

Sage 100 ERP | Customer Success

Sage 100 ERP Mops in Profits for Smart Inventions

In 1994, an award-winning TV infomercial catapulted a humble household mop, Smart Mops, into the big time. The two distributors, Jon Nokes and Thomas Persson, became millionaires as a result—a long way from their penny-pinching beginnings in Europe.

Jon Nokes, a native of England, took a big risk when he quit his job, traveled to the United States and began scratching out a living selling lamps at state fairs. As a biology teacher back home, he couldn't earn enough to buy a house. "I felt I couldn't get a fair break. Ours was a working-class family, and all the best jobs are offered on the old boys' network."

After some hard work and lean times, Nokes got a pretty big break in America. In 1991, he teamed up with Tom Persson, a Swede who was selling cheese graters. They saw the potential in the Smart Mop, a simple hand-held cleaning product that could pick up any type of spill in one swipe, without getting the hands wet.

Smart Inventions hired teams of demonstrators to sell their European import at home shows and fairs around the country. The mop "took," and the company grossed \$1.1 million in 1993. It was time to think big. The entrepreneurs begged and borrowed enough capital to produce and air their first television infomercial.

"After the TV ads hit, our supplier couldn't keep up with the demand," said Peter Breiting, production manager. "We were getting direct sales from the ads, and all the stores were requesting it, so we started wholesaling to places like K-mart, Target, and Walgreens. It was time to manufacture the mops ourselves.

"We started the factory from scratch. In one month, we went from zero to 60,000 mops a day, and from no employees to 1,089 contracted workers on three daily shifts. We made do with the basics at the beginning. We had an electronic time card machine, a fax machine, paper, and pens. No computers."

That first \$8 million television ad yielded \$45 million in mop sales. In addition, the firm inaugurated several new products, such as Smart Wipes, Smart Nails, and Lazer Mouse. A new, computerized system was becoming a necessity.

*Sage 100 ERP was named MAS 90 when Smart Inventions, Inc. initially implemented this solution. The product names have been updated in this case study to reflect current naming.

Customer

Smart Inventions, Inc.

Industry

Direct response television

Location

Paramount, California

Number of Locations

One

Number of Employees

80

System

Sage 100 Advanced ERP*

Challenge

Acquire an automated accounting and distribution solution that can handle fulfillment of over 4,000 orders per day and integrate systems for five divisions.

Solution

Sage 100 ERP financial and distribution modules.

Results

Detailed order, sales, and inventory tracking; streamlined automation from order to fulfillment; precise reporting and immediate status checks; improved accuracy, efficiency, and productivity.

Too Much to Mop Up

For many years, Smart Inventions outsourced its fulfillment tasks. Then the company brought its operations in-house. Up to 4,000 orders a day were processed on an outdated, inadequate Novell system. This DOS-based network lost data, limited how many people could use it at the same time, and couldn't easily be expanded to handle the volume.

"Our in-house fulfillment operation was a big headache," said Breitinger. "We were manually writing up invoices, keying them into the terminal, and physically looking up sales. We were handling 30,000-40,000 records a month—with a system that was difficult to learn and clumsy to access."

Working Smarter, Not Harder

Smart Inventions began looking into a new accounting and distribution software system. It decided that Sage 100 ERP fit the bill. It was Windows®-based and had all the modules Smart Inventions needed, especially credit card management, bar coding, and order scanning.

In the fall of 1998, the reseller customized and installed Sage 100 ERP in all five of the divisions at Smart Inventions: mail order, retail, wholesale, export, and shows and fairs. Each of the divisions has different commissions, pricing, and royalties. Sage 100 ERP now tracks every aspect of the ordering process.

Nearly every morning, Sage 100 ERP imports several thousand orders in one batch. This takes about two minutes. The orders are then automatically invoiced, a purchase order created, and the product prepared for shipping. All the modules are linked, and a customer can call any time for an up-to-the-minute report on the current whereabouts of a purchase.

"Our previous in-house fulfillment system was a big headache. We were handling 30,000–40,000 records a month—with a system that lost data and was clumsy to access."

**Peter Breitinger,
Production Manager
Smart Inventions, Inc.**

"Before, I could only provide a general estimate of our total monthly sales. Worse, customer and sales information was scattered all over, with no central point of access," Breitinger said.

"Now all our orders are processed through Sage 100 ERP, so I can tell the boss exactly how many units we sold last month, which divisions were responsible, and what the costs were, down to the penny."

Mopping in millions of dollars in orders is a lot cleaner with the right computer system. For Smart Inventions, Sage 100 ERP is that system.

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>.