allé Fine Jewelry Discovers a Web Gem With Sage Pro

St. Petersburg, Florida-based allé Fine Jewelry, a subsidiary of Interactive Retail Management (IRM), is one of the premier jewelry sites on the Internet (www.allejewelry.com). The company's broad product selection includes diamonds, gemstones, pearls, earrings, necklaces, rings, platinum jewelry, bracelets, and casual and dress watches from more than 25 of the most prestigious jewelry manufacturers in the world. allé's success can be largely attributed to aggressive pricing, customer-friendly policies, and quick delivery. Customers receive an independent appraisal for any item priced over $1,000, a certificate of authenticity, and a 30-day, money-back guarantee that ships with every item. As a result, allé enjoys a high rate of repeat customers and a 12 percent return rate, which is half the typical mail order return rate.

After launching the allé Fine Jewelry Web site in 1996, IRM endured declining productivity and increased expenses due to inefficiencies in its business systems. To address these concerns, IRM sought a highly flexible solution that would automate every aspect of its Web-based enterprise. After an exhaustive search for an industrial-strength package, IRM learned that upgrading to a source code version of its existing Sage Pro business management software would do the trick. With extensive additions to the Sage Pro source code, allé's newly customized business automation solution has streamlined business processes, resulting in greatly improved efficiency and dramatically reduced overhead.

Manual Procedures Strain Operations to the Breaking Point

Despite the successful launch of the allé Fine Jewelry Web site, IRM still used predominantly manual systems which were inadequate for handling the company's rapidly growing business volume. According to Dick Granger, president of IRM, "Sales were doubling annually, but due to the inefficiencies of our system, our productivity was declining and our expenses were increasing. We were deeply concerned that our current system would collapse under the weight of increased transactions unless we found a solution."
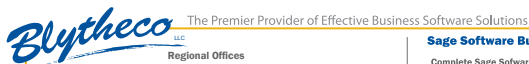
Customer

allé Fine Jewelry

Industry

Retail Management

Location

St. Petersburg, Florida

System

Sage Pro ERP

CHALLENGE

After launching the allé Fine Jewelry Web site, IRM endured declining productivity and increased expenses due to inefficiencies in its business systems.

SOLUTION

Sage Software partner Cornerstone Consulting upgraded IRM's Sage Pro accounting system and performed highly complex modifications to enable a fully automated, integrated, Web-based fulfillment system.

RESULTS

Within ten days of implementation, Sage Pro helped IRM reduce its temporary staff by 75 percent. Tasks that used to require up to 10 accounting clerks now require just one.

The Epic Search for a Solution

Shortly after launching the Web site, Granger upgraded the company's entry-level accounting package in order to seamlessly tie front-end ordering from the Web to back-end accounting. He chose Sage Pro, which dramatically enhanced allé's productivity. However, after a year, the volume and complexity of transactions rapidly increased and although the system provided tremendous power and performance, Granger decided to pursue an "industrial-strength" package that could deliver enterprise-level functionality at an affordable price. For the next two years, he evaluated several solutions. "We called a number of well-known, enterprise-level software vendors to find a solution and we were shocked to receive proposals ranging from 1 million to as high as 10 million dollars! Not only were these proposals way out of our budget, these solutions didn't have the flexibility or the functionality that we needed to go to the next level," claimed Granger.

Sage Pro Delivers Major Staff and Expense Reductions

With his search yielding no answers, Granger turned to the original reseller of the company's Sage Pro software, David Boos, president of Cornerstone Consulting in Clearwater, Florida. A flowchart was created for a fully automated, integrated fulfillment system where Web-based orders could be processed through accounting and customer service systems, on to vendors for customer shipping and finally back to allé. Boos informed Granger that simply by upgrading IRM's existing Sage Pro software to a source code version, the required customized features could be built in for a tiny fraction of the cost of the solutions proposed by the larger, enterprise-level software vendors.

Four key modifications were needed:

1) Automatically pull in the online orders and apply business logic to them before creating the sales order in Sage Pro. Once the order is accepted, automatically create a purchase order and transmit it electronically to the specific vendor;

2) When the vendor ships the product, automatically generate and send an e-mail confirmation to the customer confirming shipment, and simultaneously send an acknowledging receipt back to allé to close out the purchase order and generate the accounts payable entry;

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—Dick Granger
President
Interactive Retail Management

3) Upon receipt of the shipping confirmation from the vendor, automatically ship the sales order and turn it into a customer invoice;

4) Take the customer's credit card number from the original Web order and automatically close out the invoice with that credit card. Finally, during each of these steps, generate the inventory, accounts receivables, accounts payable, and cash receipts transactions for posting to the general ledger.

Implementation of the new system commenced in the spring and the complete system went live at the peak of the holiday season. "We were either very smart or very dumb to go live at such a critical time of year, but we believed so much in the Sage Pro solution that we expected it to succeed right from the start and we weren't disappointed. The system worked like a charm. Within the first ten days, we were able to reduce our temporary high-season staff by 75 percent! At our current sales level, with the old system I would probably need at least eight to ten full-time accounting clerks. Instead, with Sage Pro, I have just one employee, because the system does everything else automatically," said Granger.

Dynamic and Real-Time Web Updating From Sage Pro IC

Extensive coding was added around Sage Pro Inventory Control (IC) so that item information (item number, description, graphics, selling price, vendor SKU number, price, drop-ship, cross-sell/up-sell information, etc.) entered and saved into IC reflects on the Web site in real time. Boos notes, "Before we installed this system, IRM had to pay for a Webmaster who was working overtime just to maintain the site. Now, we don't need a Webmaster."

A True Believer in Sage Pro and Cornerstone Consulting

The powerful, highly automated fulfillment system built around Sage Pro has enabled the company to secure contracts with large national retailers to serve as outsourced fulfillment managers, and has empowered these retailers to extend their strong brand names into the attractive, high-margin fine jewelry market.

Dick Granger is pleased with the flexibility of the Sage Pro solution and the level of service he received from Cornerstone. "Dave Boos and his staff have been extremely committed to our entire process. Some of the high-end software developers who proposed multi-million-dollar solutions said that our vision couldn't be achieved, yet Cornerstone was tenacious and overcame every obstacle to make this a reality. Of course, without the tremendous flexibility of the Sage Pro system to enable these unique modifications, we wouldn't be celebrating the success of this solution. Many in our industry consider ours to be the best e-commerce system in the country. Needless to say, I'm a true believer in Sage Pro and Cornerstone Consulting."

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Sage Pro Elevates allé From Purgatory to Paradise

Granger's goal was to automate the entire process from the time the customer presses "Buy" to the moment the shipment is received. With Sage Pro at the core, Granger and Cornerstone created an ingenious system to track all customer service issues such as bad credit cards, returns, customer buying patterns, and multiple shipping addresses. A contact manager tracks all customer communications.

A macro reads the e-mail order data from an online Microsoft SQL database, determines if it came from a new or existing order, puts it into a holding cell called "Purgatory," applies sound business rules to that information, and then passes it on to the order entry system. With "Purgatory" in place, allé has kept potential losses from Internet fraud to a minimum.

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