

# Wholesale Distribution Kit



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# NETSUITE

## for Distribution Companies

### NetSuite offers the industry's first and only:

- Built-in, role-based dashboards
- CRM and ERP with integrated Ecommerce
- Integrated Project Tracking

### NetSuite features include:\*

#### • Advanced Inventory Management

- Inventory
- Lot Management
- Serialized Inventory
- Matrix Items
- Multiple Units of Measure
- Bar Coding
- Pick, Pack, Ship
- Drop Shipment/Special Orders
- Multi-vendors per item

#### • Customer Relationship Management

- Sales Force Automation
- Marketing Automation
- Customer Support and Service

#### • Financials

- General Ledger
- Accounts Receivable, Accounts Payable
- Budgeting
- Multi-currency

#### • Order Management & Fulfillment

- Quotes, One-Click Orders
- Pick, Pack, Ship
- Drop Shipment/Special Orders
- Up sell/Cross sell
- FedEx® Shipping Functionality
- UPS Online® Tools
- Time and Billing

#### • Purchasing

- Complete Procure-to-Pay
- Automated Suggested Buy Reports

#### • Ecommerce

- Database Driven Web Site/Web Store
- Front- and Back-Office Integration
- Affiliate Marketing
- Customer Acquisition
- Customer, Partner Self-Service
- Web Site Analytics

#### • Employee Management and Productivity

- Role-based Dashboards
- Group Calendaring and Collaboration
- Employee Records
- Expense Reporting, Purchase Requisitions
- Employee Self-Service

\*Some features sold in add-on module

At NetSuite we deeply understand the challenges and complexities of running a distribution business because over 500 distribution companies run their company on NetSuite's one integrated business management software application.

Why? NetSuite ties together your entire company with one powerful software application. It connects Sales to Accounting to Inventory to your website and back to Support, giving you one complete view across your entire front- and back-office operation, across your locations, and online.

NetSuite simplifies management and increases productivity of your end-to-end fulfillment operations. And with NetSuite sales and marketing tools, you can drive increased revenues within your existing customer base and reach new customers. With NetSuite, you can do both with improved service at a lower cost.

### NetSuite Makes it Simpler to Manage Your Distribution Business Better?

- **One System to Run Your Distribution Business.** NetSuite is the one intelligent, application to unify your business processes, increase visibility for better decision making, and extend order and financial management to your customers and channel partners.
- **On-Demand, Web-based Solution.** NetSuite significantly reduces your total cost of ownership by eliminating the need to replace/upgrade any hardware, doing operating and application maintenance. In addition, you will always be on our latest version without additional costs to justify.
- **The Ultimate Business Dashboard to Manage Your Business.** NetSuite gives every user in your company a custom dashboard that allows them to monitor everything in the business relevant to them.
- **Transactional and Quote/Bid Processed Order Types.** Whether you're a heavy transactional based distribution company needing the ability to quickly and accurately respond to a customer inquiry and ship the product today or your inquiries go through a sales cycle process, needing more detailed flows through the bid and quote process, NetSuite can handle either or both types of orders seamlessly.
- **Advanced Inventory & Order Fulfillment for Distributors.** NetSuite saves distributors countless hours of work associated with data entry, organization and fulfillment. You'll be able to convert leads to orders, orders to shipments, and shipments to revenue in short order.
- **FedEx® Shipping Functionality and UPS Online® Tools.** No more re-entering your shipping information into a separate application. Now you can manage all your shipping—from rates, to labels, through real-time tracking—faster, and simpler within NetSuite.



- **Complete Procure-to-Pay Purchasing.** NetSuite lets you move from manual, paper-based purchasing to lower cost, higher control automated purchasing. NetSuite streamlines purchasing, saving you money that goes straight to your bottom line.
- **The Best CRM for Distributors.** NetSuite sales, marketing and support software can increase service levels and generate growth in a distribution company. Unlike standalone CRM applications, NetSuite CRM software is seamlessly integrated with financials and your back office systems, giving you a 360 degree view of the customer.
- **Integrated Back-Office Operations with Distribution Features.** NetSuite lets you manage the complex back office within one system from accounting to inventory through procurement and employee management. NetSuite makes back office management simpler.
- **Ecommerce Broadens Markets. NetSuite can help you become the Amazon.com of your distribution segment.** NetSuite is the only application provider that includes website hosting and ecommerce as core functionality to the business. Because inventory, orders, shipping and returns are managed in one system, your online business provide high levels of service as the rest of your business with lower costs-without the headaches of a third party web store.
- **Amazingly Affordable.** NetSuite provides dramatic cost savings relative to other combinations of front-office and back-office applications, including Great Plains with Salesforce.com or MSCRM, MAS200 with Sage CRM, Prophet 21 with SalesLogix, and more.

## CPI USA

www.cpi-usa.com



### At A Glance:

- **Company:** CPI USA
- **Location:** Irving, TX
- **Industry:** Manufacturing; Wholesale/Distribution
- **Challenges:**
  - Finding an ecommerce, accounting and customer relationship management system that would give both dealers and the parent office a real-time view into operations
  - Streamline administration; gain control over sales opportunities and open quotations
- **Software switched from:** Paper-based processes
- **Results with NetSuite:**
  - Saves \$480,000 a year in employee costs



“The factories are in Taiwan, China, and Indonesia, so without a real-time system like NetSuite, it would be difficult for us to monitor the status of products that are in the warehouses and that are being shipped. At the same time, the parent company has access to our sales and how many units we have sold during a specific period.”

— Johnny Tai, Administration Manager

CPI USA

### The Results: Half A Million Savings Every Year

Johnny Tai, administration manager of CPI USA, estimates that the company saves an eye-popping \$480,000 a year in employee costs. “Hardly any companies in this industry are automated—and certainly not to the extent that NetSuite allows us to be,” he explains. “So it is easy for us to quantify the savings NetSuite delivers.”

CPI USA’s competitor needs 25 employees to maintain the paper-based workflows supporting the order management, inventory and warehouse processes and customer service records. Tai is able to attain the same—in fact, higher—level of productivity with only 12 employees because of NetSuite. “If we had to hire the additional 11 people to remain competitive, it would cost us \$480,000 a year.”

### The Challenges: Paper-Based Processes

CPI USA is a factory representative of The CPI Group, a Taiwanese-based manufacturer and distributor of motorcycles, all-terrain vehicles, scooters and dirt bikes. It is a narrow-margin business, Tai explains, that is highly competitive. “These products sell based on three factors: quality of product, price of product, and service.”

Service, he says, is the one factor that dealers can control. But because of the archaic systems that characterize the industry, providing quality service can be very difficult. Mistakes due to data entry errors are common, for instance. And providing accurate information to customers on a timely basis can be downright impossible.

“It can take three or four days for a manufacturer to respond to a dealer question about availability of a part or a product in a certain color. In the meantime, the dealer probably has lost the sale.”



“ Thanks to NetSuite, dealers can order parts, register warranty, submit warranty claim online—and in this industry, having the necessary parts on hand is key to success—which means they can make guarantees to their own customers.”

— Johnny Tai,  
Administration Manager  
CPI USA

Tai knows about such problems first hand: CPI USA is a relative newcomer to The CPI Group family. In August 2003, the company acquired JAG Powersports, then an importer and reseller of these products. The company was renamed CPI USA and its mission subsequently changed.

And when that happened, Tai knew the company would need a system to give it a real-time view into the corporate parent’s factory operations, and—just as importantly—give its dealers an edge in what had become a very popular and very competitive retail niche.

“I needed a top-of-the-line system that could do all of that—and at a reasonable cost,” Tai says.

### The Solution: A 24-Hour Web Store

NetSuite’s functionality does both, Tai says. “The factories are in Taiwan, China, and Indonesia, so without a real-time system like NetSuite it would be difficult for us to monitor the status of products that are in the warehouses, and that are being shipped. At the same time, the parent company has access to our sales and how many units we have sold during a specific period.”

Indeed, he says, NetSuite’s sophisticated accounting features and reporting capabilities allows both the parent and the affiliate to crunch sales and forecast data according to any metric or timeframe required. “Either party can see, for example, how many units are sold during a particular time frame, such as an advertising campaign,” he says.

NetSuite has also enabled CPI USA to build up—and then cement—its network of dealers. Using NetSuite’s custom record feature and Web store tool set, CPI USA has developed a Web store that it provides free to its dealers, giving them access to parts of the system necessary for their business. “They can order parts online—and in this industry, having the necessary parts on hand is key to success—which means they can make guarantees to their own customers,” Tai says.

And because the system has been configured to track parts and products by their VIN number, dealers can also input warranty claims. “This has been a phenomenal help to their own customer relationship management activities, because with that data in the system they can tell a customer within seconds whether a problem or part is still under warranty,” Tai says.

Tai says that when he gives potential dealers a demonstration of the Web store, they are almost always sold on its benefits on the spot. “I would estimate that 40 percent of our new dealers are with us specifically because of NetSuite.” Besides the inherent satisfaction of maintaining a good relationship with his distributors, Tai notes that these new partnerships directly translate into more sales for the CPI Group. “Typically new dealers order between \$10,000 to \$15,000 worth of product right away—in our case, they are able to do it effortlessly through the NetSuite application.”



## Lightyear Technology, Inc



### At A Glance:

- **Company:** Lightyear Technology, Inc.
- **Location:** Atlanta, GA
- **Industry:** Computer/Internet; Distribution/Wholesale
- **Challenges:** Company needed to tie an integrated front and back end system into its fulfillment operations
- **Software switched from:** Quickbooks, ACT!, MAS 90, SalesLogix, FedEx
- **Results with NetSuite:** Saved \$50,000 a year in employee productivity and salaries due to UPS integration link



“The UPS integration is a great feature for our customers. Oftentimes they would ask us for status updates and now we can provide it immediately. Instead of having to go to the shipper for the data, it is in our database and it doesn’t matter who they call - customer support, accounting etc. - we are all able to access it immediately.”

— John Borden, COO  
Lightyear Technology, Inc.

### The Results: UPS Integration Reaps Rewards

Lightyear Technology’s product line is a seemingly simple one to understand and market—the company provides imaging equipment for the dental industry. Behind the scenes, though, the process for configuring and placing orders can be very complex given the high tech components of the product. Therefore, Lightyear Technology was able to realize significant savings because UPS’ order fulfillment system is integrated with NetSuite’s accounting and customer service systems.

“This is not an entry level job, processing these orders,” COO John Borden explains. “It requires high end - and expensive - human resource skills to do it correctly.” He estimates that the link to UPS saves between \$40,000 to \$50,000 a year in employee productivity and salaries.

Under the old system, Borden said one person could at best process between 12 and 15 orders a day. “With NetSuite we have doubled that,” he says.

### The Challenge: All or Nothing

As a high growth company, Lightyear Technology needed a system that could scale quickly. For its initial start up phase, the company had utilized QuickBooks and ACT! for its accounting and sales lead tracking and customer service needs. The problem was, these applications did not integrate well.

“We realized that in order to serve our customers and maintain our books properly, we would need a system that tied everything together—sales force automation, lead generation, lead tracking, customer support services and accounting.”



“ Previously we were using FedEx for our shipping, and it was a very cumbersome process as we would have to take the appropriate customer data out of our CRM database, manually retype it into FedEx's Web site and generate a mailing label. From that label we would receive a tracking number, which we would have to retype again into our CRM database.”

— John Borden, COO  
Lightyear Technology, Inc.

Borden examined a number of applications that could do one or part of these functions well. He looked at MAS 90 and SalesLogix, for example, and while each offered decent accounting and CRM functionality, respectively, that was all they offered.

“We saw a lot of solutions that did only one function out of the many that we needed. They might have had a good financial package but it could not tie to customer service or it might have been able to handle inventory well but you could not see other metrics on the dashboard. And a lot didn't even have dashboards in the first place.”

Another problem was the manual back and forth Lightyear Technology had with its third party fulfillment provider, Borden says. The typing and retyping of customer data and tracking numbers left an uncomfortably large margin for error.

“Previously we were using FedEx for our shipping, and it was a very cumbersome process as we would have to take the appropriate customer data out of our CRM database, manually retype it into FedEx's Web site and generate a mailing label. From that label we would receive a tracking number, which we would have to retype again into our CRM database.”

### **The Solution: Customers Appreciate the End-to-End Integration**

Right away Borden saw the benefits of having NetSuite link directly into UPS.

“The UPS integration is a great feature for our customers. Oftentimes they would ask us for status updates and now we can provide it immediately. Instead of having to go to the shipper for the data, it is in our database and it doesn't matter who they call—customer support, accounting etc. - we are all able to access it immediately.”

In fact, Borden says, Lightyear Technology “raised the bar substantially in our customer service practices after we implemented NetSuite.” Because the customer data is concentrated in one location, the service reps no longer had to rummage through multiple computer files to find out what a customer had ordered, what was owed or the shipment status. “NetSuite allows us to see the entire history—including a trouble ticket, which an immense improvement over other systems—with one click.”

As for internal efficiencies, Borden points to NetSuite's Dashboard, which he uses to keep track of the key operating metrics of the company. “It's like a one stop shop for business intelligence. I can see last month's sales versus this month, our current bank balance, current payables, how many trouble tickets were opened last week versus this week and how quickly they were resolved. I can look at the forecast for the month and the number of prospects we have in the system—all in one glance.”

## Martor USA

www.martorusa.com



### At A Glance:

- **Company:** Martor USA
- **Location:** Green Bay, WI
- **Industry:** Distribution/Wholesale
- **Challenges:**
  - Outdated accounting required double-entry
  - Sales automation had no visibility into performance or inventory
  - Cloudy inventory led to high shipping costs
- **Software switched from:** MYOB, Goldmine
- **Other software considered:** MAS 90
- **Results with NetSuite:**
  - Saved thousands of dollars monthly on shipping
  - Eliminated week-long invoicing delays
  - Avoided MAS 90 costs: \$40,000 for software, training and licenses; \$40,000 for hardware



“ We have reduced shipping expenses dramatically by having information immediately available.”

— Mel Freedman, President and CEO

Martor USA

### The Results: Cutting Out the Fat

By leaving behind outdated and poorly integrated systems, industrial cutting tool manufacturer and distributor Martor USA has eliminated frustrating and costly delays and inefficiencies in its business. Double-entry has been eliminated, a growing sales force now has instant access to up-to-date performance figures, and orders are no longer held up for weeks awaiting proper invoicing and documentation.

Because air shipments are more than quintuple the price of sea transport, President and CEO Mel Freedman is elated that the detailed inventory tracking offered by NetSuite has allowed him to replace one monthly air shipment from Martor's German headquarters with surface freight, saving thousands of dollars each time. “We have reduced shipping expenses dramatically by having information immediately available,” says Freedman.

### The Challenges: Keeping Sharp

Martor USA debuted in the early 1980s as The Spoilage Cutter Company, selling the innovative Zepher Model 102, a tool for cutting the outside layers off of a large roll of paper or film. Success led to more success and by 1995, the company became an exclusive distributor for Germany's Martor Company, which manufactures a wide variety of industrial cutters.

However, the company's growth put a strain on an aging IT infrastructure based around MYOB and Goldmine. Because the company was operating in multiple locations with outdated software, duplicate accounting was necessary for bookkeeping and shipping. “We were struggling with the amount of time it took to get invoices out and do the double entry,” says Freedman. “It was a real problem, and there was no visibility of sales information to the salespeople.”

While business remained strong, the company began searching for ways to better manage inventory. Frequent air shipments from Germany kept inventory levels low, but at a high cost. Without a clear view into inventory status and sales projections, saving money by



**“ There is no way we would have been able to continue to grow without hiring another data entry person for the warehouse.”**

**— Mel Freedman,**  
**President and CEO**  
Martor USA

switching to sea transport was impossible. “If you’re going by boat it takes about a month, so you have to really understand how much you’re selling and how much you’ve sold.”

With business being held hostage by inefficient systems, Martor searched for answers. “We thought we may need to put a server in and put in a VPN because of the number of orders,” says Freedman. Martor investigated MAS 90 but the costs quickly ramped up past his tolerance.

“It came back as about \$40,000 for software, training and licenses, then another \$40,000 for hardware,” he says. “I said, ‘There’s got to be another way.’”

### **The Solution: NetSuite Hones the Edge**

Rather than spend six figures on traditional back-office software, Martor USA adopted NetSuite in October 2002 and hasn’t looked back.

By switching, Martor enjoys improved sales visibility into pipeline and performance over Goldmine. With the aid of NetSuite Professional Services, Martor migrated thousands of existing customer records to the NetSuite system, which keeps all records updated system-wide as soon as an order is placed or an opportunity is created. “With Goldmine, every remote computer needed to sync at the end of the day or the information wouldn’t be there, and now we don’t have to worry about that. If we had to go back, we would go crazy,” says Freedman. “People love being able to know how many orders they got the day before, and how many units we sold.”

Martor USA handles about 100 customer orders per week and most are now processed through NetSuite’s UPS integration, reducing the time and effort necessary to complete a shipment and improving productivity in the warehouse. “There is no way we would have been able to continue to grow without hiring another data entry person for the warehouse,” says Freedman.

Invoicing delays, which stretched out as long as two weeks when Martor was using its previous infrastructure, have been eliminated now that NetSuite generates same-day invoices for mailing. “Some customers had systems that required the invoice to record the deal, and they got measured on how long it took to close the deal on their end. It was wasting their time and our time all around.”

## TTI Instruments

www.ttiglobal.com



### At A Glance:

- **Company:** TTI Instruments
- **Location:** Williston, VT
- **Industry:** Distribution/Wholesale
- **Challenges:**
  - Aging, disparate collection of operational software
  - Little remote-access capability
  - Costly, paper-bound invoicing
- **Software switch from:**
  - Great Plains, Dydacomp Mail Order Manager, internal development
- **Other software considered:**
  - Great Plains upgrade
- **Results with NetSuite:**
  - Improved shipping and fulfillment efficiency with an integrated UPS solution
  - Improved customer payment process using NetSuite credit card processing
  - Complete customer lifecycle management in one system
  - Saving thousands of dollars per year using electronic billing through NetSuite



“The first thing I found was that it used to cost us at least 80 cents to send an invoice. With NetSuite e-fax, it costs less than 20 cents, and e-mail invoices are free. I’m saving \$6,000 per year on invoicing alone.”

— Brian Leffler, VP

TTI Instruments

### The Results

TTI Instruments implemented NetSuite to rein in a cluster of aging, inefficient systems and improve sales visibility, both in the office and on the road. By consolidating four operational systems into just one solution with NetSuite, TTI has greatly improved its fulfillment processes and is much more open to its customers. “The first thing I found was that it used to cost us at least 80 cents to send an invoice. With NetSuite e-fax, it costs less than 20 cents, and e-mail invoices are free. I’m saving \$6,000 per year on invoicing alone,” says Brian Leffler, vice president of TTI Instruments. “And now, our customers can get their tracking information direct from NetSuite. Before, we had to get that from UPS and didn’t have a great way to get that into our accounting system, where we couldn’t do anything with the information anyway. Now, people are getting invoices just a few hours after shipment, and they have the tracking numbers right there.”

Early in its adoption, TTI quickly discovered key advantages to its NetSuite conversion.

“The amount of work we save to get packages out the door now is unbelievable—we’re saving man-hours per day on the NetSuite solution,” he says.

“I would say we had the smoothest transition ever. With a tremendous amount of hard work on our part and even more by NetSuite Professional Services, we made our transition on January 1st, 2005, and in our four busiest months ever after that, we haven’t missed a beat.”

### The Challenges

TTI Instruments is a 17-year-old distributor of industrial process controllers and instrumentation, with an exclusive arrangement with Fuji Electric Systems of Japan and relationships with several other manufacturers in the field. Long-term success was catching up with the company, and changes beyond TTI’s control created a need for change in the company’s technology-aided processes.



“ We're embracing NetSuite in this company as closely as we can, so from our leads to our shipment tracking numbers, we have all of our business in NetSuite.”

— Brian Leffler, VP  
TTI Instruments

TTI had been a long-term Great Plains user, but word came down that support would be terminated for their version of the program. Continuing with Great Plains would require costly software and server upgrades. “I consider myself a software guy, so I didn't mind the idea of doing that, but when we added up the dollars involved, it made us look at other options,” Leffler says. “We were getting increasingly frustrated, and this was the straw that broke the camel's back.”

In addition to the Great Plains system used for accounting, TTI was juggling multiple other software systems, each targeted at a specific functional aspect of the business, and each with its own pool of data. This not only slowed down the business, but made remote access extremely cumbersome.

### The Solution

NetSuite is helping TTI maintain its strong track record of growth over the past several years without adding substantial costs. “With the way our business is changing and growing, NetSuite is a much better fit for us, in terms of the functionality and the way the application works,” Leffler says.

Gone are the four different operational systems. TTI uses VeriSign Payflow Pro payment integration with NetSuite as well as the UPS shipping link to conduct the entire customer lifecycle with NetSuite. “We're embracing NetSuite in this company as closely as we can, so from our leads to our shipment tracking numbers, we have all of our business in NetSuite.”

All of TTI's employees have a NetSuite login, and are encouraged to take advantage of the service's anywhere, anytime access capabilities. “Before, I had one or two people using PCAnywhere to access our in-house systems. Now, anybody can access our entire system from home, and when salespeople are traveling they can search for other customers in their area where they happen to be traveling,” he says.

Next up for TTI is a deeper exploration of the pre-sales process, again with NetSuite at the center of operations. “Now, our director of marketing, is really getting onboard. We've been doing a lot of work in the marketing module because NetSuite has all the campaign management we need, so we can start seeing how each of our advertising dollars is performing. This is functionality that we did not have before, but is included in NetSuite.”