

CUSTOMER CASE STUDY: TULIP COMPUTERS

IT company manages international business with

Sage CS/3



sage

Enterprise Solutions

Client profile

Netherlands company Tulip Computers is an international marketing and sales organisation that develops build-to-order personal computers, notebooks, and servers and communication products for the professional IT user. Founded more than two decades ago, it has customers in 40 countries. Its headquarters are based in Amersfoort, in the middle of the country.

Most of production has been outsourced to Ingram Micro, and today Tulip Computers International centrally provides a link between a number of National Sales Offices and Ingram Micro for purchasing and sales processes.

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Gerard Daniels,
Financial Controller, Tulip Computers

The challenge

Innovation, shorter product life cycles and the challenge of eCommerce are facts of life in the hardware industry. Being able to respond rapidly to changes in the marketplace demands quick, easy access to reliable information. Recognising this, Tulip management comprehensively reviewed their IT systems and business processes.

The main application in place at the time was SAP, with some of the National Sales Offices having their own local systems. Once Tulip's production facilities had been sold to Ingram Micro, the scope and cost of ownership of SAP far exceeded requirements, creating frustration among both users and management.

The search was on for a more manageable solution, which would offer low cost of ownership and rapid access to accurate management information. Tulip wanted to consolidate the systems in place

across Europe into one standard solution, while maintaining the flexibility to allow for local variations.

Tulip wished to integrate and automate the purchase and sales processes to use a shared database of standard items, with central product life-cycle management for all subsidiaries. Tulip also wanted the chosen system to offer integration with barcoding for registering outgoing serial numbers.

Rapid implementation and euro-readiness were also high on the agenda.

Solution summary

Sage software: Sage CS/3 – Finance/Distribution/Manufacturing modules

Database: Oracle 7 Enterprise Server

Hardware: 2 x Tulip QR (Dual PII/450 MHz XEON 1 GB internal memory, 6 x 9 GB hard disks, Mylex RAID5 disk controller) with DLT4000 tape unit for backup

No. of users: 64 connected via WAN

The solution

From a field of 110 suppliers, Tulip, in conjunction with Berenschot, drew up a shortlist of three, and took the final decision to implement Sage CS/3 from Sage Enterprise Solutions. Among the deciding factors were product fit (with only one minor area needing enhancement), price/performance, the timeframe for implementation, cost of ownership, and local Sage Enterprise Solutions representation in the countries where Tulip's National Sales offices are based.

With the system, Tulip purchased a full range of finance, distribution and manufacturing modules, along with tools such as AutoQ, EDI Input and EDI Output Data/System Manager, and report generating/writing software.

Implementation of the Sage CS/3 system began with the Netherlands and Belgium in June 1999, based on a blueprint for local

implementation. These countries went live in October, with the UK following shortly after. During early 2000, the system rolled out to Germany, France and Italy. The local presence of Sage Enterprise Solutions contributed to this smooth implementation, with the project coming in to time and to budget.

The benefits

A key requirement for the Tulip business is efficient management of the product life cycle of the hardware. An up-to-date evaluation of which products and product combinations contribute to the company's margins, and which should be phased out, is essential for firm control of the business.

Product portfolio management and maintenance of the product life cycle for the whole product portfolio are handled centrally. Products with low(er) margins, or unavailable products, are assigned 'obsolete' status and cannot be sold by any subsidiary. Now the Sage CS/3 system proposes alternatives to these obsolete products, so that customers' needs can be satisfied with released products of a similar configuration and with a healthy margin.

Assessing the margin a product makes is essential to determining its life-cycle status. Product costs are determined centrally on a standard cost basis. This enables Tulip to review the margin objectively, disseminate reliable information to the local offices, eliminate locally differing interpretations, and carry out true standard reporting. Maintaining the product set centrally also contributes to clear reporting. All the subsidiaries use the same product number, making analysis of the product portfolio for the entire group very easy and avoiding manual corrections.

The central server concept enables Tulip to improve the efficiency of its IT

departments. Management of the entire application can be performed in-house avoiding unnecessary cost or dependence on Sage Enterprise Solutions. As Ardjan Kolster, Project Advisor, comments, "After just three months, we have come to appreciate Sage CS/3 for its user-friendliness, transparency, straightforward setup and maintainability."

Financial Controller Gerard Daniels explains, "Although Sage CS/3 is less complex than SAP, it has produced more management information in three months than we were able to produce after two years using SAP." The standard reports in Sage CS/3 fit the needs of management and businesses in all countries, while the report writer tool is used to easily access additional information.

A consolidated sales report, collating sales and margin figures from the whole group, is produced with Cognos software. The openness of Sage CS/3 enables reporting on an overview basis using all kinds of classifications, based on the information stored in the system. This openness also contributes to the link with external data, such as barcoding for serial numbers.

The future

Tulip is an ambitious and forward-looking organisation that has achieved notable success in the highly competitive IT industry. The scalability and flexibility of Sage CS/3 helps support Tulip's expanding user base and business processes. Not surprisingly, Tulip intends that the system will play a major role in the company's evolving eCommerce strategy.

Gerard Daniels comments, "Sage CS/3 is a system that invites improvement and learning. The implementation has met our expectations and we look forward to further enhancing the system."



For more details of the solution provided for Tulip Computers, please contact Sage Enterprise Solutions.

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