

Sage ERP X3 | Case Study

Carson Home Accents Receives the Gift of Customer Satisfaction with Sage ERP X3

Background

Located near Pittsburgh, PA, Carson® Home Accents is a recognized leader in the wholesale manufacturing and distribution of gift, garden and home décor products to specialty retail stores nationwide. With over 10,000 customers in the U.S., Carson has consistently proven the enduring appeal of its products and its devotion to customer satisfaction.

Originally founded as the Carson Casting Company in 1970 by Harry Carson, Sr., the family crafted not only the traditional Statesmetal® merchandise it still casts today, but in addition, fashioned the “commitment to excellence” philosophy embraced by the company – quality products and customer satisfaction are a direct reflection of each person involved in the process from product design to delivery. Today, three generations of the Carson family work together with 55 employees to ensure the “commitment to excellence” continues for years to come.

System Evaluation

Being so highly committed to customer satisfaction, Carson was deeply concerned that its legacy system lacked the flexibility to handle allocations according to how they wanted to operate. The system provided only one set of rules, which had to be followed. Each type of customer was viewed the same, with no regard to priorities for key customers and it was impossible to lock down an allocation when necessary. As a result, a considerable amount of time was spent worrying about losing a large customer because their order was shipped to another customer.

In selecting their new system, Carson followed the normal due diligence process that included research, product demonstrations, securing written responses to specific questions and contacting customer references. Throughout this process, a few things helped Sage ERP X3 stand out from the other applications the company reviewed.

First, Carson narrowed the search to four candidates and scheduled three product demonstrations. “Sage ERP X3 was the first demonstration we viewed,” said John Hill, Vice President of Administration for Carson Home Accents. “While the demonstration was impressive, it became more meaningful during the third demonstration. About ten minutes into it [company President] Mr. Carson and I both knew where we were headed. It was at that point that we looked each other in the eye and read each other’s mind: how do we politely cut the demonstration short so we didn’t waste our time? After this third demonstration, we felt there was no need to schedule the fourth.”

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- John Hill
Vice President of Administration
Carson Home Accents

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Second, while Sage provided several valid customer references, Hill decided to investigate further by checking several more which were not included on the reference list. “I contacted six additional Sage ERP X3 customers and all of the contacts spoke very highly of the product and the company,” said Hill adding, “While we have been with Sage for only a short time, we attended two user conferences and talked with over a hundred users. All were positive about the Sage ERP X3 product and excited and enthusiastic about having the opportunity to work with it.”

During the selection process, the ability of Sage ERP X3 to provide configurable allocation rules stood out in comparison to other mid-market products. “Reservations, manual and automatic allocations and de-allocations, in addition to selection criteria using formulas provided the most comprehensive tool set we found,” said Hill. “And, this was true throughout the architecture of the Sage ERP X3 software.”

The Implementation

Carson implemented the entire Sage ERP X3 Distribution suite, as well as the Automated RF Data Collection module. With a few simple customizations, the software was adapted to accommodate the company’s business processes.

Inventory Optimization. As a distributor of products from China, Carson offers over 1,500 items from 20 overseas suppliers. Optimizing inventory levels and purchasing logistics while maintaining customer delivery satisfaction is a challenge. While most orders ship 100% complete, there are times when items are placed on back order.

A typical sales order has 25 different line items. The company has to be careful to limit the number of back orders to its customers as too many partial shipments can be costly not only in terms of shipping costs, but also in terms of customer satisfaction. To be most effective, Carson created a very simple customization combining a Microsoft Excel query and the standard Sage ERP X3 import functionality to select the orders for picking.

“With Sage ERP X3, we can now complete this daily process in about a half hour, instead of the four hours it took with our legacy system,” said Hill. “And it’s kind of fun how it works. We simply drop a CSV file created

from the Excel query into a folder on our desktop and the orders are selected for picking. The standard Sage ERP X3 import and export functionality provide great opportunities for process improvement.”

Management of Seasonal Products. Another such opportunity for Carson is in the way the company handles seasonal products. While a few pages of Carson’s product catalog were dedicated to select seasonal items, the company never truly became a player in that market. “There’s a risk associated with entering a market controlled by other bigger companies,” said Hill. But, when company executives decided to expand the product line with a special seasonal catalog, Hill found himself in a unique position.

Hill was informed of a few important sales rules that would affect how an order is processed. Among them, no regular catalog items could be part of a seasonal order and vice versa, with the exception of 15 items which can appear on both types. Additionally, an error message should be generated for the data entry team when an order is inconsistent with this rule.

With the catalog ready to mail to customers, Hill was under what company executives thought was an aggressive 30 day deadline to complete all the requirements. Complicating the matter was that a planned migration to the latest version of Sage ERP X3 and the annual company shutdown over the Christmas holiday occurred within the 30 days.

“As they informed me of each requirement,” said Hill, “I assured them that our Sage ERP X3 system

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Headquarters
Freeport, PA

Industry
Wholesale manufacturer and distributor of gift, garden and home décor products

Employees
55

Sage ERP X3 Licenses
30

could accommodate each one. That was quite different from the responses they received when we operated with our legacy system.” He continued, “I told them all to enjoy their holidays and that their requirements would be complete when they returned. I didn’t tell them it would take only a few minutes to incorporate the new rules.”

Results

Carson makes a conscious effort to achieve a measurable return on investment for any improvements the company considers. According to Hill, “It’s more than a formula on a spreadsheet. It’s real. So if you make an argument that you are going to save 40 hours a week with your investment in a new system, you’d better be prepared to cancel the new hire, not replace the next resignation or start looking for a new job.” Since its Sage ERP X3 implementation, the company has not replaced employees for two positions that went vacant.

Just as important, as the introduction says, is Carson’s commitment to customer satisfaction. With improvements to the order fulfillment process, Carson is hearing a lot of positive comments. In fact, the company was recently cited in Gifts and Decorative Accessories, an industry trade publication, for excellence in customer service. And, customers approve of the invoices generated by Sage ERP X3. Said Hill, “Our customers are saying ‘thank you for the new and improved invoice’. Anytime a customer thanks you for an invoice, it’s a good thing.”