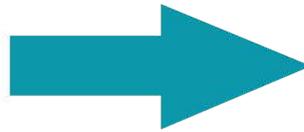


Why Put New Systems in the Old Way? eBook



SAP Distribution
Start & Grow for Distribution

Table Of Contents

Introduction.....	1
Selecting Software.....	3
Size of Company.....	4
Cost.....	5
Cloud vs. On-Premise.....	6
21st Century Buying Cycle.....	7
Start & Grow.....	8
The Start Service.....	9
A System That Helps You Grow.....	11
Speed of Implementation.....	13
Tailored to Your Business.....	14
Conclusion.....	15

Introduction

Accounting information systems were originally developed as custom applications on mainframe computers for the largest of the large companies. It wasn't until the rise of the personal computer that accounting automation became available to the small to mid-size companies. Back in the early days of accounting systems, there was Peachtree, Real World, and Master of Accounting Series for the 90s (MAS 90), to name a few. These first DOS-based products could perform only basic accounting but were vastly superior to ADP punch card systems and 14-column ledger paper.

In the 1980s, these products grew rapidly in popularity and were joined by Great Plains and other early adopters of Windows. As their popularity grew, so did the features and functions available; new modules for tracking inventory, creating purchase orders, and even manufacturing were added. The software grew in complexity, and with that complexity grew the need for a channel-driven sales and implementation process for systems implementation. Software companies started partnering with independent consultants and CPA firms that became certified in deploying the software for or with their customers.

During the late 1980s through the mid-1990s, the software developers focused on the benefits of automated processing versus manual processing. More products were coming on the market with great features and even greater capabilities for tailoring the software to the specific needs of the company. New reporting tools were added along with forward-looking functions like materials



requirements planning (MRP). Along with the technology evolution came marketing evolution. What was formerly called accounting software became known as enterprise resource planning (ERP) software, or business management software.

In the late 1990s, many companies changed their systems to avoid Y2k issues or moved from DOS to Windows for the new functionality that came with it. This new complexity also gave rise to new processes for evaluating and selecting the software – companies sprang up, offering comparison of features and functions down to the “granule” along with services to manage a long and detailed “request for proposal” (RFP) process to select the “best” system for a company.

Introduction Cont.

In reality, no matter how much better current software is, businesses don't want to change systems. Or, more accurately, the staff within a business rarely wants to change. Accounting and business management systems are critical to your operation, of course, so eventually change must happen; typically, that's only when something is broken, or because a business's needs have outpaced what their current system can handle.

Although the new software is better, the traditional software selection process is still long, tedious, painful, and often expensive. Why do people still choose to follow the selection process that was developed in the 80s and evolved to meet the challenge of Y2k? Most likely because selecting the wrong software can be the most expensive mistake your business will ever make.

Over the past five years, we at I-Business Network have been working on a better, faster selection process by using proven software that cuts risk and lowers cost. We call this new method Start & Grow. Start & Grow is a 21st-century approach that's better, faster, and less expensive.



Historically, the adage was, "You can pick two: good, cheap, or fast."

- Rarely does a business want good – they want excellent
- No one wants cheap – they want inexpensive
- Fast offers a quicker return on investment – but rarely does anyone want fast but not good

This eBook provides guidance on this new process for selecting and implementing world-class software at lower costs for evaluation and implementation all while providing a quicker and higher return on your technology spend.

Selecting Software

With literally hundreds of software options on the market, how do you narrow your choices quickly and effectively? The typical initial filters include:

- Company size
- Industry focus
- Cost

Recently, another filter was added:

- Cloud or On-premise



Company Size

Many software systems are specifically designed for companies based on size – but there are many levels of size, with lines drawn based on revenue, number of employees, or other aspects that might not even be relevant to your business. A distributor selling expensive HVAC units, for example, will have fewer transactions and employees than a plumbing supplier with similar revenue selling components to small installers.

However software companies choose to draw the lines between company sizes, the basic premise is that the larger the company, the more flexible (aka more complex) the software is. This often includes more features, functions, and customization capabilities, but not always.

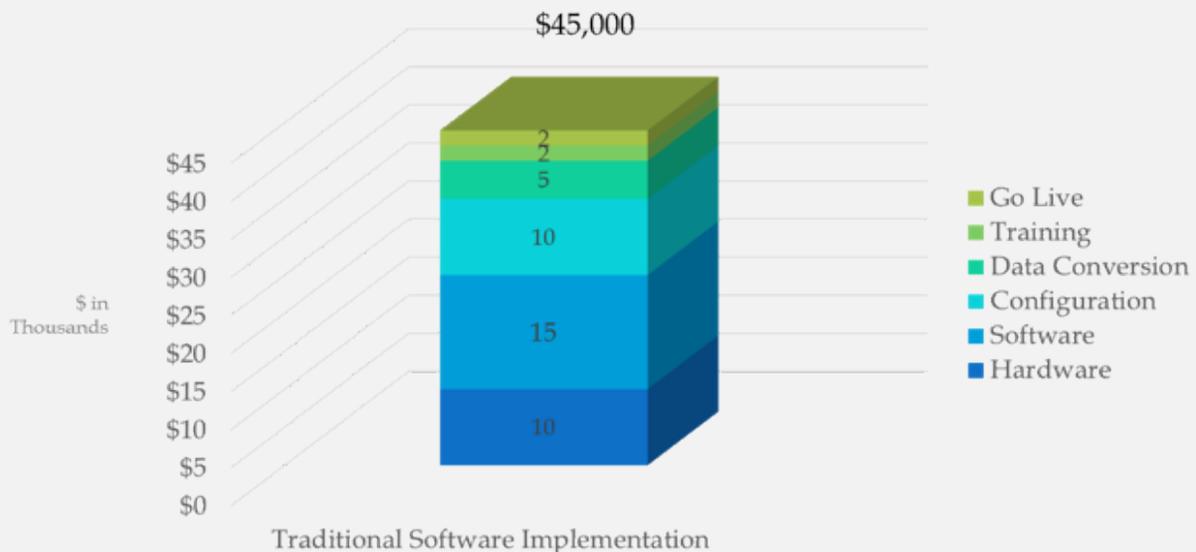


Cost

A VP of marketing for one of the major software companies once admitted that the difference between each level of software was 10% better functionality for 10x the cost. It works because companies are willing to pay when they need a particular function. Accordingly, the larger software vendors leave certain functions out of the lower-priced software to encourage customers to upgrade their product selection.

There are a couple of problems with this model for the consumer:

- Most customers use only a fraction of the functionality available in any package. This forces customers to pay much more for even more complexity, which is not required, in order to get the one function that they need.
- Each time you move up the ladder, it's not only a cost for the software; it's also a disruption of your business.



A company upgrading from a small business system may spend between \$35,000 and \$50,000 on a new system implementation, excluding the cost of internal salaries and external IT consulting for on-premise hardware, connectivity, and network support. That estimate is for an out-of-the-box system with little customization other than forms and reports. The reality is that every company is different and even companies in the same industry, using the same software can pay widely different amounts for a system based upon a variety of factors.

Cloud vs. On-Premise

A general rule of thumb for traditional software is approximately \$2,000-\$3,000 per user, plus one to one and a half times the license cost for services such as training, configuration, and data conversion; custom components and third-party software enhancements can drive up the cost for both licensing and services to two or three times that number. Having an experienced team that's familiar with the software being selected can also reduce the cost through greater customer self-sufficiency.



Cloud computing and software as a service (SaaS) have allowed small software companies to enter the market and offer point solutions to overcome some of the limitations of entry-level business management systems. There are add-ons to enhance inventory management in QuickBooks and other add-ons that allow you to import and export data in Excel to work around spreadsheet limitations. Ultimately, however, those are cheap solutions that often lead to silos of information, which creates entirely different problems.

Cloud computing has also introduced new licensing for software. Software as a service is the combination of outsourced information technology (computing power) and software licensing bundled into a single monthly payment. This subscription model eliminates the traditional "perpetual" license costs indicated above; it also replaces the "annual maintenance" fees for the software, which typically run at 17-22% of the original purchase cost of the software.

ERP SaaS subscriptions are typically priced on a named-user basis with costs running between \$50-\$250 per user per month based on the breadth of functionality offered. For example, single function users, such as remote sales people, may get a mobile sales application for \$50 or less. A core financial user with broad functionality may cost \$150-\$175, and a full function user with customization capabilities could be \$250. These costs also vary based on the feature set of the technology and whether you're in a private (your company only) or public (multiple companies using the same software and technology) infrastructure.

21st-Century Buying Cycle

Unless you're a start-up company, the purchase of a business management system is likely not your first purchase of software. Buyers have become more knowledgeable in both the options and techniques formerly used to sell software.

It's much more likely that a prospective software buyer has researched options, spoken to their attorney or CPA, and possibly even asked industry peers what they're doing. People like you reading this whitepaper have usually searched the internet, downloaded whitepapers, and watched YouTube videos of our products.

The vendor who tried to sell you their package drove the traditional 20th Century sales cycle. But do you really want to be SOLD anything? Research says that you want to talk to a technical or industry expert or a fellow business owner. You want a company that will be a partner, who understands that you're interested in buying.



At I-Business Network, we've replaced our ERP salespeople with training specialists and systems architects to help you move into the appropriate solution to the problems that are typical for your industry. It's the packaged solution approach that changes the way you buy. Salespeople no longer hound you, trying to sell as much as possible to make the most money they can. You want a solution that can solve your current problems and, hopefully, your potential, perhaps-correctly-anticipated-perhaps-not future problems. With Start & Grow, you start with the package to solve your current problems and buy other solutions when you need them.

Start & Grow

We developed Start & Grow as a 21st-Century approach to an industry plagued with 20th-Century thinkers. Start & Grow is how you get what you need at an affordable price.

- It's faster because we've
 - o Gathered industry and implementation knowledge
 - o Preconfigured the software
- It's less expensive because
 - o Pre-configuration for the distributor's needs reduces implementation costs
 - o SaaS saves upfront licensing and equipment costs
 - o There's a fixed fee for packaged solutions
 - o Monthly payments are predictable



SAPDistribution.com is powered by SAP Business One, which is one of the fastest growing systems of its kind. SAP Business One is not the same SAP run by 70% of the Fortune 500 companies, either; rather, it's a package built from the ground up to be easy to use, easy to customize, and easy to connect with outside sources like web stores or other cloud-based systems. SAP has invested over a billion dollars in Business One over the past few years and it continues to invest heavily in both its technology and functionality. SAP Business One is highly scalable and can grow with your business for a long time.

The Start Service

Start & Grow begins with a Base Distribution Package that includes the core components necessary for distributors. This includes a full suite of financial accounting modules, inventory control, order to cash, procure to pay and banking functionality.

The base distribution package is approximately 70% pre-configured; for example, it has standard banks, so all you have to do is change the name and enter your check number. Second, the Start package also has what are called item groups within the software, allowing you to simply customize the already-existing groups to fit your needs. In other words, all the configuration is present, which, combined with our templates for loading the data, makes the process occur much faster.

We're confident that SAPDistribution.com, SAP Business One, and the Start & Grow package lower your risks because we've used the configuration repeatedly for years, so it's proven to work and grow with you. Because this configuration has been implemented numerous times, it also reduces configuration risk.

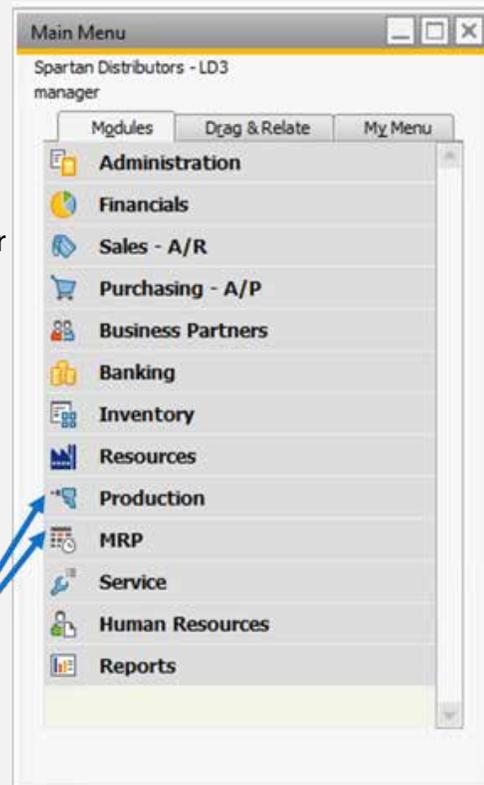
The base distribution Start service is a fixed fee at just under \$10,000. Because the basic components are pre-configured, the fixed fee is primarily for training your personnel on how to use the system. For example, any system can print a check to pay a bill. In the Start service, we teach you how to set up the software, including how to enter the bank information and what your next check number is. Then we teach you how to print checks one at a time or how to use the payment wizard for batch payment creation.



A System That Helps You Grow

We call our implementation program Start & Grow because it offers so many ways to assist you in taking your business to the next level. You begin with the base Start package and additional Grow packages are typically recommended in the following phase; although we can and have included Grow packages in the initial implementation, we find that the modular or the phase approach works best.

As with any tool, the first time you use the software you might be a little unsure of it. With practice comes proficiency, and our modular approach supports this learning curve. Getting comfortable with use of the



base package makes adding advanced packages easier and faster. During the Start phase, you learn how the software “thinks” so you can choose the most appropriate Grow packages to expand the reach of your business at minimal cost and disruption.

The Start & Grow package offers many other features to ensure the successful growth of your business, including mobile capabilities. If you need more specific functionality than what’s in the base package, you can select one of several additional Grow packages. Functionality such as production for bill of materials and kitting operations, and Materials Requirement Planning (MRP) for procurement and production recommendations.

A System That Helps You Grow Cont.

This may be a cloudy world, but it's still run by people who buy from people. Those people are not sitting in your office and your team needs access to the information wherever they may be. Imagine your representative going onsite, sealing the deal, and taking the order right away. Better yet, your staff can see what's in your warehouse in real time!

Mobile devices are the future. Their use is growing much faster than PCs or laptops, and they are the preferred devices of millennials.

The use of mobile devices is outpacing that of both desktop computers and laptops; the future of good business lies partially in being able to work with people where they are, and the probability that that's sitting in your office is low. With Start & Grow, mobile sales and the Business One mobile app come standard with each license, so your team members have access to critical information, like what's in your warehouse, wherever they are and wherever they need to go, all in real time. Even better is that the Mobile Sales application is now available as a separate component at under \$50 per month.



E-tail is another mushrooming business arena, and Start & Grow offers both business-to-consumer and business-to-business packages to extend your sales well beyond the confines of your office and warehouse. Our cloud platform has connectors with leading eCommerce packages with secure password capabilities, allowing you to control who can order on the website. It also keeps your inventory availability up to date online, automatically downloads orders into Business One to eliminate duplicate entries, updates the status of shipments, including tracking numbers, to the web store, and notifies customers of their order status via automated emails.

Speed of Implementation

Although SAP Business One is available on-premise, the beauty of SAPDistribution.com is that the software is already installed and configured in the cloud; this has allowed us to deploy the package and go live in as little as three weeks. A typical implementation for Start, however, takes four to six weeks because you must prepare your data, load it into the system, and learn how to use the software. Four to six weeks is much faster than a traditional implementation – and faster means you can start reaping the benefits sooner.

We know that deploying a new system takes time and effort from your staff, so we recommend implementing during your slowest season. The key to success is your staff learning the software, so we offer a schedule tailored to your team and containing short pre-learning and refresher videos to augment the SAP Business One Academy. This introduces your team to the key concepts prior to the coaching sessions provided by our certified training staff.

These coaching sessions are an hour in length and follow a detailed schedule that offers several benefits: you know where you stand in the role of your system, who from your team needs to attend each session and how much time to block off from their schedule, what advanced preparation you should perform before the session to make it efficient, and, of course, what's coming next.

There are some aspects of the project plan that are put in a specific order for a specific reason. Vendor master data, for example, comes before item master data because you usually buy your items from a particular vendor and therefore want to set them up first. Other aspects are very flexible, especially the timing of the session delivery; we tailor the plan to the particular engagement, following a pretty standard order, but, depending on the elements and packages included, we can and do modify the schedule.

At I-Business Network we continuously invest in our industry knowledge and the configuration of these packages, and we've taken our experiences from traditional implementations and created a streamlined process for rapid implementation. We partner with you – we don't sell to you – and, with our packaged approach, you can see the value of each building block before deciding which to purchase and when.



Tailored to Your Business

I-Business Network has worked in many different industries that face major regulation changes on a consistent basis, including pharmaceuticals and the food and beverage industry. The beauty of SAP Business One is that we can personalize for your business using just the standard tools within the software, and we can either provide an estimate or a fixed fee for any company-specific tailoring. SAP Business One has unlimited user-defined fields and numerous other options for personalizing this system for your industry.

The true value of a business management system is its ability to turn data into knowledge. We have analytics that are configurable to every situation; these analytics are not only configurable by company but can be customized to the needs of individual users and displayed in configurable dashboards. Powered by the latest in-memory technology used by the largest enterprises, SAPDistribution.com turns information into insight that you can turn into action.



Conclusion

Start & Grow is today's way of getting your industry's best practices into your business faster than you ever imagined was possible. We take proven software, mix it with industry-specific configuration, and add cloud-based tools for rapid deployment so you can leapfrog the competition with real-time access to the information you need for informed decision making, improved processes, and increased profitability.



Contact Us

info@sapdistribution.com

<http://www.sapdistribution.com>

678-401-6244

2617 Sandy Plains Rd. Marietta, GA 30066



SAP Distribution
Start & Grow for Distribution