Workspace Works Wonders Down Under with Sage Software

"You provide the space, and we'll make it work." That's the motto of Workspace Commercial Furniture. For nearly 100 years, the company has been a respected name in quality Australian furniture. It maintains sales offices in Sydney, Canberra, Melbourne and Adelaide, and manufactures seating, desk, workstation and hospitality products.

Workspace prides itself on using the latest technology for making furniture. Until recently, however, its business systems were limping along on antiquated UNIX-based accounting system. Even worse, its sales operations were run manually.

Solutions from Sage Software

"With our old system, we had to ask our programmers to write special programs to create reports," says Trevor Gould, managing director. "Our sales staff typed up quotes, wrote sales orders and entered them into the system—all manually. Data was entered three times, creating enormous possibility for errors."

Workspace looked for a new solution that was ultra-flexible, especially in reporting options. They also shopped for an endto- end system with sophisticated financial analysis and customer relationship management capabilities. They implemented Sage SalesLogix in 2003, and Sage MAS 500 in early 2005.

"We rely on Sage MAS 500 to run our entire operations," explains Gould. "Besides standard accounting functions like payables, receivables and the general ledger, it handles our manufacturing including orders, inventory, bill of materials, production control, materials handling, replenishment and shipping."

MRP Module Makes Life Easier

"Being a jobbing shop, we assemble to order. It's essential we have materials on hand, such as timber, board and chair components. We maintain about 13,000 items in stock, and these come from 300 different vendors," says Gould.

Customer:

Workspace Commercial Furniture

Industry:

Commercial furniture manufacturer and distributor

Location:

Melrose Park, SA
Australia

Number of Locations:

4

Number of Employees:

150

System:

Sage MAS 500

- Accounts Payable
- Accounts Receivable
- General Ledger
- Inventory
- Purchase Order
- Sales Orders
- Advanced Manufacturing
- Materials Requirements Planning
- Crystal Reports
- FRx

CHALLENGE

UNIX-based accounting system was slow and error-prone; required programmers' time to create reports; sales processes were all tracked manually and required triplicate data entry.

SOLUTION

Sage MAS 500 with a full complement of manufacturing modules, and Sage SalesLogix, for a fully integrated financial and sales management system.

RESULTS

Month-end reporting cycle reduced from three weeks to three days; stock holdings reduced by 10 percent due to better inventory control; order lead time trimmed by 15 percent.

"We rely on the MRP module in Sage MAS 500 for all material requirements planning," he continues. "It basically drives our entire factory. The module generates a schedule for work on a particular week, categorizing jobs by department, section and work center for the factory floor. The module compares current and projected needs against materials on hand. It automatically recommends purchase order requisitions to be approved and then generated into firm purchase orders to suppliers."

Extra Efficiencies

Sage MAS 500 prints labels for all items made by Workspace, complete with descriptions and delivery points. Workspace runs its own delivery vans throughout Australia. Sage MAS 500 automates dispatching on a state-by-state basis and tracks delivery time.

"Every order has a standard time. We capture actual time, and run a comparison against the standard. Barcodes are printed on all work orders. Our workers scan these barcodes as well as their own personal card on the shop floor, and the data is downloaded into the system at the end of each day. The result has been a tremendous improvement in efficiency," says Gould.

Accurate Profit Margins

The switch to Sage MAS 500 meant that Workspace could finally replace its periodic accounting system for inventory with perpetual accounting. "Perpetual accounting means that we now have an accurate profit margin for every product sold. Before we only had a derived margin. This translates into more accurate profit and loss statements, for better planning and greater understanding of daily status," Gould notes.

"We also have much better access to information from the database. Our accountant set up a range of analyses using various FRx, Crystal Reports and spreadsheets, thanks to the open database connectivity engineered into Sage MAS 500," he adds.

Superior Sales Management

Sage SalesLogix interfaces seamlessly with the business system. "When our salespeople input a request in SalesLogix, information flows to the Sales Order module in Sage MAS 500," says Gould.

"Our month-end reporting cycle has been reduced from three weeks to three days, thanks to Sage MAS 500. We've reduced our lead times on orders by 15 percent. And the time it takes us to go from sales to work order is down from three days to one."

"We run a job cost to generate a sales price, which can be used immediately for a quote. If the quote becomes an order, it is flagged, and the system generates the necessary paperwork for production on the factory floor, all without additional data entry."

Workspace uses SalesLogix for planning and analysis too. "Our sales people maintain their appointment calendars in the software," Gould says. "Managers can review the amount of calls each salesperson is doing. It's easy to calculate the percentage of orders that are won or lost, and the total dollar value of orders, to reward superior performers and pinpoint areas for improvement."

The move to Sage Software products has resulted in important bottom-line benefits. "Our month-end reporting cycle has been reduced from three weeks to three days, thanks to Sage MAS 500. Stock holdings are down by 10 percent because we have better inventory control. We've reduced our lead times on orders by 15 percent. And the time it takes us to go from sales to work order is down from three days to one," says Gould.

ABOUT SAGE SOFTWARE

Sage Software supports the needs, challenges, and dreams of more than 2.7 million small and midsized business customers in North America through easy-to-use, scalable, and customizable software and services. Our products help manage a complete range of business functions including: accounting, operations, customer relationship management, human resources, time tracking, merchant services and the specialized needs of the construction, distribution, healthcare, manufacturing, nonprofit, and real estate industries.

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