

Sage ERP X3 | Case Study

Russell Sigler, Inc. Breezes Through Multi-site Implementation

Background

Russell Sigler, Inc. is a leading wholesaler of heating and air-conditioning products. Headquartered in Phoenix, AZ, the company distributes the Carrier and Bryant product lines from eight branch locations throughout the southwestern U.S., providing contractors with all the necessary equipment, parts and supplies for installing and maintaining quality commercial and residential air conditioning and heating systems.

Russell Sigler had been operating a legacy Sage package called TOLAS since the mid-1980's. Desiring to move off the proprietary VMS operating system platform, the company also sought to expand system coverage to all their branches, as well as empower their users with automated data collection capabilities and real-time business intelligence tools. In total, the 200-employee company would be extending system access to well over 100 users.

Since distribution is the essence of Russell Sigler's business, the company wanted to make sure the new system also accommodated the key business functions they had been using in TOLAS, including support for counter sale environments, drop shipments, direct vendor-to-customer location shipments, inventory transfers, inventory replenishment and control and integrated financials.

The company's multi-site environment posed an additional challenge, since all branches are closely intertwined from a supply and demand standpoint. The company continually transfers inventory between sites to help satisfy local customer needs, so it's common for a branch to pull inventory from another branch's stock. While Russell Sigler understood that integrating their system with effective forecasting and inventory replenishment controls would help to better position inventory across their demand chain, they also realized they would need a more sophisticated order fulfillment and inventory sourcing environment right out of the box.

System Evaluation

Since its introduction to the market in 2000, Sage ERP X3 has been packaged to include the industry-specific requirements of wholesale distributors. The Sage ERP X3 Distribution suite provides a solid distribution functional backbone and builds in additional value-added capabilities like CRM, Web commerce, business intelligence and integrated data collection, all which were key evaluation criteria for Russell Sigler.

Company goes live at eight branches in six weeks - in time to meet busy seasonal demand.

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But Sage brought more than a robust product to the table. With a professional services staff that included individuals who understood the business processes and data structures of TOLAS and Sage ERP X3, Sage would be better able to facilitate Russell Sigler's data conversion process and reduce the system learning curve by relating the functional and terminology differences between the systems.

After a thorough evaluation of other distribution-focused vendors on the market – including Nxtrend and J.D. Edwards – Russell Sigler decided to continue its long-standing partnership with Sage and implement Sage ERP X3 Distribution as its next generation business information system.

The Implementation

Unique to Russell Sigler's situation was its firm commitment to meeting an aggressive system implementation schedule. Since demand for air conditioning systems accelerates during the spring months, the company wanted to have a fully operational system across all eight sites during a concentrated six-week timeframe, just ahead of this peak demand period. While the company planned to accumulate its system knowledge with Sage's help in the months leading to the go-live date, their plan was to perform the bulk of the branch implementation work themselves, with just a staff of three people!

The project formally kicked off in August 2003, with plans to go live during March/April 2004. To meet its aggressive timeline, it was imperative that Russell Sigler work closely with Sage using the most appropriate implementation methodology as its guide. Sage Cappucino, a goal-directed methodology designed for more sophisticated mid-sized implementations, was selected to document and track key activities like functional gap analysis and resolution, data migration, use of a conference room pilot to validate system operation and a train-the-trainer education approach.

Through gap analysis, Russell Sigler and Sage built in important Russell Sigler-specific functionality such as vendor claims capabilities. At Russell Sigler, claims processing is a very integral part of their business. It allows them to claim rebates for products that are sold to certain customers under certain cost/price conditions. Manual claims tracking and invoicing is time consuming and prone to errors, but with its flexible, robust development toolset, Sage ERP X3 could readily accommodate this value-added component.

With 40,000 unique part numbers, thousands of customers and dealing with the multitude of revisions that occur for parts that go into air conditioners, the importance of an effective data conversion and system migration process could not be under-estimated. The companies were able to leverage Sage personnel's inherent knowledge of both systems and utilize Sage ERP X3's pre-defined import/export templates, saving significant time and investment.

To be ready for their "big bang" implementation, Russell Sigler's core project staff became thoroughly knowledgeable of all operational aspects of Sage ERP X3, a key prerequisite for employing a "train-the-trainer" approach across a 100-user, eight-branch network.

Following a successful conference room pilot and cut-over period at their corporate headquarters, the implementation was successfully deployed at each branch location over a six-week period, commencing in early March 2004 with the final branch going live in mid-April.

Results

In just eight months from the project kickoff date – and in time to accommodate their busy season – Russell Sigler effectively transitioned to Sage ERP X3, with all sites running Sales, Invoicing, Branch Transfers, Purchasing Requests, Inventory and other key distribution activities.

The claims process is now fully automated, with complete tracking and reporting on eligible rebates, as well as impacting invoicing, inventory cost reductions and General Ledger and sales reporting. With 25 percent of business activity involving claims, a significant amount of savings will accrue from this functionality alone over time.

Headquarters
Phoenix, AZ

Industry
Distributor of heating and air-conditioning equipment and supplies

Ships products from 10 warehouses

Employees
200

Sage ERP X3 Licenses
170

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After using a “green screen” system for many years, Russell Sigler is taking advantage of the inherent drill-down capabilities of Sage ERP X3. This has especially impacted the company’s fast-paced counter sales and call center areas. They can more quickly and easily access information from and enter data into a more comprehensive customer and product database. With a busy group of contractors either coming into the branches directly or contacting Russell Sigler representatives by phone, providing fast, accurate customer service is a major contributor to the company’s success.

The company deferred its automated data collection and forecasting needs to a secondary project phase. To address the latter requirements, Russell Sigler is implementing SmartForecasts® from Sage business partner Smart Software.

Russell Sigler can take great pride though in its determination to successfully bring a wide-scale implementation to fruition with a small staff in a concentrated time period ... a rare feat in an era normally known for lengthy implementations and costly budget over-runs.