

Superprem Industries Moves to the Cloud to Gain Insights and Empower Employees



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– Kevin Chiang, Chief Business Development Officer, Superprem

OVERVIEW

Superprem Industries was founded in 1998 by John Chiang as a Diamond Tool distributorship for counter top makers. He later added a line of sinks and other plumbing fixtures, which grew to become the bulk of the company's revenue. Recognizing that its aging Sage software hindered operations, Superprem implemented Acumatica's cloud-based ERP for its intercompany module, affordability, and unlimited-user pricing.

SITUATION

Superprem imports sinks, faucets, small appliances, and related household products from China and Europe. It sells and distributes its products to plumbing retailers throughout Canada under brand names such as Kruger Living, Kinetic Home Products, and Pearl Sinks and has a subsidiary company called Barak Building Supplies.

Soon after Kevin Chiang joined the family wholesale business as Chief Business Development Officer in 2013, he recognized Superprem Industries' financial systems needed an upgrade. The company, headed by his brother Woody Chiang, CEO, and with sales of more than \$5 million, had been running an outdated instance of Sage at each of its four locations across Canada. Doing so caused several operational and financial reporting inefficiencies, mainly inaccurate inventory. To expand into new territories, Superprem needed a robust, cloud-based financial system that could provide much better insight into operations.

Inaccurate Inventory in Four Databases

Because Superprem ran four unconnected Sage databases, the company's accounting team was constantly entering data from its outlying offices into a master file in Richmond. The controller typically spent two to three days entering data a month.

The four databases also made it difficult to get accurate inventory counts and to track where invoices were in the sales process.

"Inventory was a nightmare," says Chiang. "From the Calgary file, we would track the invoice out to the customer, and then retype the record (in Richmond), so if we sold 10 sinks, we'd take that data and average the sales prices." But the transaction wasn't tracked throughout the rest of the selling process – to the warehouse for pulling and shipping – nor was its status tracked, so Superprem didn't know if it was delivered, still in the warehouse or received by the customer.

"Basically, it was just a lot of remembering and now with a bigger staff, it's hard to just remember everything," Chiang says. With no tracking and multiple disconnected databases, "we would only get accurate inventory once a month," he adds.

COMPANY

- **Location:** Headquartered in Richmond, B.C., Canada with additional distribution centers in Calgary and Montreal
- **Industry:** Wholesale distributor of Pearl sinks and other bath products
- **Application Replaced:** Sage

SOLUTION

- Acumatica Financial Management
- Acumatica Distribution Management
- Acumatica Intercompany Module
- APS (American Payment Solutions)
- EasyStock Inventory Optimization Solution
- Scanco Warehouse (WMS) solution for Acumatica

KEY RESULTS

- Gained deeper insight into warehouse distribution operations
- Improved inventory tracking and invoicing
- Saved hours by streamlining and automating accounting task
- Provided fast mobile access to financial data
- Improved and streamlined company-wide communication

Inefficiencies Were Hindering Operations

To see if one of the company's 2,200 items was in stock, sales had to call the warehouse and ask them to do a physical inventory check. Sales also had to call the accounting team to learn previous customer pricing or special shipping considerations because they did not have access to the financial system or a CRM.

Complicating things further: only five of the company's 27 users could be logged into Sage at any one time, which frustrated employees who had to wait to complete simple tasks.

Chiang estimates it took him eight hours to calculate commissions due to all the extra work it took to find information in four Sage instances, and compiling financial reports was equally time consuming.

He knew a modern ERP would allow Superprem to support the business from a single database, streamline day-to-day operations, and provide real time visibility into consolidated information and reporting.

"We should have upgraded at least two years before we did," Chiang says. "We wanted our controller to be more purposeful with her time and inaccurate inventory couldn't continue."

SOLUTION

Uniting Databases with Cloud-Powered, Flexible

Chiang searched for an affordable, modern cloud-based ERP that could flexibly handle the company's growth.

"At first we looked at upgrading our outdated Sage platform because we thought the interface and the functionality would be similar, but we learned it wasn't really a true cloud product," Chiang says. "It has data in the cloud, but the data has to be downloaded. And only one person could be logged into the cloud at a time."

He looked at other ERP software but found many weren't investing in their products and each had per-user pricing that made them very expensive. "None of them have the model Acumatica has with unlimited users, which charges you by how much you use, which we found really attractive," Chiang says. "We have a very high number of users but low usage" by many employees.

He also chose Acumatica because of its strong cloud-based reputation and robust community-based approach where customers help dictate future feature developments.

"Acumatica was newer, and (reference) consultants said they had a very vibrant community pushing the (Acumatica development) envelope compared to legacy ERP software companies who were not making many changes or improvements."

Lacking an internal IT team, Chiang looked for a partner to help Superprem implement Acumatica. He chose The Answer Co. because of its stellar reputation, its deep knowledge of Sage and its straightforward sales approach.

Intercompany Module Seamlessly Manages Multiple Entities

As part of the discovery process, The Answer Co. learned that Superprem needed to change many of the people processes it had adopted to make its four-database operation function. Additionally, the team identified that Superprem could benefit greatly from Acumatica's intercompany module, which allows companies to seamlessly manage financial reporting and automate transactions across an unlimited number of related entities.

The module allows executives to decide what elements should be separated or shared between them, such as chart of accounts, customers, employees, etc. It also helps reduce double entries and errors when working with multiple databases and company transfers. The company implemented Acumatica's Financials (GL, AP, AR, CM, TM, Currency, ARM Reporting), Distribution (IN, PO, SO), and the Intercompany module as an end-to-end solution for their growing business.

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– Kevin Chiang, Chief Business Development Officer, Superprem

BENEFITS

Cloud-Based ERP Streamlines Operations, Improves Communication

Superprem now operates much more efficiently from a single database, communication has improved companywide, and most importantly, the wholesaler now has accurate inventory information. With proper financial and operational processes now in place, Superprem can expand into new territories effortlessly.

"Interoffice communication has been incredible," Chiang says. Since everyone has access to Acumatica, sales no longer has to bother the warehouse to check inventory levels.

Sales doesn't have to bother accounting because they have instant access to customer information from their mobile devices. Accounting no longer calls each office to learn the status of an invoice, and the warehouse staff can pick and ship more efficiently because they aren't being constantly interrupted to verify items are in stock.

Everyone has become more efficient since they don't have to spend time emailing or phoning each other for information that Acumatica now provides.

Real-Time Inventory Visibility

Acumatica has also provided real-time visibility into inventory levels and consolidated reporting information because information is easily shared between locations. Creating an invoice and tracking it throughout the system is incredibly easy, Chiang says.

In addition, "Acumatica's intercompany module has been incredible," he says. "We have two companies, the company that holds the stock, and then another that does distribution, so there are a lot of cross transactions and the accounting was a nightmare in Sage. But it's all integrated in Acumatica, saving us tons of time. The system does it all for you, and intercompany transfers are now a breeze."

Commission Reporting: 8 Hours Reduced to 1.5

Chiang says he is much more efficient thanks to Acumatica. Because he trusts data in Acumatica is accurate and it is available at the touch of a button, he spends less time creating reports, and more time analyzing company data, such as profitability. Before, "paying commissions took me eight hours," he says. "Now it only takes about an hour and a half."

He estimates employees have cut the time spent on transferring inventory between branches from three hours to a mere 5 minutes. In addition, because they no longer have to copy and paste information from one database to another, they've saved two to three minutes per transaction, and are more efficient.

Increased Customer Transparency Helps Boost Sales

Customers have benefited too. "Our customers are able to receive increased transparency into their invoices and statements due to the ease of emailing files required for a sale," he says. "We have over 1500 active dealers now, and sales are up 12% year over year in the past 6 months." Because they can better trust the inventory system, Superprem continues to provide a high level of customer service that includes same-day shipping, he adds.

Superprem plans to add new functionality to Acumatica in the future through Acumatica's third-party partners. Chiang is working with EazyStock for inventory optimization, and he plans to implement a CRM, container management, and tax software, and add scanners to his warehouse management as his budget allows. He also envisions adding a customer portal so customers can check stock on their own.

"I am constantly amazed with how Acumatica seems to just "work", he says. "Anything we seem to imagine the system could do, we've been able to make happen without the assistance of external modifications."

Superprem grows inventory about 10 percent annually, Chiang says, and future plans included expanding more deeply into Eastern Canada.

"Acumatica will help us with that," he says. "All in all, Acumatica will transform the way our firm conducts business, and we look forward to creating a long-term partnership."