TIVOLI AUDIO
SAP® BUSINESS ONE IS SWEET MUSIC FOR "THE ORIGINAL RADIO COMPANY"

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David Rodriguez, VP of Sales, Tivoli Audio LLC

QUICK FACTS

Company
- Name: Tivoli Audio LLC
- Location: Boston, Massachusetts
- Industry: Retail
- Products and services: Audio products
- Employees: 20
- Web site: www.tivoliaudio.com
- Implementation partner: Softengine Inc.

Challenges and Opportunities
- Replace legacy accounting system
- Provide sophisticated functionality for inventory tracking, manufacturing, distribution, and other aspects of running a business
- Add retail functionality subsequently
- Tightly integrate point of sale (POS) devices with the SAP® Business One application

Objectives
- Implement a platform that allows for future growth
- Support move into retailing

SAP Solutions and Services
SAP Business One

Implementation Highlights
- Met schedule and budget goals on initial implementation of SAP Business One
- Met schedule and budget goals when adding the Softengine Retail/POS extension
- Tailored Softengine Retail/POS to precisely meet customer specifications

Why SAP
- Recommendation from CEO at the time, who had used SAP Business One before with great success
- Integrated functionality for all aspects of running a business
- Extensibility to readily support business model changes
- Large ecosystem of software development partners spanning many applications
- Reputation and resources of SAP
- Ease of use
- Ability to be tailored to needs
- Integration between SAP Business One and Softengine Retail/POS

Benefits
- Allowed growth to continue without interruption
- Supported expansion into retailing with no change to existing software or processes
- Created a fast, simple, accurate retailing experience for customers and staff
- Achieved sales success at initial outlets, which are serving as models for expansion
- Provided full access to all the functionality of SAP Business One from POS terminals at the push of a button
- Made reports available on any information contained in SAP Business One

Third-Party Integration
Softengine Retail/POS

Tivoli Audio
The Original Radio Company.

Tivoli Audio LLC, a supplier of top-quality audio products, has run its manufacturing and distribution business with the SAP® Business One application for many years. When the company elected to open its own retail outlets, it found the necessary software support from SAP and its partner Softengine Inc. "The Softengine Retail/POS extension is inherently tightly integrated with SAP Business One," says David Rodriguez, VP of sales for the firm. "We expanded into retailing without having to redo anything, one reason for our outlets' exciting success."

Best-in-Class Audio Products

Tivoli calls itself "the original radio company" with ample justification. The firm was founded by Tom DeVesto, a highly respected innovator in the audio industry whose decades-long career includes senior management positions at several household-name suppliers of some of the best-selling and most innovative hi-fi and multimedia speaker products available. Tivoli products represent a level of sound quality unequalled in their price range. The company's small but prolific team at its Boston headquarters performs all its own design and engineering for an impressive array of products, which are manufactured with equal attention to quality in its factories in China.

In Tivoli's early years, its only business software was Quickbooks. When sales began to ramp up swiftly via its network of consumer electronics distribution outlets, the company realized that to sustain its growth it needed software support for all the other aspects of running a business, including inventory management, manufacturing, market-ing, and distribution. "Our CEO at the time had used SAP Business One very successfully at a prior company, and so he recommended that we adopt it at Tivoli," reports Rodriguez. "We examined the application and found that indeed it covered all the essentials for our business model at the time with tightly integrated functionality. But there was another reason as well. While we didn't anticipate moving into retailing when we selected SAP Business One, we did realize that the future could bring some surprises and that we would be smart to get an extensible solution. With the wealth of applications available from SAP and its extensive partner ecosystem, we were confident that we would be covered for the future."

Tivoli chose Softengine to perform the implementation because of the firm's partnership with SAP and its substantial experience with SAP Business One. The project went smoothly, finishing on schedule and within budget. "SAP Business One provided the foundation we needed to support our growth to the next level," says Rodriguez. "It made it easier for us to evolve as a company by expanding to multiple factories, for example, and by starting our own direct marketing."

The Move into Direct Retail

Sales continued to ramp up well for Tivoli, but obstacles arose during the recent recession. The consumer electronics industry contracted, resulting in fewer storefronts available as outlets for the firm's products. "It was getting harder and harder to provide the kind of experience our customers deserve," explains Rodriguez. "Therefore, we made the big business decision to expand into our own direct retailing."

Tivoli decided to begin with two retail outlets: the Tivoli Design Center in nearby Natick, Massachusetts, at the Natick Collection, a relaxed and beautifully designed environment where customers can explore the entire product line with the help of a fully trained staff, and a kiosk at the Prudential Mall located in downtown Boston.

Support for Mobile Purchasing

The entrée into retailing presented new challenges for the company and its business software. To make shopping a smooth experience for customers, Tivoli wanted to provide electronic point-of-sale (POS) terminals with Bluetooth wireless connections for scanning and recording purchases and for supporting credit card transactions. Tivoli also wanted to be able to instantly generate sales orders on the floor, easily generate detailed reports on the

outlets' sales, and automatically update inventory records – operations that required tight communication between the terminals and SAP Business One. "We had heard that SAP did not offer anything for supporting POS terminals, so we started looking at stand-alone POS systems but couldn't find anything that satisfied our criteria," Rodriguez relates. "Worse, we looked into the cost of interfacing these systems with SAP Business One and found it much higher than we wanted to pay. Finally, almost in desperation we called our friends at SAP, who told us there is indeed a solution available and directed us to Softengine – of all companies, the very firm that had performed so well on our initial implementation."

Tivoli examined the Softengine Retail/POS Extension and found that it had all the basics in place. Furthermore, Softengine was willing to perform all

Models of Success for the Future

The Softengine Retail/POS implementation went just as smoothly as the original implementation of SAP Business One. Again, Softengine met its schedule and budget goals while developing support on top of the basic package for the exact functionality Tivoli had specified. Soon the doors were open at the company stores, and from day one customers and staff alike enjoyed a smooth, convenient shopping experience via the POS terminals. "There is absolutely no manual entry of information required, and the accuracy is phenomenal," says Rodriguez.

Had Tivoli chosen another vendor for its business software, it might have faced substantial rework and cost in its business processes to accommodate the move into retail. With SAP Business One, however, no change

solution in the first place. Who knows what future turns our business might take next? Certainly we don't have all the answers, but whatever they are, we know we have a platform in place that can accommodate new directions without starting anything over."

Tivoli's foray into retailing to date has been a handsome business success, but Tivoli had more in mind than short-term sales. "All along we viewed our first two outlets as laboratories for learning how best to go about retailing our products," explains Rodriguez. "They have been a big success in that way as well. Now, armed with our learnings, we are using these two outlets as models for the future. We are in negotiation for several other potential locations and are confident that they too will deliver the business and customer experience success we want to see. We are delighted with our move into retail and our decision to go with SAP Business One, which made it possible."

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the tailoring required to precisely meet the specifications that Rodriguez and his team had developed. "Best of all, we didn't have to face any interfacing costs, because SAP Business One allowed immediate integration with Softengine Retail/POS," Rodriguez reports.

was required to existing processes. "When we expanded into retail, our operations didn't really change; but we did add some new processes, and SAP Business One was flexible enough to handle them without a problem," Rodriguez states. "That demonstrates how wise it was to select an extensible

softengine

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