ACTION INDUSTRIES
MAINTAINING 98% SAME-DAY DELIVERIES WITH SAP® BUSINESS ONE

"Implementing SAP Business One was one of the best business decisions I have made in my 15 years running the company. It would have been impossible to accomplish all we have in the last two years without SAP Business One."

Pat Marron, President, Action Industries Inc.

QUICK FACTS

Company
- Name: Action Industries Inc.
- Location: Cleveland, Ohio
- Industry: Wholesale distribution
- Products and services: Garage door parts
- Revenue: US$7.5 million
- Employees: 35
- Web site: www.action-ind.com
- Implementation partner: Long Business Systems Inc.

Challenges and Opportunities
- Provide a single source for all business data
- Integrate business processes
- Provide more complete costing and better cost control
- Increase visibility of business information and confidence in its accuracy
- Improve warehouse control
- Accelerate the order-to-delivery process
- Automate manual processes
- Strengthen planning tools
- Reduce cost of customization and add-on software
- Provide a foundation for many years of rapid growth

Objectives
Replace legacy software with a powerful, comprehensive, integrated, and scalable business solution well suited to the distribution business

SAP Solutions and Services
SAP® Business One application

Implementation Highlights
- Tailored software to meet specific needs
- Integrated third-party applications to round out the solution
- Created a stable environment that has satisfied needs for years and is expected to continue doing so for many more

Why SAP
- Excellent fit for a midsize company
- Powerful demonstrations and presentations
- Scalability to support years of growth

Benefits
- Supported move to 4 business entities, remote warehouses, and years of double-digit growth
- Automated and shortened the order-to-shipment process, allowing same-day delivery 98% of the time
- Cut invoice creation time from 7 hours to 1
- Cut purchasing staff by 1 FTE while reducing inventories
- Supported use of landed costs
- Provided real-time sales reports
- Increased sales efficiency, allowing salespeople to handle a 15% increase in call volume
- Reduced outside accountant costs by 80%

Third-Party Integration
- Inventory Planner from Valogix Inc.
- B1 Usability Package from Boyum IT
- LBSI Enhance from Long Business Systems Inc.
- Credit card solutions from TWBS

ACTION INDUSTRIES
QUALITY WEATHERSEALS, HARDWARE & ACCESSORIES

One of the claims to fame of Action Industries Inc., a distributor of garage door parts, is its record for 98% same-day order fulfillment. As the firm's growth exceeded its legacy software's ability to keep pace, this delivery performance level became ever more difficult to maintain. "We moved to the SAP Business One application, which helped us continue our record by greatly accelerating the order-to-delivery cycle, improving inventory management, and performing smarter purchasing," says Pat Marron, the firm's president. "And that's just the beginning."

Exceeding Legacy Software's Ability to Cope

For 30 years Action Industries has distributed garage door parts to customers near its Cleveland, Ohio, home and nationwide. The company's product catalog contains thousands of name-brand standard parts that the firm augments by performing light fabrication, assembly, and custom engineering services.

Its focus on customer service has helped Action Industries grow at a double-digit clip even through difficult economic times, to the point where it has now split into four business entities and has opened distribution centers in Wisconsin and Arizona. "None of this growth would have been possible with our legacy software," says Marron. "We had business information in multiple systems that could not talk with each other. Data accuracy was always suspect. Many of our processes in the order-to-delivery cycle were paper-based and manual. To fulfill almost all

our orders within a day, we need very intelligent warehouse management and purchasing, but we got very little help in either respect from our software."

The legacy application's vendor tried customization to help, but that just drove up Action Industries' costs and left it having to pay even more for recustomization whenever an upgrade was installed. "Worse, the customizations were just baby steps that moved us ahead only incrementally until we reached the next barrier," Marron continues. "Finally we realized that if we were going to become the kind of company we wanted to be, we had to just get rid of the old and bring in some new software that we could count on over the long haul."

Finding the Right Fit in SAP® Business One

Action Industries went about its search diligently, speaking with industry experts and evaluating several alternatives. "SAP

Business One stood out above the rest," reports Marron. "The demonstrations and presentations we saw were impressive. As a midsize firm, we didn't want the cost of big-company software, but we had already learned not to go with something too small. SAP Business One was just right."

For implementation assistance, Action Industries engaged Long Business Systems Inc. (LBSI), which installed SAP® Business One and the firm's own LBSI Enhance package of enhancements. To address the particular needs of Action Industries, LBSI customized the solution by implementing three complementary applications, developed and preintegrated with SAP Business One by SAP software solution partners:

- Inventory Planner from Valogix Inc. maintains histories of purchases the company has made and uses them to suggest items to purchase that are necessary for maintaining proper inventory levels, a feature that Action Industries has found very helpful.
- The B1 Usability Package from Boyum IT allows Action Industries to tailor the contents of the screens in SAP Business One so that users see only information that is appropriate to their job function – also very useful for the company.
- Credit card solutions from TWBS provide secure storage of credit card numbers, boosting sales by enabling customers to make purchases over the Internet and pay for them safely and conveniently.

Fitting Company Needs Hand-in-Glove

LBSI worked extensively with Action Industries to tailor the implementation to the company's specifics. The integrator is still in close contact, continually suggesting ways to improve business processes. "The help we receive from our LBSI consultant is much appreciated," says Lisa Reading, Action Industries' office manager, who was closely involved in the implementation. "She is just outstanding."

"All the work the team did matching the implementation to our precise needs was well worth it," adds Marron. "We really have it down now, which makes for one less thing to be concerned about when we're trying to grow the company. I belong to a business group with 11 other

"I belong to a business group with 11 other Cleveland-area company owners. . . . Action Industries is the only one of the group that is experiencing double-digit growth, and I believe that SAP Business One is an integral part of that growth."

Pat Marron, President, Action Industries Inc.

Cleveland-area company owners. Some of them spend 20% to 30% of their time worrying about their business software, whereas we have complete confidence in our SAP Business One implementation. Action Industries is the only one of the group that is experiencing double-digit growth, and I believe that SAP Business One is an integral part of that growth."

Improving Purchasing, Warehousing, Accounting, and More

Marc Calcaterra, Action Industries' vice president and day-to-day operations manager, cites several of the improvements the company introduced based on the new solution. "With thousands of SKUs in our product catalog, providing same-day delivery without busting the budget is a monumental challenge for purchasing," he begins. "SAP Business One has made an exponential difference in making our purchase planning process more fluid and accurate. We have been able to cut our procurement staffing requirements by one and reduce inventories."

"We have better cost control as well," Calcaterra continues. "One big reason is that the solution lets us work with landed cost for the first time, which is important

because the cost of a part's freight and handling sometimes exceeds the cost of the part itself. Our invoices are going out the same day as deliveries because invoicing now takes less than an hour, not six or seven hours like it did before. In the past we used outside accounting services several hours a week, but now we've been able to bring most of that in-house."

Boosting Sales by Boosting Sales Staff Effectiveness

Having customer relationship management integrated with the rest of its business software for the first time has helped Action Industries greatly improve its sales operations. Management and salespeople alike have fast access to customer data and completely up-to-date reports on sales figures, broken down by territory, state, and customer. "In our monthly one-on-one meetings with the sales force, we can pinpoint areas of success and areas that need attention – everyone sees the same numbers and knows exactly where they stand," says Marron. "Our relationship with salespeople has never been better, and they are more productive than ever before. In fact, our call volume per salesperson is up 15% since we implemented the solution, but our people have been able to absorb the increase easily because the software makes them so much more efficient."

Unlike many businesses, Action Industries manages all its operations in SAP Business One and the third-party applications that are integrated with it. The company uses no satellite software for data massaging or other special purposes, and it is glad for it. "Implementing SAP Business One was one of the best business decisions I have made in my 15 years running the company," Marron concludes. "It would have been impossible to accomplish all we have in the last two years without SAP Business One."

THE BEST-RUN BUSINESSES RUN SAP™

SAP