

Improving Service Levels and Inventory Control

Industry:

Manufacturing

Employees:

20

Sales:

\$75M

Products:

Sage 100 cloud
(previously, MAS 90
SAGE 100)

With MicroAccounting Solutions and Sage 100, they were able to:

- Meet the aggressive service metrics of their largest clients
- Decrease inventory costs
- Improve inventory turns
- Manage multi-currency transactions
- Improve staffing efficiency

In 2003 Advanced Beauty Systems determined that choosing the right ERP system would be a critical factor in their success. Advanced Beauty Systems specifically wanted a proven, scalable MRP system that was not overly complicated and a technology partner that would shoot straight and be available when needed. Their search led them to MicroAccounting Solutions and Sage. Sage 100 has enabled them to put their popular beauty products in more than 15,000 stores in 10 countries. Additionally, they continue to decrease inventory cost and improve customer satisfaction through better use of the systems.

As soon as Advanced Beauty Systems hit \$1 million in revenue they implemented Sage 100 after evaluating Great Plains, Oracle and SAP. In 2004 they went international and implemented the Sage 100 multi-currency feature. In 2005, when they were shipping 40,000 to 50,000 cases per week, they implemented the paperless office module, allowing them to handle the added volume without adding people. And to keep up with suppliers and customers, they count on EDI, which keeps orders moving and inventory turning.

“Our inventory is down by \$2 million yet business has tripled. [MicroAccounting and SAGE 100] have allowed us to grow with much less cash tied up in inventory, which has allowed us to advertise more.”

— Chris McClain, President

“Any time we have come to a hard stop on a business need, there is a module available to make our life easier,” says Chris McClain, Advanced Beauty Systems President. “Without MRP there’s no way we could aggregate 18 virtual warehouses and 5,000 part numbers into a purchasing department of 2 people.” As they continue to evolve their use of the Sage 100 system they have added two inventory turns in the last two years and want to add two more turns soon. McClain explains, “Put simply, our inventory is down by \$2 million yet business has tripled. Running MRP has allowed us to grow with much less cash tied up in inventory. That freed up cash allows me to advertise in Self Magazine, Redbook, Lucky, OK!, which is vital to building brands.”

But increasing inventory turns wasn’t the primary goal. The main objective was to increase service levels to demanding customers. Advanced Beauty Systems supplies all the major retailers in the country and they all have rigorous service metrics. The MRP system has allowed them to get the “must arrive by dates”

and “fill rates” to an acceptable 98% for their largest customers. “We can’t be out of stock. One or two items out of 200 would put us below our metrics,” notes McClain. In the slow periods Sage 100 allows them to fulfill 150 purchase orders every week for 200 products going to 15,000 outlets, meeting high service standards. To do this, they get raw goods from 15 suppliers assembled by 5 manufacturers then distributed to nearly 100 ship points.

Finding the right technology partner was critical to properly implementing the Sage 100 ERP system. McClain appreciates the candor he has received from MicroAccounting Solutions. “We are dealing with someone at our level, not someone that is just trying to get you sold and move on,” states McClain. “They helped me see when we had outgrown our ability and advised us to add qualified people to run the system.” He also appreciates MicroAccounting’s commitment to their clients. “Once you’re a customer of theirs, they are going to be with you to help you figure out how to get your business going, even if you throw them a curve ball.” He remembers that in the early days they would call MicroAccounting at all hours and the MicroAccounting staff were “in the trenches” with them. “The company name may have changed a time or two but the relationships stay the same, which is what matters,” explains McClain.

About Advanced Beauty Systems

Founded in 2003, Dallas-based Advanced Beauty Systems, Inc., is one of the fastest-growing health and beauty companies in the U.S. The company’s innovative, spa-quality product lines appeal to women desiring beauty on a budget or an at-home escape. Advanced Beauty Systems’ fragrance-based and aromatherapy products include bodycology® -- America’s fastest-growing beauty brand -- Dr. Teal’s®, Slice of Life™, and Cantu® hair products. Advanced Beauty Systems’ products are available at retail, drug, grocery, and specialty stores nationwide. Advanced Beauty Systems, Inc. does not test the finished products on animals.

About MicroAccounting Solutions

Founded in 1988, MicroAccounting Solutions serves hundreds of businesses in the central United States. The people of MicroAccounting faithfully drive value to their clients with their down-to-earth understanding of priorities and their high standards of service and innovative approach to problem solving.

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