BB3000

BigByte: Cloud Hosting Helps Expand Service to Leading Electronics Firms

Partner

*soft**engine***

Company
BigByte Corporation

Industry
Professional services

Products and Services
Electronics product repair and refurbishment, warranty management services, and complete reverse logistics services for integrators and original equipment manufacturers

Web Site
www.bigbytecorp.com

SAP® Solutions
SAP® Business One application

Partner
Softengine Inc. (www.softengineusa.com)

With continued growth and strong margins in recent years, BigByte Corporation has positioned itself for a possible succession of ownership. Looking to add top-tier customers, accelerate growth, and provide the due diligence a buyout would require, the company realized it had to improve its business processes and **implement an integrated enterprise resource planning (ERP) platform.** BigByte chose the SAP® Business One application, with cloud hosting by Softengine and Virtustream, for these needs.

Quality service and competitive pricing

Based in Fremont, California, BigByte Corporation is an independent provider of global warranty management services, after-sales tech support, product repair and refurbishment, and complete reverse logistics services for integrators and original equipment manufacturers. Providing a full range of services for optical disk drives and LCD and plasma displays, BigByte also manufactures a test and parametric measurement system for LCD and plasma flat-panel displays.

During 20 years of economic highs and lows, BigByte has consistently provided quality service at competitive pricing. As electronics technology has advanced, BigByte has always satisfied new demands for support from its customers. The company has implemented

$**4.4** million

Annual revenue

a quality management system in accordance with the 9001:2008 quality management standards of the International Organization for Standardization (ISO).

BigByte has grown steadily in recent years, adding global electronics leaders such as Apple, Panasonic, and Cisco Systems as its customers. Revenue for 2011 was US$4.4 million.

Laying the foundation for higher service volumes

When he joined BigByte in 2009, chief operating officer Michael Franklin knew the company needed better IT support to handle the large service volumes required by a growing base of high-end customers.

"The company was using homegrown software to manage shop-floor activities," Franklin says. "The financials were run on Peachtree and did not integrate with the shop-floor software, leaving us poor control over our inventory. All reporting was manual using Microsoft Excel spreadsheets. Business managers had to pull together multiple reports and create Microsoft Word documents to provide invoices and documents for our shipping and receiving departments. Data was often inconsistent and had to be corrected."

Besides greater data integrity, BigByte wanted real-time visibility of more than $300,000 of in-stock, available, committed, and on-order inventory located in 28 warehouses. Although much of the company's inventory is maintained on consignment from customers, stronger inventory control was a key requirement for further growth.

Also important were support for warranty tracking and flexible reporting tools with drill-down capabilities. In addition, BigByte wanted to make sure it was properly aligned with continuous improvement certifications, such as those from ISO, and could handle the due diligence requirements that would be necessary if the company entertained the sales process.

"We needed a complete, fully integrated ERP solution that could grow along with us and be adapted to our specific needs."

Michael Franklin, Chief Operating Officer, BigByte Corporation

Executive overview

Company

Vision

Why SAP

Solution

Benefits

Quality, functionality, and pricing

BigByte chose the SAP Business One application for several reasons. "The software offered an attractive combination of quality, functionality, and pricing for a small but growing enterprise," Franklin says.

Through SAP, BigByte found Softengine Inc., a qualified implementation partner for SAP Business One. Softengine's new Global Cloud Service Center by Virtustream offers SAP Business One users a complete hosting solution that includes cloud-managed services, high-availability backup and recovery, hosting infrastructure, and ERP support.

"We were attracted to a cloud-hosted solution because it would provide a high level of technical competency, require fewer resources from our side, and reduce our maintenance costs," Franklin says. "Given the solid reputations of SAP and Softengine, I knew I wouldn't need to worry about security or disaster recovery and could focus instead on strategic activities."

The fixed-cost implementation, which involved one site and 21 users, took less than a year. It included development of special return merchandise authorization functionality within the customer service component of SAP Business One.

"We went live on the first shot with very few problems," Franklin says. "Key users trained for two days at Softengine and then trained other users back at our offices."

"The cost of SAP Business One was more reasonable compared to alternatives from Oracle we considered, and our contacts at SAP and Softengine seemed to understand our needs more clearly."

Michael Franklin, Chief Operating Officer, BigByte Corporation

Going mobile while enhancing service and reporting

BigByte can now view all the inventory, costs, and fees for a repair transaction from start to finish within a single system and provide quality control for corrective actions. It can track all customer calls and feedback, identify the manufacturer warranty status of equipment it repairs and services, and generate and track the internal warranties it provides to customers.

Managers can approve purchase orders on their cell phones or iPads and access a wide range of customer data and other information. This reduces processing delays while managers are on the road, according to Franklin. The ability to attach procedures and drawings to part numbers, and to attach customer purchase orders to sales orders, has provided BigByte with a solution to its ISO certification requirements.

Invoicing can now be done efficiently by the finance department. The receiving and shipping departments handle their own documents, and customer service has been streamlined. Sales orders can be completed in four hours, versus one to two days with manual processing. Customer quotations, invoices, and packing slips are now in a consistent format and look more professional.

Management reporting tools in SAP Business One help BigByte create reports, queries, and dashboards that analyze productivity, efficiency, and other key performance indicators. Tools that foster internal control, data accuracy, and process efficiency help the company ensure data integrity.

"With cloud computing, wherever we have Internet access, we have access to SAP Business One."

Michael Franklin, Chief Operating Officer, BigByte Corporation

Improved efficiency, reduced cost, and greater scalability

"Implementing SAP Business One sparked a cultural change in our organization based on best practices that improve our business processes," Franklin says. "Automation has replaced manual, paper-driven processes, making operations much more efficient."

The ability to identify and track different types of repair service helps BigByte better assess profitability and improve productivity. Real-time inventory control maximizes the value of this significant asset.

Support for proactive decisions based on accurate, timely data lets BigByte take a more strategic, less reactionary approach to managing its business. Streamlined processes have reduced indirect labor costs by 15%. Outsourcing hardware maintenance has cut IT costs by 80%. As BigByte has reduced customer service resources, it has given customers quicker, more reliable reporting – as well as reporting that was not available before.

With SAP Business One, BigByte has a solid foundation for expansion. The new software has already helped the company add manufacturing projects to its service-based business. End-to-end visibility – along with greater flexibility, internal control, and data integrity – will help BigByte more effectively manage and maintain business process improvements.

"Deploying SAP Business One has given us tremendous opportunities to expand our capabilities," says Franklin. "We hope to double our deployment in the near term with enhancements in areas such as mobility, in-memory computing, and reporting."

80%

Reduction in IT costs