

Sage ERP X3 | Case Study

Enhancing Online Sales with Sage Xtend:

Onsrud Cutter and Satellite Industries Implement e-Commerce Capabilities

Sage Xtend is an integrated system of tools connecting Sage ERP X3 software to dynamic company websites, and delivering access to key business transactions on the web. The result is a personalized, highly secure e-business solution allowing companies tremendous autonomy in the way they design and manage their websites, and in how they interact with business partners.

With Sage Xtend, customers can do their own research on products, place and track orders and review invoices 24 hours a day by 7 days a week without the intervention of customer service. When placing an order, the customer will have access to their specific pricing as contained in the Sage ERP X3 system. In fact, all of the business rules for placing orders into Sage ERP X3 from the traditional Sage ERP X3 client apply, but the interface is a normal web based 'point-and-click' application.

Libertyville, IL-based Onsrud Cutter, the only router bit facility in the U.S. that manufactures high-speed steel, carbide tip, solid carbide and diamond coated router tooling, was the first Sage ERP X3 customer to implement Sage Xtend in North America.

According to Daane Troyer, the company's IT director, the existing order processing system was primitive. With orders being received by phone, fax or e-mail, the data had to be manually entered into the company's Sage ERP X3 system. "We had decided to bring control of our website in-house," said Troyer, "and the ability to link the site to Sage ERP X3 was enticing."

By connecting the online ordering directly to Sage ERP X3, Onsrud Cutter saves customer service time and increases accuracy as orders are directly inputted to the Sage ERP X3 system. Customer service is enhanced as buyers have access to real-time inventory status. When items are out of stock, the system calculates the earliest possible ship date based on manufacturing lead times.

For B2C customers who do not have an Sage ERP X3 account, Onsrud Cutter implemented Verisign® Payflow Pro along with SSL, a secure third-party online payment processing solution, to manage credit card payments. With Payflow Pro, they can reap the benefits of online payment processing without being burdened by the liability of maintaining customers' private financial data and the responsibility of complying with the standards of the credit card companies. A "delayed payment" transaction is used where the Sage Xtend website authorizes the transaction for the amount of the purchase and the Sage ERP X3 invoice validation processes the actual payment.

"After nine months with Sage Xtend, we've already achieved a total return on investment. We've positively impacted our bottom line by more than doubling our B2C online sales."

- Daane Troyer
IT Director
Onsrud Cutter

(continued)



According to Troyer, “After nine months with Sage Xtend, we’ve already achieved a total return on investment.” He added, “We’ve positively impacted our bottom line by more than doubling our B2C online sales.” The company’s goal is to again double their B2C online sales in the coming year by continuing to improve the site and enhancing its search engine visibility.

Another goal for the coming year is to increase usage on the B2B side where customers have been slower to adopt the new technology. According to Meeta Patel, Onsrud Cutter’s web marketer, the company’s distributors fall in one of three categories: those who have not embraced technology and have not registered for an account; those who have a system in place and are resistant to change; and those who have no system but are open to technology. It’s the latter group who are actively placing online orders, but most of those who have signed up are only checking pricing, tracking orders or reviewing account status. Even so, the company is realizing cost savings in the customer service area.

Satellite Industries, a Minneapolis-based manufacturer of portable restrooms, sinks, deodorizers and service trucks, also went live with Sage Xtend. According to Vice President John Babcock, the company decided to implement the system because they wanted to further the efficiencies they already were realizing with Sage ERP X3. They also wanted to be proactive in anticipating customer needs.

One of the most interesting features of Satellite’s three-month implementation is the ability for customers to select an item from a parts schematic. Now, customers can view a photo of a portable restroom and simply click on the component they want to order. Babcock describes, “It was difficult for our customer service department to process orders from customers asking for a ‘thing-a-ma-jig’. Now, they simply point at the specific part on the diagram and click. In fact, the system is so user-friendly that our employees can use it when they process an order by phone.”

According to Babcock, Sage Xtend will enable Satellite to provide a consistent cost structure through varying seasonal demands and external business conditions. “When demand is high, we won’t be required to hire additional resources; and when it tapers off, we’ll have control of our costs.”

Less than six months after going live with Sage Xtend in the U.S., Satellite rolled out the e-commerce capabilities to its European operations.

The company’s complex infrastructure includes a total of nine websites that cover six languages (English, French, German, Italian, Spanish and Dutch) and three currencies (U.S. Dollars, Euros and British Pounds).