Sage 500 ERP | Customer Success

Workspace Works Wonders Down Under With Sage

"You provide the space, and we'll make it work." That's the motto of Workspace Commercial Furniture. For nearly 100 years, the company has been a respected name in quality Australian furniture. It maintains sales offices in Sydney, Canberra, Melbourne, and Adelaide and manufactures seating, desk, workstation, and hospitality products.

Workspace prides itself on using the latest technology for making furniture. Until recently, however, its business systems were limping along on antiquated UNIX-based accounting system. Even worse, its sales operations were run manually.

Solutions From Sage

"With our old system, we had to ask our programmers to write special programs to create reports," says Trevor Gould, managing director. "Our sales staff typed up quotes, wrote sales orders, and entered them into the system—all manually. Data was entered three times, creating enormous possibility for errors."

Workspace looked for a new solution that was ultraflexible, especially in reporting options. It also shopped for an end-to-end system with sophisticated financial analysis and customer relationship management capabilities. It implemented Sage SalesLogix in 2003 and Sage 500 ERP* in early 2005.

"We rely on Sage 500 ERP to run our entire operations," explains Gould. "Besides standard accounting functions like payables, receivables, and the general ledger, it handles our manufacturing including orders, inventory, bill of materials, production control, materials handling, replenishment, and shipping."

MRP Module Makes Life Easier

"Being a jobbing shop, we assemble to order. It's essential we have materials on hand, such as timber, board, and chair components. We maintain about 13,000 items in stock, and these come from 300 different vendors," says Gould.

"We rely on the MRP module in Sage 500 ERP for all material requirements planning," he continues. "It basically drives our entire factory. The module generates a schedule for work on a particular week, categorizing jobs by department, section, and work center for the factory floor. The module compares current and projected needs against materials on hand. It automatically recommends purchase order requisitions to be approved and then generated into firm purchase orders to suppliers."

*Sage 500 ERP was named Sage ERP MAS 500 when Workspace Commercial Furniture initially implemented this solution. The product names have been updated in this case study to reflect current naming.

Customer
Workspace Commercial Furniture

Industry
Commercial furniture manufacturer and distributor

Location
Melrose Park, SA Australia

Number of Locations
Four

Number of Employees
150

System
Sage 500 ERP

Challenge
UNIX-based accounting system was slow and error-prone and required programmers' time to create reports; sales processes were all tracked manually and required triplicate data entry.

Solution
Sage 500 ERP with a full complement of manufacturing modules and Sage SalesLogix for a fully integrated financial and sales management system.

Results
Month-end reporting cycle reduced from three weeks to three days; stock holdings reduced by 10 percent due to better inventory control; order lead time trimmed by 15 percent.

Extra Efficiencies

Sage 500 ERP prints labels for all items made by Workspace, complete with descriptions and delivery points. Workspace runs its own delivery vans throughout Australia. Sage 500 ERP automates dispatching on a state-by-state basis and tracks delivery time.

"Every order has a standard time. We capture actual time and run a comparison against the standard. Bar codes are printed on all work orders. Our workers scan these bar codes as well as their own personal card on the shop floor, and the data is downloaded into the system at the end of each day. The result has been a tremendous improvement in efficiency," says Gould.

Accurate Profit Margins

The switch to Sage 500 ERP meant that Workspace could finally replace its periodic accounting system for inventory with perpetual accounting. "Perpetual accounting means that we now have an accurate profit margin for every product sold. Before we only had a derived margin. This translates into more accurate profit and loss statements, for better planning and greater understanding of daily status," Gould notes.

"We also have much better access to information from the database. Our accountant set up a range of analyses using various FRx, SAP® Crystal Reports for Sage 500 ERP, and spreadsheets, thanks to the open database connectivity engineered into Sage 500 ERP," he adds.

Superior Sales Management

Sage SalesLogix interfaces seamlessly with the business system. "When our salespeople input a request in SalesLogix, information flows to the Sales Order module in Sage 500 ERP," says Gould.

> "Our month-end reporting cycle has been reduced from three weeks to three days, thanks to Sage 500 ERP."
>
> Trevor Gould, managing director
> Workspace Commercial Furniture

"We run a job cost to generate a sales price, which can be used immediately for a quote. If the quote becomes an order, it is flagged, and the system generates the necessary paperwork for production on the factory floor, all without additional data entry."

Workspace uses Sage SalesLogix for planning and analysis, too. "Our salespeople maintain their appointment calendars in the software," Gould says. "Managers can review the amount of calls each salesperson is doing. It's easy to calculate the percentage of orders that are won or lost, and the total dollar value of orders, to reward superior performers and pinpoint areas for improvement."

The move to Sage products has resulted in important bottom-line benefits. "Our month-end reporting cycle has been reduced from three weeks to three days, thanks to Sage 500 ERP. Stock holdings are down by 10 percent because we have better inventory control. We've reduced our lead times on orders by 15 percent. And the time it takes us to go from sales to work order is down from three days to one," says Gould.

About Sage

Sage North America is part of The Sage Group plc, a leading global supplier of business management software and services. At Sage, we live and breathe business every day. We are passionate about helping our customers achieve their ambitions. Our range of business software and services is continually evolving as we innovate to answer our customers' needs. Our solutions support accounting, operations, customer relationship management, human resources, time tracking, merchant services, and the specialized needs of the construction, distribution, manufacturing, nonprofit, and real estate industries. The Sage Group plc, formed in 1981, was floated on the London Stock Exchange in 1989 and now employs 12,300 people and supports more than 6 million customers worldwide. For more information, please visit the website at www.SageNorthAmerica.com or call 866-996-7243. Follow Sage North America on Facebook at: http://www.facebook.com/SageNorthAmerica and Twitter at: http://twitter.com/#!/sagenamerica.

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