

# Sage ERP X3 | Case Study

## Timely Planning is Key to Sage ERP X3 Implementation Success

### Background

Minneapolis-based Satellite Industries, Inc. is a manufacturer of portable restrooms. Founded in 1958, the company is the world's largest supplier to the portable sanitation industry. Satellite's diverse supply chain involves selling its products to private service companies who in turn service the construction, recreation, commercial and event industries where the company's portable toilets, sinks, deodorizers and service trucks are employed. Servicing an international market, the company's products have been used at the Olympics and other major outdoor events. Satellite sales offices are located throughout the United States with overseas offices in Belgium, Spain, France, the United Kingdom, Germany, Poland and Shanghai.

### System Evaluation

Prior to 2004, the company had been using a homegrown software system for 17 years. After an extensive evaluation that spanned multiple years, Satellite Industries selected Sage ERP X3 to integrate their sales and marketing processes, streamline operations and provide timely access to information.

At the time of the implementation, Satellite Industries' President and CEO Todd Hilde commented, "It was important for us to find a system that would allow us to effectively collaborate with our suppliers and provide complete supply chain visibility and control. Sage ERP X3 met many of our supply chain, customer management and multi-national requirements, and we were confident that our Sage partnership would result in meeting our business objective of servicing customers better."

### CRM Implementation and Results

Most companies that implement a new ERP system defer Customer Relationship Management (CRM) to a secondary phase, sometimes even bolting on a third-party solution. Satellite Industries recognized the value of having Sage ERP X3's CRM module as an integrated component of their forthcoming ERP system and decided to make it the cornerstone of their implementation prior to installing manufacturing, distribution and accounting functions.

Previously, customer information had been scattered across multiple systems – including ACT, Outlook, Excel and their legacy application – resulting in re-keying of data, information redundancies, paper-based backups and an overall lack of cohesiveness in accessing information when talking to or meeting with customers. Further, Satellite's extensive customer environment was spread over 15 global offices and more than 4,000 customers in 75 countries, making it difficult to effectively respond to customer inquiries and needs.

**"On day one of go-live, we achieved an 87 percent order fulfillment rate, and by the end of week one, we were over 95 percent order fulfillment on the new system."**

- John Babcock  
Vice President  
Satellite Industries

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Satellite felt that implementing the CRM module first would not only provide them with a single, efficient customer information management system, but would also grant a large number of front-line users immediate training and hands-on experience with the system, as well as the ability to test core functionality that applied to other system domains.

Satellite's rigorous implementation process divided the workload into tasks, including phases for:

- Data conversion, including customer files, notes and historical data
- Data auditing
- Automating all new calls, appointments and quotations upon system cutover

Satellite trained the sales force on Sage ERP X3 CRM and ran quoting and contact management for three months leading up to go-live for the core ERP functions. By making CRM the foundation of their implementation, Satellite Industries was able to:

- Train 100 percent of the sales force and customer service department
- Have 40 percent of the company using Sage ERP X3 three months prior to going live with the core ERP system
- Consolidate customer information improve communications and enhance sales activities, including having global visibility into all customer data related to credit, collections, customer service, sales, quality assurance and contracts

"The hands on experience in the months prior to ERP system cut-over really helped advance the learning curve," said project director John Babcock. "We walked into go-live already comfortable with the new environment."

**ERP Implementation and Results**

Satellite went live with the remainder of its enterprise resource system in July 2005, including Manufacturing, Sales, Purchasing, Inventory Management and Accounting. The multi-national implementation was accomplished in less than a year from the project kickoff date. What Satellite didn't foresee was how quickly their new system would be put to the test. When Hurricane Katrina engulfed the southeastern coast later that month, demand for its

products hit record levels, in just its second full month after employing Sage ERP X3.

The company's operations are normally organized around planned activities, but when something as unexpected as Katrina and its aftermath occurs, Satellite must be prepared to respond effectively and immediately with its vital line of products.

Unlike the typical after-shocks experienced by companies following a significant application software replacement, Satellite's new system passed with flying colors and, according to Mr. Babcock, the cut-over timing was fortuitous. "We exceeded the largest volume in company history by 40 percent that month," commented Mr. Babcock. "We would not have been able to accomplish this using our previous system." Satellite's extended enterprise system effectively integrates their business partners as remote Sage ERP X3 users in a secured, collaborative environment. Third party participants include 3PL providers, contract manufacturers (which process direct customer shipments) and their largest carriers.

Sage ERP X3's intrinsic multi-multi design helped Satellite standardize its multi-country, multi-entity and multi-site operations on a single enterprise system. By organizing their system into "folders", Satellite was able to handle multiple localized accounting and regulatory environments that distinguish the processing and accounting rules in the US, UK and Europe . . . on a single server at their headquarters in Minneapolis. The system further helps manage the intricacies of handling each of the currencies used across the countries in which they conduct

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<p><b>Headquarters</b> Minneapolis, MN</p> <p><b>International Locations</b> Operates in 75 countries with sales offices located in the U.S., Belgium, Spain, France, the U.K., Germany, Poland and Shanghai</p> <p><b>Industry</b> Manufacturer of portable restrooms</p> <p><b>Revenue</b> \$10 million</p> <p><b>Employees</b> 150</p> <p><b>Sage ERP X3 Licenses</b> 60</p>
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business – operating in six languages and four currencies.

Supply chain collaboration was the driving force in its system selection process, and according to Mr. Babcock, the company effectively brought its business partners into their processing environment right from day one. “One of our primary objectives was to better integrate our business partners with our internal systems, and they already have full and immediate visibility into orders and are planning their workloads accordingly. On day one of go-live, we achieved an 87 percent order fulfillment rate (order entry through shipment and mailing the invoice) and by the end of week one we were over 95 percent order fulfillment on the new system.”

Commenting on future plans, Mr. Babcock added, “We know that our real work now lies ahead in optimizing our efficiencies on the new system. But we are pleased at the smooth transition we were able to achieve after 17 years on a legacy system.”