response to customers

algeos
www.algeos.com
Established 1881

A. Algeo Ltd. (Algeos) is one of the United Kingdom's leading suppliers of materials, components, and machinery for the orthopedic, physiotherapy, shoemaking, and foot-care industries. With the SAP® Business One application, the company has improved its stock control and customer relationships. "I would recommend SAP Business One to any company," says company accountant Billy Howard. "It's very friendly and easy to get to grips with. It's very stable. It's comprehensive, and we can have complete confidence in the information we get from it."

Like many expanding businesses, Algeos was outgrowing its existing financial software. According to Alan Sheridan, the company's managing director, "The system was slow, and we couldn't produce the reports we needed. In addition, we wanted to incorporate more sophistication into our business, such as using a bill of materials, as well as functionality for handling imports and exports, which we couldn't do very easily. Basically, we had outgrown the system."

Although Algeos is a relatively small company, with revenue of £3.5 million (€4.18 million) and a staff of 35, its business is quite complex. To help it define exactly what it needed, the company brought in an external consultant. After discussions with the company's accountants and others, this consultant produced a specification of requirements.

Strengthening Customer Relationships with the Right Application

Armed with the specification, Sheridan and Howard attended Softworld at the National Exhibition Centre. There they looked at a number of possible replacement systems. Although some had potential, neither Sheridan nor Howard was sure enough about them to move ahead. They decided to take some time to think about it.

After they returned from Softworld, Howard did some Internet research and found the SAP application. Algeos liked the fact that it was an integrated system and invited SAP reseller Intelligent Information Systems Ltd. (IIS), formerly OneBusiness, to demonstrate it. Unfortunately, the demonstration didn't go well. "In fact, we had three demonstrations and still weren't convinced SAP Business One was the solution for us," comments Howard. "However, I had worked with someone at IIS previously. It was a local company, which we liked. So I asked representatives to come in and talk to us, and we had two good sessions with all the managers."

After the demonstrations, Algeos was convinced that SAP Business One was the application it needed. "Initially, I thought of SAP as expensive and only for big companies," says Sheridan. "But SAP Business One does everything we wanted to do, and IIS proved to us that it was affordable for a company of our size."

Algeos liked the accounts package, and – just as important – the operators liked the look and feel of the system with its familiar Microsoft Windows interface. The integrated customer relationship management functionality in SAP Business One was a particular plus. "Although we are a very market-driven company, we don't actually have our own sales force," Howard explains. "Consequently, how we manage our customers is crucial. We could see that SAP Business One would give us the ability to build stronger relationships with them and improve our business as a result."

Preparing for a Smooth Transition

In implementing the system, Algeos management was quite cautious, with good reason. "We knew the system would only be as good as the data we

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Billy Howard, Company Accountant, A. Algeo Ltd.

transferred into it," says Howard. "So we spent six months testing the data and moving it into a dummy company. It was hard work, but that preparation was key, and it ensured the final changeover was one of the easiest I have ever seen."

Specialists from IIS configured the system and trained the users before the system went live. Over one weekend, the specialists migrated the clean data, and the application was up and running. As Howard says, "It went like a dream. IIS provided us with an excellent contact who consistently maintained good communications between SAP and us. After the training, the users found it very easy to start using the system."

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Alan Sheridan, Managing Director, A. Algeo Ltd.

Benefitting from the Implementation

Algeos has seen major benefits since the implementation of SAP Business One in early 2004. There is better stock control, evidenced by the fact that the company's sales have grown by over 25% since the implementation without a significant stock increase. Due to the nature of its business, Algeos handles lots of foreign exchange transactions. These were difficult to manage before, but, according to Howard, SAP Business One handles them with ease.

The application has also helped Algeos with a new company it acquired. "The integration was seamless," comments Howard. "Good planning helped, but nevertheless, we were able to take its data and load it directly into SAP Business One. The system coped very well with the volumes, and we were able to accommodate the increased level of transactions without increasing our staffing levels." As expected, the ability to manage customer relationships with the solution has also helped a great deal. Without a sales force, Algeos is reliant on direct mail, catalogs, and exhibitions to generate sales. With SAP Business One, Algeos enhanced its ability to control and manage the leads it generates.

In addition, the application is helping Algeos improve the service it delivers to its customers. "The drill-down capabilities are superb," says Howard. "It's easy and quick to find information, which means we can answer customer inquiries or resolve problems much more quickly, saving time and effort, and enabling us to provide a better service." He continues, "I've also been very impressed with IIS. Our implementation went very smoothly, and the support IIS has provided is very good. When we have had problems, its staff has been very helpful, and IIS continuously keeps us up-to-date with developments."

Planning for the Future with SAP

Currently, Algeos is planning to further develop its stock and reordering capabilities with SAP Business One. The company has over 7,500 stock products with a mix of fast- and slow-moving items. There are also lines that are sourced only when customer orders are received. "We can see that using the forecasting facilities within SAP Business One will help us anticipate demand more accurately and stock more intelligently," says Howard. "As a result, we will be able not only to optimize our stock levels but also to provide better service to our customers."

The company is also looking at bar coding. With so many similar stock lines, mistakes can easily be made at the goods-receiving or picking stages. Bar codes will help reduce the error rate. In addition, Algeos is working with IIS and SAP to integrate SAP Business One with its telephone system. "Although we're breaking new ground to some

extent, integrating the two systems will give us significant benefits in terms of improving our customer service," explains Howard. "When a customer rings, details of the customer's account and orders will be automatically presented to the person taking the call. Consequently, we'll be in a much better position to satisfy the customer's requirements, whether the customer has a question, wants to place an order, or has a problem."

www.sap.com/contactsap

Implementation Partner
Intelligent Information Systems Ltd. is an SAP gold partner specializing in supplying, implementing, and supporting SAP Business One software for small and midsize businesses.

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