JGB DISTRIBUTING
SAP® BUSINESS ONE HELPS DISTRIBUTOR OUTPERFORM THE COMPETITION

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Cliff Kinzig, CFO, JGB Distributing Inc.

QUICK FACTS

Company
- Name: JGB Distributing Inc.
- Headquarters: Chesterland, Ohio
- Industry: Wholesale distribution
- Products and services: Invisible Fence® Brand products
- Revenue: US$32 million
- Employees: 92
- Web site: www.invisiblefence.com
- Implementation partner: Softengine Inc. (Los Angeles)

Challenges and Opportunities
- Create operational advantages to expand leading market share
- Introduce efficiencies and tools to increase customer convenience
- Gain daily visibility into key financial metrics

Objectives
- Quickly install standardized, best practices–based software that is easily configured
- Configure IT without using outside programmers

SAP® Solutions and Services
SAP® Business One application

Implementation Highlights
- Rapid – 11 weeks
- Substantial knowledge transfer, enabling self-sufficiency
- Solid road map and clear task assignments

Why SAP
- Integrated, affordable software
- Ability to easily make enhancements
- Support for growth

Benefits
- Installed IT platform using in-house team
- Developed extensive online capabilities for customers
- Achieved flexibility to set up different dealer programs, pricing, terms, and conditions
- Provided dealers with 24x7 access to their accounts
- Eliminated duplicate administrative tasks
- Improved inventory management
- Realized daily visibility into cash position, inventory, receivables, and payables
- Expanded business without adding headcount
- Improved customer satisfaction
- Reduced order entry time from hours to minutes

Existing Environment
Legacy accounting software

Third-Party Integration
- Database: Microsoft SQL Server
- Hardware: Dell
- Operating system: Microsoft Windows

Invisible Fence Brand

When 4 out of 10 businesses choose your product over the competition, you know you're doing something right. JGB Distributing Inc., which has captured a 40% market share across North America distributing Invisible Fence® Brand products, gives credit to the SAP® Business One application for helping it stand above the competition.

During a rapid 11-week rollout, JGB adopted the best practices–based software to support classic business and financial accounting processes like sales and purchase orders, inventory transfers, and journal entries. Later, it leveraged the SAP Business One Software Development Kit to craft operational advantages – allowing company employees to work smarter and more quickly and its dealers to do business more easily with the firm.

A key innovation is what JGB calls the dealer order pad. "It's essentially an online store for our dealers," says Bob Blansett, IT manager at JGB Distributing. "Dealers sign in and see a catalog tailored just for them, and they can review their order history. As they place orders, the orders flow into SAP Business One without anyone at JGB having to manually enter information. Accounting reviews the orders, which are then transmitted to the warehouse for fulfillment. The dealers are automatically e-mailed a packing slip detailing what was shipped. This information then moves to accounting, where it is converted from a delivery note to an invoice and e-mailed to the customer. Using SAP Business One, we were able to automate and streamline the entire dealer-order-to-customer-invoice process."

That's just one example of how SAP Business One helps JGB seize an opportunity when it sees it. "We like to create and customize applications to enable greater efficiency," says Cliff Kinzig, CFO at JGB Distributing. "We wanted a platform we could build on, without having to contract with outside programmers and spend time teaching them our business. Using SAP Business One, we now have extensive online capabilities and the flexibility to set up different dealer programs, pricing, terms, and conditions. Our dealers have 24x7 access to their accounts. We've eliminated duplicate administrative tasks. And we have better inventory management."

The CFO also has better information. "For me, that's invaluable," Kinzig says. "I'm responsible for the daily financial operations of the company. With SAP Business One, I can come in and know exactly where the company stands – its cash flow, inventory, receivables, and payables. The software allows me to generate a quick summary of where we are today and where we are likely to be tomorrow. I can also get detailed information on specific business partners very quickly."

Legacy Software Hinders Growth

JGB Distributing serves 105 dealers in 22 U.S. states and 7 Canadian provinces and territories. The company also has a retail division that provides Invisible Fence® Brand products and services to customers in Chicago, Cleveland, and Pittsburgh.

JGB's previous IT system wasn't good enough to support the business. "Our previous software hemmed us in," Kinzig says. "We could not tailor it to our needs, and we had modules that weren't integrated; when an order came in, you had to print it and then rekey it into the software. We were wasting a lot of time – anywhere from a half hour to two hours a day entering an order. Now, with SAP Business One, we review an order and get it to the warehouse in five minutes."

That's the kind of IT performance an ambitious company needs. "We wanted to grow our business, handle more transactions, and build innovations like the interactive dealer order pad," Kinzig says. "This wasn't possible with the old software."

JGB Exceeds Rollout Budget, Happily

SAP Business One provides integrated functionality supporting core functions – including financials, sales, inventory management, and operations – at an affordable cost to small businesses. JGB chose the software because of its comprehensive best practices–based

functionality. It also liked the software's flexibility, which would enable JGB to easily configure the solution to handle specific transactions and processes.

JGB worked with partner Softengine Inc. to roll out the software quickly. The enterprise solutions implementer and SAP Business One reseller specializes in wholesale distribution and manufacturing. "Softengine did an incredible job, first by understanding our business," Kinzig says. "The consultant created a road map of what we had to do and then assigned tasks for each person on the project team. His prep work before the

the project. The money was very well spent, and we have no regrets – none whatsoever."

During the rollout, Softengine transferred extensive knowledge to JGB. Lead consultant George Yankovich explains the Softengine philosophy. "We wanted JGB to become self-sufficient so that SAP Business One became the company's own software through accountability and ownership. We did that with targeted training."

JGB's chief financial officer concurs. "Softengine provided in-depth tutorial

generates a delivery note and an invoice; the products are then transferred to the correct warehouse for fulfillment," Blansett says.

JGB Distributing is next looking into creating a mobile application to help installers in the field manage inventory. Currently, the installers phone in the serial numbers of the product they're putting in. The mobile application would integrate with the inventory management functionality within SAP Business One to show them a list of serial numbers they should have in their "rolling warehouses" – their vans. "They can then select and submit orders via the mobile application," says Kinzig. "The orders will then flow automatically through SAP Business One to replenish their inventory."

That's the kind of adaptive ability JGB is looking for from IT. "SAP Business One gives us the flexibility to do almost anything," Kinzig says. "This allows our IT department to maximize our investment in the software. If you just want an accounting system that can help you track your cash receivables, payables, and inventory, lots of different software will fit the bill. But if you want software that will allow you to customize your business, grow it, and make it more labor efficient, SAP Business One is the way to go."

implementation made all the difference. And whenever we encountered hurdles, we were able to work through them by either adapting the software or the way we did business."

When asked if he and his team members reached time and budget targets for the rollout, Kinzig replies happily, "We reached them, and we blew right past them. The more we got into the implementation and learned about the functionality of SAP Business One, the more we kept expanding the scope of

services, sitting down with our users day after day, showing them how to utilize SAP Business One," Kinzig says.

Multifaceted Business Gets the Help It Needs

Beyond its core distribution business, JGB has also linked SAP Business One to all its retail stores. Call-center representatives receive the retail store orders, hit a button on their screen, and scan the serial number of the product they're sending out. "SAP Business One automatically

SAP Business One Powers Growth

JGB Distributing has the proof that its new efficiencies are making a difference. The second quarter is the busiest time

of the year, with customers placing orders for the spring season. "Some of these orders are huge – 30 to 40 product line items per order," Kinzig says. "With SAP Business One, those move through the pipeline so seamlessly, all we have to do is review and approve them – and then the warehouse fills them."

That efficiency lets JGB keep growing. "In the past 12 months, we've acquired two distributors," Kinzig says. "SAP

Business One enables us to fold in new operations and grow our business without adding headcount."

And success begets more success. Says Laura Wright, chief marketing officer with JGB Distributing, "We're aggressively recruiting new dealers. When you look at things from the dealers' perspective, they see that, because we use SAP Business One, we have an efficient process to get them their product on time."