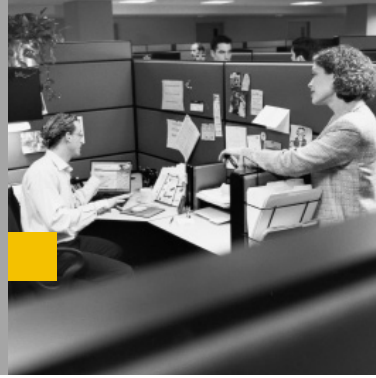


SAP Customer Success Story Wholesale Distribution



“SAP Business One gives small- and medium-sized businesses the enterprise-strength functionality they need at a price they can afford.”

Joel Kaplan, CFO, The Betty Mills Company LLC

AT A GLANCE

Company

- Name: The Betty Mills Company LLC
- Location: San Mateo, California
- Industry: Wholesale distribution
- Products and services: Janitorial supplies, office supplies, and outdoor storage products
- Revenue: US\$14 million (2006)
- Employees: 28
- Web site: www.bettymills.com
- Implementation Partner: Apollo Consulting LLC

Challenges and Opportunities

- Legacy software applications were unable to support year-on-year revenue growth of 100%
- Manual processing was interfering with timely dispatch of orders
- Lack of real-time business visibility impeded proactive decision making

Objectives

- Implement automated, integrated, best-practice business processes with scalability to manage rapid growth
- Cut the cost of transaction processing and improve customer service
- Gain a real-time overview of business performance

SAP® Solution and Services

SAP® Business One application

Implementation Highlight

Implementation and synchronization with Web storefront completed on time and within budget

Why SAP

- Integrated, affordable, scalable SAP solution designed specifically for small businesses
- Unrivalled market stability and functionality
- High availability of SAP-trained resources and partners in the San Francisco Bay area

Benefits

- Automated order-to-cash and procure-to-pay business processes
- Built-in workflow functionality and automated alerts
- Real-time transaction monitoring
- Shorter processing and dispatch cycles
- Improved staff productivity
- Improved analytical functionality, generating 3% increase in product margins
- Reduction of time required for month-end close from 30 to 10 days
- ROI achieved in less than 6 months

Existing Environment

Intuit QuickBooks

THE BETTY MILLS COMPANY

Return on Investment Achieved in Less Than Six Months with SAP® Business One

Powered by 28 dedicated employees, the California-based Betty Mills Company LLC is one of the leading U.S. distributors of cleaning supplies, servicing 70,000 customers that include schools, hospitals, government facilities, and military establishments. And yet, it managed to increase revenues and profit margins, improve customer service, and boost staff productivity by bringing the SAP® Business One application into its daily operations.

Founded in 2002, Betty Mills is growing rapidly and SAP Business One is set to play a very palpable role in that growth. A business that receives 90% of its orders online, Betty Mills has used SAP Business One to integrate its Web-based storefront with its back office. As a result of this integration, the company has revolutionized order processing, cut delivery times, speeded up invoicing, and improved cash flow. Implemented by Apollo Consulting LLC, an SAP Gold partner, SAP Business One enhances Betty Mills's business acumen by giving decision makers a real-time view of sales figures, supplier prices, trading terms, and changing market trends. Five months after go-live, Betty Mills has improved the timeliness and accuracy of its reporting and forecasting and reacts faster to customer demands in a dynamic business environment.



Betty Mills's business model is based on offering everyday discounts of up to 50% on brand-name products and providing outstanding customer service. The business model proved successful: four years after its founding, the company is generating 100% year-on-year revenue growth. However, its back-end financial management and order processing systems could not manage the increasing volume of orders cost-effectively. One obvious problem was that they were not integrated with the online storefront.

Four full-time employees were needed to process orders manually, which was costly and time consuming. In addition, the company's existing software did not allow analysts to perform queries on sales figures, identify best-selling products, or calculate profit margins. Business intelligence was based on weekly spreadsheet reports that often contained out-of-date information.

Big Business Functionality at a Small Business Price

Betty Mills needed an affordable business management solution that would interface with its Web storefront, deliver real-time transaction monitoring, and automate the entire order-to-cash process. "We also wanted best-practice financial management, sophisticated analytical capabilities, and the ability to gain an accurate, up-to-the minute picture of the business at any time," says Eszter Szikora, communications manager in marketing services at Betty Mills.

Betty Mills evaluated many solutions from different vendors. SAP Business One was chosen from a short list of three for its potential to optimize and integrate every aspect of the company's business from accounting to sales and service into a single software solution. The stability and reputation of SAP also influenced the company's decision, together with the availability of SAP partners in the San Francisco Bay area and the short time required to implement SAP Business One.

"SAP Business One enabled us to avoid the false economy of purchasing a tier-two solution that was slightly cheaper, but would only meet our needs in the short term," says Joel Kaplan, CFO of Betty Mills. "We were also able to benefit from the skills and support of Apollo Consulting, whose knowledge of SAP software and implementation expertise would speed up go-live and shorten time to value."

Go-Live On Time and Within Budget

Apollo Consulting configured SAP Business One to the requirements of Betty Mills and synchronized the company's Web site with the SAP back-office applications to facilitate automated, straight-through transactions. Although SAP Business One includes an online storefront, Betty Mills wanted to retain the look,

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Joel Kaplan, CFO, The Betty Mills Company LLC

feel, and functionality of its existing Web site already familiar to customers. Apollo Consulting trained the company's 10 business users, a key service that helped the smooth go-live of SAP Business One. There were no disruptions to normal business operations.

"Apollo Consulting enabled us to leverage the best elements of our existing technology and synchronize them with the full functionality of SAP Business One to build an end-to-end integrated business," says Szikora. "The intuitive applications from SAP speeded user adoption and enabled us to benefit from streamlined, integrated, automated processes from day one."

Automated Order to Cash and Procure to Pay

Customer orders from the Betty Mills Web site are now routed automatically to SAP Business One for processing, which includes confirmation, fulfillment, invoicing, and shipping. No manual intervention is required. SAP Business One routes customer orders electronically to Betty Mills's suppliers as well, with the suppliers dropping ship items directly to customers. In addition, SAP Business One processes and pays supplier invoices. The workflow functionality built into SAP Business One ensures that each step of the order process is completed before shipment is authorized. Betty Mills uses the alerts in SAP Business One to flag anomalies such as instances where the value of a customer's order exceeds agreed credit limits or where there are outstanding invoices.

SAP Business One enabled Betty Mills to achieve next-day delivery for most orders while dramatically cutting processing times and significantly reducing errors. Real-time transaction monitoring

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allows call center agents to respond to customer queries on the status of their order in seconds instead of minutes or hours. Betty Mills can handle its rapidly growing order volumes without increasing staff, which further reduces transaction processing costs.

Product Margins Increased

Using the powerful financial management tools of SAP Business One, Betty Mills is able to complete its period close within 10 business days after month-end, three times faster than before. Static, spreadsheet-based business analysis has been replaced with

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the business intelligence tools of SAP Business One that deliver real-time visibility of product margins and up-to-date insight into supplier performance, each customer's value to Betty Mills, and evolving market trends.

“Since implementing SAP Business One, we have achieved a 3% increase in our product margins,” says Kaplan. “This savings alone means we will achieve a 100% return on our investment in SAP Business One in less than six months.”

Scalable Platform for Growth

SAP Business One also gives Betty Mills a robust, stable platform to which it can add new SAP functionality incrementally as its business grows. “The phenomenal growth in our Web-based business has made us America's number one online vendor of cleaning supplies,” says Szikora. “SAP Business One will help us maintain and extend this position.”

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