



SAGE ERP X3 STANDARD EDITION



Electronics distributor explains why it's pushing its ERP system to the limit

CLIENT PROFILE:

Established in 1983 and based in Banbury, England, Toby Electronics is one of the UK's leading distributors of electronic components such as connectors, LEDs and PCB hardware. Its franchised suppliers include some of the world's leading connector manufacturers, and it also sources an extensive range of components direct from suppliers in the Far East. It has 23 employees and big ambitions for the future. At present Toby is largely a B2B company, but it is in the process of building a new website with an improved online shop which will integrate with eBay and Amazon.

QUICK VIEW:

PROJECT OBJECTIVES

Better integration with other business systems

Universally accepted and utilised system

Consolidation of suppliers

RESULTS

Improved speed and efficiency

New routes to market

Cost savings

BACKGROUND:

Toby Electronics has been using the same enterprise resource planning (ERP) system - Sage Line 500 - for ten years. In this time the company has grown in size and ambition. It has strong growth forecasts which depend on increasing their product portfolio and entering new markets, which its current ERP system was not designed to.

With this in mind, Toby Electronics' IT manager, Paul Donnelly, has been intent on upgrading for a number of years and has been fastidious in finding a solution that matches the company's needs. The distributor is working with K3 FDS, a leading provider of IT solutions and services, to embark upon a system migration and take better control of their growing business.

BUSINESS REQUIREMENTS:

Improving integration

Toby Electronics has been looking to upgrade and integrate its website into the main account system for the last 6-12 months. "Before we started this process the online shop and ERP system operated separately, which meant the team spent hours manually reconciling everything. It also made it impossible to track real-time stock levels, which is vital to ensuring our ecommerce customers get the best experience."

A transparent implementation

However, Donnelly recognises that timing is of the essence. "Upgrading an ERP system is no mean feat. It consumes a lot of time and work and goes to the very heart of what a company does and its ability to fulfil customer orders. This is why I held back. Fortunately we have now found a solution that ticks all the boxes and will support a simultaneous upgrade to our accounts system so all orders can go through the same channel."

The firm has been clear that it doesn't want anything overly complicated. "We've done a lot of scoping with support from K3 FDS who helped us to identify the best solution for our needs. The Sage ERP X3 Standard edition meets our requirements perfectly. It's powerful, quick and stable. While the out-of-the box version puts some of the onus on us to deliver part of the implementation, I'm happy to take on the responsibility – it keeps costs down and it's the best way to learn after all."

"Having access to all business critical information in one place will revolutionise our processes, day-to-day working lives and ultimately our customers' experience."

Moving to the new ERP system will simplify the company's infrastructure. "At the moment we have three different IT support costs and three different servers. The migration will consolidate these into just one server. This is a significant undertaking but the end result will streamline our costs and processes; which will only facilitate long-term growth."

Consolidating suppliers

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By partnering with K3 FDS, Toby Electronics is linking everything from account sales, warehouse management, inventory and certain aspects of its manufacturing plant; all through one system.

Donnelly explains, "Having access to all business critical information in one place will revolutionise our processes, day-to-day working lives and ultimately our

customers' experience. This migration will basically touch every aspect of our business, saving us time and improving reporting accuracy and overall efficiency. To guarantee success, we're working very closely with K3 FDS to share expertise and ideas. It really is a meeting of minds."

Change management

Although K3 FDS and Donnelly have invested a considerable amount of time and effort into the migration, Donnelly recognises that the company is yet to face its biggest hurdle - namely fear of change. While its people want to work with the fastest, slickest technology, change can be daunting. In preparation, Donnelly has started building a team of advocates across the business to champion the migration and address users' concerns.

THE SOLUTION:

A prize product

When Sage ERP X3 first came out it was aimed at large global companies; which discounted Toby Electronics. But then it launched a standard out-of-box version for small to mid-size businesses which seemed to match our needs perfectly and at a price that worked for us. Needless to say I jumped at the opportunity," says Paul Donnelly.

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In control throughout

Once Toby Electronics made the decision to use Sage ERP X3 Standard edition, it commissioned K3 FDS to kick-off the migration. It already had a positive relationship with K3 FDS (which managed its incumbent ERP system). Toby Electronics and K3 FDS have fully scoped the requirements and have implemented part of the solution.

Testing, testing

They are testing as they go, putting all processes and procedures under the microscope by following dummy customer orders from the point they are placed through to delivery, checking the system for any flaws.

Donnelly comments, "We're basically looking for anything that could possibly go wrong. The more scenarios we can test and fix before we go live, the better. Although I've been pleasantly surprised so far; I haven't encountered any major pitfalls. But you do have to be realistic. There will always be issues and snags. The secret is to find and fix them now."

THE RESULTS:

The implementation is on track to complete the migration by March this year. Donnelly adds, "Sage ERP X3 has a lot of functionality. Amazingly we're just scratching the surface - only using the features that matter to us. But it's good to know we can scale up or down at any time."

"So far it's been a straight-forward process. I don't expect any significant overruns, despite the fact that we've tweaked our requirements a little and called on K3 FDS to converge and manipulate more data than I originally envisioned necessary. The end is in sight. Right now we're just tying things down in a fail-safe way."

The company predicts cost savings relatively quickly, which will effectively pay for the migration. By reducing the number of servers it expects to save £7,000 a year alone in support fees. This figure doesn't include improved profitability associated with heightened employee productivity, quicker product dispatch turnaround times and enhanced customer satisfaction.

Donnelly concludes, "The end-goal is speed and efficiency. With the new ERP system we're basically placing valuable information at our fingertips. But it will transform the business. "

WHAT IS
SAGE ERP X3
STANDARD
EDITION:

Sage ERP X3 is a full-service enterprise management software system for mid-market businesses.

Standard Edition has pre-configured out-of-the-box functionality, which reduces the need for customisation. By choosing this solution, the customer has clear visibility of cost and timescales. Which results in a quick and effective implementation.

Like Premium, it comes with a choice of languages, currencies and legislations.

The Standard Edition Key features:

- International deployment - Share data and processes between sites whilst respecting local business rules.
- Effective and easy to use - A library of integrated processes
- A scalable solution – Easy to add users and locations as the business grows
- Flexible and responsive - Supports up to 2,000 simultaneous users. It works in real-time, allowing for efficient decision making and the ability to be responsive to business opportunities.

Sage ERP X3 offers an efficient, multi-company solution.

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