

ACCPAC[®] success

allé Fine Jewelry Discovers a Web Gem With ACCPAC Pro Series

St. Petersburg, Florida-based allé Fine Jewelry, a subsidiary of Interactive Retail Management (IRM), is one of the premier jewelry sites on the Internet (www.allejewelry.com). The company's broad product selection includes diamonds, gemstones, pearls, earrings, necklaces, rings, platinum jewelry, bracelets, and casual and dress watches from more than 25 of the most prestigious jewelry manufacturers in the world. allé's success can be largely attributed to aggressive pricing, customer-friendly policies and quick delivery. Customers receive an independent appraisal for any item priced over \$1,000, a certificate of authenticity and a 30-day, money-back guarantee that ships with every item. As a result, allé enjoys a high rate of repeat customers and a 12 percent return rate, which is half the typical mail order return rate.

After launching the allé Fine Jewelry Web site in 1996, IRM endured declining productivity and increased expenses due to inefficiencies in its business systems. To address these concerns, IRM sought a highly flexible solution that would automate every aspect of its Web-based enterprise. After an exhaustive search for an industrial-strength package, IRM learned that upgrading to a source code version of its existing ACCPAC Pro Series business management software would do the trick. With extensive additions to the Pro Series source code, allé's newly customized business automation solution has streamlined business processes, resulting in greatly improved efficiency and dramatically reduced overhead.



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SUMMARY

Interactive Retail Management (IRM) needed a source code accounting system to facilitate the creation of a unique, highly automated, fully integrated fulfillment system to process Web-based orders. The solution, built around ACCPAC Pro Series™, streamlines the order process and includes real-time updating of every part of the system (including the Web site) from a single data entry point. Following implementation of the new system, allé Fine Jewelry's efficiency was greatly increased and overhead dramatically reduced.

CLIENT PROFILE

IRM is an established online retailer of upscale jewelry, operating one of the Internet's premier jewelry stores, allé Fine Jewelry (www.allejewelry.com). The company's broad product selection includes jewelry from more than 25 of the most prestigious jewelry manufacturers in the world. allé Fine Jewelry became the first major jewelry store on the Internet in 1996.

BUSINESS CHALLENGE

After launching the allé Fine Jewelry Web site, IRM endured declining productivity and increased expenses due to inefficiencies in its business systems. Concerned that its existing system would collapse under the weight of a growing volume of transactions, IRM sought a highly flexible solution that would automate every aspect of its accounting, "virtual" inventory, vendor/contact communications and Web-updating processes.

ACCPAC SOLUTION

- ACCPAC Pro Series
- System Manager
- General Ledger
- Accounts Receivable
- Accounts Payable
- Inventory Control
- Order Entry
- Purchase Orders

BENEFITS

Within the first ten days of implementation, ACCPAC Pro Series helped IRM reduce its temporary staff by 75 percent. At its current sales level, what used to take eight to ten full-time accounting clerks can now be accomplished by just one employee and a nearly paperless environment.

INDUSTRY

Retail Management

GEOGRAPHIC LOCATION

United States

Manual Procedures Strain Operations to the Breaking Point

Despite the successful launch of the allé Fine Jewelry Web site, IRM still used predominantly manual systems inadequate for handling the company's rapidly growing business volume. According to Dick Granger, president of IRM, "Sales were doubling annually, but due to the inefficiencies of our system, our productivity was declining and our expenses were increasing. We were deeply concerned that our current system would collapse under the weight of increased transactions unless we found a solution."

The Epic Search for a Solution

Shortly after launching the Web site, Granger upgraded the company's entry-level accounting package in order to seamlessly tie front-end ordering from the Web to back-end accounting. He chose ACCPAC Pro Series, which dramatically enhanced allé's productivity. However, after a year, the volume and complexity of transactions rapidly increased and although the system provided tremendous power and performance, Granger decided to pursue an "industrial-strength" package that

could deliver enterprise-level functionality at an affordable price. For the next two years, he evaluated several solutions. "We called a number of well-known, enterprise-level software vendors to find a solution and we were shocked to receive proposals ranging from \$1 million to as high as \$10 million dollars! Not only were these proposals way out of our budget, these solutions didn't have the flexibility or the functionality that we needed to go to the next level," claimed Granger.

ACCPAC Pro Series Delivers Major Staff and Expense Reductions

With his search yielding no answers, Granger turned to the original reseller of the company's ACCPAC[®] software, David Boos, president of Cornerstone Consulting in Clearwater, Florida. A flowchart was created for a fully automated, integrated fulfillment system where Web-based orders could be processed through accounting and customer service systems, on to vendors for customer shipping and finally back to allé. Boos informed Granger that simply by upgrading IRM's existing ACCPAC Pro Series software to a source code version, the required customized features could be

built in for a tiny fraction of the cost of the solutions proposed by the larger, enterprise-level software vendors.

Four key modifications were needed:

- 1) Automatically pull in the online orders and apply business logic to them before creating the sales order in ACCPAC. Once the order is accepted, automatically create a purchase order and transmit it electronically to the specific vendor;
- 2) When the vendor ships the product, automatically generate and send an e-mail confirmation to the customer confirming shipment, and simultaneously send an acknowledging receipt back to allé to close out the purchase order and generate the accounts payable entry;
- 3) Upon receipt of the shipping confirmation from the vendor, automatically ship the sales order and turn it into a customer invoice;
- 4) Take the customer's credit card number from the original Web order and automatically close out the invoice with that credit card. Finally, during each of these steps, generate the inventory, accounts receivables, accounts payable and cash receipts transactions for posting to the general ledger.

"Within the first ten days, we were able to reduce our temporary high-season staff by 75 percent! At our current sales level, with the old system I would probably need at least eight to ten full-time accounting clerks. Instead, with ACCPAC Pro Series, I have just one employee ..."



Implementation of the new system commenced in the spring of 1999 and the complete system went live at the peak of the holiday season. “We were either very smart or very dumb to go live at such a critical time of year, but we believed so much in the ACCPAC Pro Series solution that we expected it to succeed right from the start and we weren’t disappointed. The system worked like a charm. Within the first ten days, we were able to reduce our temporary high-season staff by 75 percent! At our current sales level, with the old system I would probably need at least eight to ten full-time accounting clerks. Instead, with ACCPAC Pro Series, I have just one employee, because the system does everything else automatically,” said Granger.

ACCPAC Pro Series Elevates allé from Purgatory to Paradise

Granger’s goal was to automate the entire process from the time the customer presses “Buy” to the moment the shipment is received. With ACCPAC Pro Series at the core, Granger and Cornerstone created an ingenious system to track all customer service issues such as bad credit cards, returns, customer buying patterns and multiple shipping addresses. A contact manager tracks all customer communications.

A macro reads the order data from an online Microsoft® SQL database, determines if it came from a new or existing order, puts it into a holding cell called “Purgatory,” applies sound business rules to that information and then passes it on to the order entry system. With “Purgatory” in place, allé has kept potential losses from Internet fraud to a minimum.

Dynamic and Real-Time Web Updating from ACCPAC Pro Series IC

Extensive coding was added around ACCPAC Pro Series Inventory Control (IC) so that item information (item number, description, graphics, selling price, vendor SKU number, price, drop-ship, cross-sell/up-sell information, etc.) entered and saved into IC reflects on the Web site in real time. Boos notes, “Before we installed this system, IRM had to pay for a Webmaster who was working overtime just to maintain the site. Now, we don’t need a Webmaster.”

A True Believer in ACCPAC and Cornerstone Consulting

The powerful, highly automated fulfillment system built around ACCPAC Pro Series has enabled the company to secure contracts with large national retailers to serve as out-source fulfillment managers, and has empowered these retailers to extend their strong brand names into the attractive, high-margin fine jewelry market.

Dick Granger is pleased with the flexibility of the ACCPAC Pro Series solution and the level of service he received from Cornerstone. “Dave Boos



and his staff have been extremely committed to our entire process. Some of the high-end software developers who proposed multi-million-dollar solutions said that our vision couldn’t be achieved, yet Cornerstone was tenacious and overcame every obstacle to make this a reality. Of course, without the tremendous flexibility of the ACCPAC Pro Series system to enable these unique modifications, we wouldn’t be celebrating the success of this solution. Many in our industry consider ours to be the best e-commerce system in the country. Needless to say, I’m a true believer in ACCPAC and Cornerstone Consulting.”

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About Cornerstone Consulting Inc.

Since 1983, Clearwater, Florida-based Cornerstone Consulting Inc. has offered a full array of network-based financial software, information systems and consulting. Specializing in ACCPAC Pro Series, Cornerstone focuses on management accounting and total e-commerce solutions that strategically leverage clients' existing technology. Cornerstone's services include Microsoft[®] Foxpro[®], Microsoft SQL and Macromedia[®] ColdFusion[®] programming, software evaluation, hardware configuration, Internet business consulting, technical support, system installation and implementation, training, software customization work, report design, macro development and e-business solutions for ACCPAC Pro Series. Cornerstone is a certified Microsoft Solution Partner and is available for installation, configuration, training and support of the entire Microsoft line. Cornerstone is an authorized dealer for IBM[®], Compaq[®], AST, Hewlett Packard[®] and the Novell[®] operating system, and maintains offices in Atlanta, Georgia and Los Angeles, California. For more information about Cornerstone Consulting Inc., visit www.cornerstone1.com.

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About ACCPAC

For more than 20 years, ACCPAC International, Inc. has been developing business management applications that deliver high performance, advanced functionality and cross-product integration to small and medium size enterprises. Today, ACCPAC offers a broad range of integrated accounting, CRM, e-commerce, EDI, HR, warehouse management, point-of-sale and manufacturing solutions designed to enhance competitive advantage and increase profitability.

A subsidiary of Computer Associates, ACCPAC is based in Pleasanton, California, USA. With offices in Australia, Canada, India, Mexico, the Middle East, South Africa, Southeast Asia and the United Kingdom, ACCPAC has more than 500,000 customers and more than 6,500 business partners in more than 130 countries worldwide.

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