

## CUSTOMER SUCCESS



## Sage MAS 90 is the right tool for ATD Tools

ATD Tools, Inc. is a buying group exclusively representing eight owner-companies. ATD Tools privately labels automotive tools and equipment which the eight companies then sell to auto parts distributors across the country. For a company with only eight customers, ATD Tools boasts some impressive numbers—it moved \$30 million worth of tools and equipment last year, and its sales have increased an average of 25 percent each year for the last several years. For more than 15 years, ATD Tools has run its business on Sage MAS 90 ERP.

“Sage MAS 90 is great distribution software,” reports Mike Green, chief financial officer with ATD Tools, “and its financial modules are excellent. It serves us well.”

### Increasing Inventory Turns

The information ATD Tools receives from Sage MAS 90 helps it maintain the level of service and item availability expected by its customers, while at the same time increasing inventory turns and decreasing quantities on hand and the associated inventory carrying costs. “When we’re able to stock just what we need, when we need it, our costs go way down. With Sage MAS 90, we’ve increased our inventory turns from two to more than two-and-a-half each year. Considering that we stock nearly \$4 million in our warehouse, that 25 percent increase represents a significant cash flow improvement.”

ATD Tools’ Sage Software Business Partner introduced the company to an add-on business intelligence solution for Sage MAS 90 called Clickbase. ATD Tools uses Clickbase to design interactive reports and views that allow for easy analysis of sales data combined with vendor lead times, reorder points, and other key factors. The result is dynamic, accurate business intelligence data that ATD Tools puts to use to improve its inventory control and purchasing procedures. “Our customers are the company’s owners—we have a real obligation to keep them happy!”

Each item in ATD Tools’ vast warehouse is assigned a main bin location within the Inventory Management module. That bin location prints on the picking ticket, allowing warehouse personnel to immediately locate the stock. In rare cases, when the main bin location is empty, or holds insufficient quantity, staff is referred to an overflow location designated for the item. This multiple-bin location feature is part of an add-on solution available for Sage MAS 90 and helps ensure orders are picked and shipped without unnecessary delays.

#### Customer:

**ATD Tools, Inc.**

#### Industry:

Automotive Tool and Equipment Distribution

#### Location:

Wentzville, Missouri

**Number of Locations:** 1

**Number of Employees:** 18

#### System:

##### Sage MAS 90

- General Ledger
- Accounts Payable
- Accounts Receivable
- Bank Reconciliation
- Inventory Management
- Sales Order
- Purchase Order

### CHALLENGE

Significant growth and a demanding customer base required ATD Tools to invest in software able to accommodate its large inventory and complex purchasing procedures.

### SOLUTION

Sage MAS 90 provides an integrated solution that continues to grow with the company and adapt to its changing needs.

### RESULTS

The company has increased its inventory turns by 25 percent, resulting in a substantial cash flow increase. Accurate business data allows the company to make strategic buying decisions that boost its buying power and lower costs.

### Capitalizing On Seasonal Opportunities

“Our customers get hot when we run out of air conditioning products in July,” jokes Green. “We have to do some accurate forecasting and ordering months before to ensure an adequate supply.” The detailed sales history maintained within the Sage MAS 90 Inventory Management module helps ATD Tools arrive at those accurate forecasts. “We can see that we sold 2,000 units during the season last year, and 1,700 the year prior to that, and so on. We use that historical data to make accurate buying decisions for the upcoming season.”

### Purchasing Power and Efficiency

Part of ATD Tools’ strength and appeal to its customers is the tremendous buying power it has, due in part to the efficient ordering process it has mastered within Sage MAS 90. By accurately forecasting demand, the company is able to place large orders with its overseas suppliers, securing the best possible pricing. Those orders are then shipped to ATD in containers—more than 400 such containers every year.

ATD Tools also creates drop-ship purchase orders for shipment from vendors directly to their customers. By creating drop-ship purchase orders in Sage MAS 90, ATD Tools is able to transfer the customers’ order detail and address information into the purchase order directly from the sales order, saving time and potential data entry errors.

### EDI Efficiency and Service Gains

The majority of ATD Tools’ customers have chosen to send orders using EDI (electronic data interchange). ATD Tools uses an EDI solution that is tightly integrated with its Sage MAS 90 software. Green says the efficiency gained with EDI has allowed the company to grow without adding additional staff. “We

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process more than 5,000 orders every year using EDI,” says Green. “Without it, we’d need a full time data entry person to keep up with that volume.”

As orders are created, either through EDI or manual data entry, the software dynamically calculates the available quantity. This real-time data enables ATD Tools to provide excellent service to its customers. “We always know our current stock availability,” explains Green, “so we can give customers accurate, real-time information about what we can ship and when.”

Throughout the company’s continued growth, it has been able to keep its staff count low. Green attributes this fact to a conscious effort to increase efficiencies at every level of the organization. “We consistently invest in efficiencies to improve our operation,” concludes Green, “and Sage MAS 90 is part of that investment.”



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