

BizTech Solutions, Inc. Case Study:

NewWave Automates Supply Chain with Workflow

Doubles Revenue and Number of Returns while Cutting Time, Effort in Half



ISV/Software Solutions

About NewWave Technologies, Inc.

NewWave Technologies, Inc. (www.newwavetech.com) is a full-service distributor for document imaging, automated data storage and CD/DVD duplication products. It provides solutions to more than 7,000 value-added resellers, system integrators, service bureaus and OEMs. Founded in 1992, NewWave employs 60 professionals and maintains long-standing distribution alliances with suppliers such as Kodak, Fujitsu, Rimage and Plasmon.

The Business Challenge

Admit it: A recently delivered box sitting on your desk still kindles youthful excitement. When the contents must be returned, however, the procedure often becomes a chore and a cost burden for customer, distributor and vendor alike. Unlike processing orders for delivery, returns present a whole new level of complexity and NewWave's existing ERP system did not adequately address its needs. Bill Cordell, president of NewWave, described inherent frustrations for all parties. To handle returns, VARs and end-users must obtain return authorization numbers and shipping addresses; NewWave employees manage this process along with related credits across multiple departments; and vendors—the originating link in the supply chain—also deal with a host of details for timely return of merchandise. Without efficient processes, materials can be misplaced, lost or return privileges rescinded.

"We don't just sell technology; we use it," Cordell began. "Many of the solutions we implement are to enhance customer experience, to take some of the tasks resellers struggle with and help them through automation. Our objective is to lower our customers' transactional costs while improving our customer service." Upon review, NewWave targeted its "biggest bottleneck," the Return Material Authorization (RMA) process, for enhancement. When details were missing, such as a restocking fee, paper RMA forms were shuffled between employees. Accounting spent hours each day issuing credits and verifying data. The administrative activity was pure expense to all parties. NewWave worked with BizTech Solutions, a trusted partner and New Jersey-based Workflow Software VAR, to uncover the full problem:

- It took days to respond with RMA numbers, resulting in delayed service to VARs and their customers.
- Time-consuming processes also led to past-due accounts receivable and a negative impact on the bottom line.
- By the time authorization numbers were delivered, products may have been misplaced.
- Delayed returns occasionally led to a strain on vendor relationships, such as denial of return privileges.

The Solution

Automation of its supply chain enabled NewWave to absorb an 80-percent-growth rate over four years. Working with BizTech, NewWave integrated Workflow Software with its TakeStock distribution management ERP solution—and the return is impressive: While RMAs more than doubled with added business, processing takes only half the time. Workflow Software manages the RMA process from the time a customer calls to request a return to the arrival of material at NewWave or a vendor location. Upon notice of a return, each salesperson—who handles an average of 75 to 100 returns per month—enters data into the Workflow Software. "Instead of taking 10 minutes to fill out paper forms for every RMA, now it only takes them a couple minutes to enter the part or serial number, while everything else (ship-to address, cost resale and so on) is automatically populated," Cordell explained. Workflow Software ensures data is entered properly and forwarded only when complete. "Our sales team reallocates that time to selling. That's what we want them to do—help our customers sell product versus spending all day handling returns."

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The Solutions, con't

For convenience, real-time records of open RMAs may be viewed in TakeStock, NewWave's distribution and financial platform, or extracted from the SQL database and displayed on the corporate intranet powered by Microsoft SharePoint. Upon approval, the Workflow Software delivers emails to customers with RMA numbers and return packing slips. If products are not returned to NewWave or its suppliers within a set time, the Workflow Software sends email reminders to VARs or vendors. "Before using workflow, employees spent four or five hours per week making calls or sending emails to track down materials," Cordell said. "Now it's immediate and automated. It's just a matter of the customer responding." For phase two, NewWave plans to enable direct customer and vendor access to RMA workflow via the Web.

RMA processing is also simplified for the accounting department. Credit memos, cost verifications and other items are now automatically issued. As a result, the accounting team reduced the number of hours spent processing RMAs by close to 70 percent, resulting in almost two hours per day each employee may direct to other tasks. Among other streamlined accounting processes, turnaround to issue credits has been decreased by 10 to 15 days.

The Results

Healthier bottom line...

Thanks to efficiencies created by Workflow Software, NewWave virtually eliminated financial losses due to misplaced equipment. "Now, we don't lose equipment or return privileges," Cordell said. "Typical annual write-offs were almost twice the amount we spent on the Workflow Software."

Enhanced relationships...

"Our customer-service level has improved. The response time in getting RMA numbers used to take days. Now with workflow, it happens quickly, within hours," Cordell stated.

Competitive Edge...

"With workflow automation, human intervention has been cut in half," Cordell said. As a small company, NewWave strives for business efficiency to compete with national distributors. Using several integrated solutions, the company more than doubled revenue without increasing headcount. The distributor does more with less, leading to higher productivity, increased profits and improved customer and vendor relationships.

About BizTech Solutions

BizTech Solutions, Inc. (www.forbiztech.com) is a Gold Certified Microsoft Partner and a "best of breed" systems integrator for Work Process Automation and Web Business Applications. BizTech is a single source supplier of enterprise products for automation, workflow, document management, digital signing, and e-commerce applications. Our certified engineers and developers provide design, development and "first call" support services from offices throughout the United States. With 20-years process engineering and related LAN/WAN and Internet experience, BizTech creates and supports solutions in numerous industries.



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