

CUSTOMER SUCCESS



Sage MAS 200 — an energy efficient solution for AM Appliance Group

AM Appliance Group, Inc. is the North American wholesaler of high-end washers, dryers, and dishwashers from European manufacturers ASKO and Eurotech. Since its inception in the late 1980's, the company has grown into a \$75 million a year success. It supports 25 major distributors selling to appliance dealerships across the United States and Canada. AM Appliance Group relies on the Sage MAS 200 ERP solution to help it efficiently manage its accounting and operations, but it was not always so easy.

Milton Bulloch joined AM Appliance Group seven years ago as its chief financial officer. He recalls the struggles the company experienced then with its entry-level software. "The company had long before outgrown the product, but we were still pushing it along. Every month, during periods of peak usage, it would simply shut down and have to be restarted. When I came in and made a change to the chart of accounts, the program crashed."

Bulloch's requirements for a new business management solution included affordability, ease of use, and broad functionality. After analyzing different solutions including Microsoft Dynamics NAV, AM Appliance Group selected Sage MAS 200. "Sage MAS 200 met our requirements," says Bulloch, "but ultimately it delivered so much more than that."

Huge Savings

The AM Appliance Group business division provides distributors, dealers, and service centers with the spare parts required to make repairs. Before Sage MAS 200 was in place, these orders were processed manually, and the fulfillment was outsourced to a parts distributor. It was cumbersome and costly.

The capabilities of its Sage MAS 200 software allowed AM Appliance Group to bring its spare parts division entirely in-house. Parts are now stocked in the company's warehouse, and orders are received electronically from the Sage MAS 200 e-Business Manager module running on AM Appliance Group's Web server. "It's all automated now," explains Bulloch, "orders come in, and we generate purchase orders automatically to keep our stock at optimum levels." A division that once was a pure cost center, now generates millions in annual revenue.

Customer:

AM Appliance Group, Inc.

Industry:

Wholesale Distribution

Location:

Richardson, Texas

Number of Locations: 1

Number of Employees: 39

System:

Sage MAS 200

- General Ledger
- Accounts Payable
- Accounts Receivable
- Inventory Management
- Sales Order
- Purchase Order
- Bar Code Master
- e-Business Manager
- Visual Integrator
- Paperless Office

CHALLENGE

Rapid and significant growth overpowered the company's entry-level software. Lack of inventory and purchasing capabilities meant many tasks were performed manually or outsourced.

SOLUTION

Powerful Sage MAS 200 solution provides AM Appliance Group with the capabilities to make its operation much more efficient and profitable.

RESULTS

Bringing parts distribution in-house saves time and money. Paperless Office saves \$16,000 in annual postage costs. Bar coding increases shipping speed and accuracy. E-commerce capabilities boost revenues and streamline operations.

Bar Coding Boosts Accuracy

The Sage MAS 200 Bar Code module streamlines the company's shipping process. Equipped with handheld scanning devices, warehouse personnel scan the picking ticket and then scan the shelf tag, to verify that the proper item is selected. The data collected in the handheld is then uploaded into Sage MAS 200, which creates an invoice for the items shipped. "Many of our items look alike, but the bar coding ensures people are picking the right product off the shelves," says Bulloch. Errors in shipping have been virtually eliminated as a result.

Going Paperless Saves \$16,000

AM Appliance Group uses Paperless Office, a Sage MAS 200 Extended Solution, to enable it to create Adobe PDF files of its invoices, statements, and orders. The PDFs are then e-mailed to customers and vendors. As a direct result of this efficiency, Bulloch reports that the company saved \$16,000 in postage fees last year. "And that amount doesn't include the time saved by eliminating the need to copy documents and stuff envelopes," he adds.

Efficient Purchasing

AM Appliance Group maintains a physical warehouse primarily to house spare parts. The company also uses a virtual warehouse to track the products in transit from European manufacturers. "Once we place an order with the manufacturer, it takes three weeks to fill it, then it spends six weeks on the water, and a week or so on a truck before we receive it. The ability to track our orders in transit is invaluable to us — trying to juggle it manually was a nightmare."

The majority of the company's orders are drop shipped directly to its distributors. Drop Ship Purchase Orders in Sage MAS 200 automatically records the items and the customer ship-to address information from the sales order — saving time and avoiding potential data entry errors.

A single individual is able to process and track the large volume of orders AM Appliance Group generates. Bulloch believes that without the efficiency and automation that Sage MAS 200 provides it would take several more people to keep up with the company's purchasing tasks.

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Sage Software supports the needs, challenges, and dreams of more than 2.7 million small and mid-sized business customers in North America through easy-to-use, scalable, and customizable software and services. Our products help manage a complete range of business functions including: accounting, operations, customer relationship management, human resources, time tracking, merchant services and the specialized needs of the construction, distribution, healthcare, manufacturing, nonprofit, and real estate industries.

"We've realized a tremendous return on our investment. Sage MAS 200 has transformed the way we operate."

Streamlined Warranty Processing

Warranty repair on the appliances AM Appliance Group sells is performed at service centers across the country. AM Appliance Group sells the service centers the repair parts they need. When a part is used to repair a product under warranty, AM Appliance Group reimburses the service center.

To facilitate this process, AM Appliance Group uses a third-party warranty service fulfillment company, and the Sage MAS 200 Visual Integrator module. AM Appliance Group uploads electronic files containing purchase information to the warranty service provider. The provider then uses this information to validate incoming warranty claims. For example, if a dealer is claiming a control unit is faulty, the warranty service provider can validate that in fact this dealer purchased this part from AM Appliance Group. Once the warranty claim is validated, the data is sent to AM Appliance Group, where it is imported into Sage MAS 200, creating a credit memo for the dealer. "We never need to touch the orders—it's all automatic," says Bulloch.

With the help of Sage MAS 200, AM Appliance Group has evolved from a labor and time intensive operation, to a lean and efficient organization. "We've realized a tremendous return on our investment," concludes Bulloch. "Sage MAS 200 has transformed the way we operate."



Your business in mind.