

Sage 100 ERP | Customer Success

Sage 100 ERP—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 1980s, 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 100 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 100 ERP. “Sage 100 ERP 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 100 ERP 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 100 ERP 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 100 ERP 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.

Bar Coding Boosts Accuracy

The Sage 100 ERP 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 100 ERP, 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.

*Sage 100 ERP was named Sage ERP MAS 200 when AM Appliance Group, Inc. initially implemented this solution. The product names have been updated in this case study to reflect current naming.

Customer

AM Appliance Group, Inc.

Industry

Wholesale Distribution

Location

Richardson, Texas

Number of Locations

One

Number of Employees

39

System

Sage 100 Advanced ERP

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 100 ERP 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.

Going Paperless Saves \$16,000

AM Appliance Group uses Paperless Office, a Sage 100 ERP Extended Solution, to enable it to create Adobe PDF files of its invoices, statements, and orders. The PDFs are then emailed 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 100 ERP 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 100 ERP provides it would take several more people to keep up with the company's purchasing tasks.

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.

"We've realized a tremendous return on our investment. Sage 100 ERP has transformed the way we operate."

**Milton Bulloch, chief financial officer
AM Appliance Group**

To facilitate this process, AM Appliance Group uses a third-party warranty service fulfillment company, and the Sage 100 ERP 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 100 ERP, 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 100 ERP, 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 100 ERP has transformed the way we operate."

About Sage

Sage North America is part of The Sage Group plc, a leading global supplier of business management software and services. At Sage, we live and breathe business every day. We are passionate about helping our customers achieve their ambitions. Our range of business software and services is continually evolving as we innovate to answer our customers' needs. Our solutions support accounting, operations, customer relationship management, human resources, time tracking, merchant services, and the specialized needs of the construction, distribution, manufacturing, nonprofit, and real estate industries. The Sage Group plc, formed in 1981, was floated on the London Stock Exchange in 1989 and now employs 12,300 people and supports more than 6 million customers worldwide. For more information, please visit the website at www.SageNorthAmerica.com or call 866-996-7243. Follow Sage North America on Facebook at: <http://www.facebook.com/SageNorthAmerica> and Twitter at: <http://twitter.com/#!/sagenamerica>.