

SUCCESS STORY

The Challenge

Jensen Distribution Services had outgrown their already dated accounting system and was struggling to process a large volume of transactions. Additionally, a better system was needed to accommodate reporting for an unusual vendor payment process.

The Solution

Milestone implemented Sage MAS 500 with a customized vendor payment system giving Jensen the ability to track and access year-end rebates, process charge backs, and accommodate chain customers efficiently.

The Results

Jensen is able to process 20% more transactions than they had previously without adding additional accounting staff, and now can report on their vendor payments with the click of a button, literally. Jensen is also saving \$30,000 on annual service and maintenance fees.

The Customer

Jensen Distribution Services
www.jensenonline.com
Located in Spokane, Washington
230 Employees

The Industry

Wholesale Distribution

The System

Sage MAS 500



Jensen Distribution Services is a full-line wholesale hardware distributor serving the Western United States. They have been in business for over 125 years and boast an inventory of over 58,000 items including; paint and paint sundries, hardware, tools, electrical, plumbing, house wares, lawn, garden and outdoor living. Since 1883 they have been serving neighborhood hardware stores, and now also serve larger chain hardware retailers. They have grown to over \$120 million in sales and have expanded their distribution center to over 500,000 square feet.

Rusty tools cause concern

In 1993, Jensen replaced their custom distribution software with Lawson, a tier-1 ERP solution. However, the exorbitant annual maintenance fees became cost prohibitive. "The system was really more than we needed and certainly not worth the high fees to support it. As a result, we didn't use the advanced features and used only the General Ledger, Accounts Payable and Accounts Receivable functions," recalls Doug Kauffman, CFO of Jensen Distribution Services.

Jensen needed a solution that could handle a large number of transactions and invoices. The old system was character based and required a lot of "heads down" keyboard entry. Jensen found that they were handling many transactions but their system was slow in processing the information. "Our system was burdened with the number of transactions we were processing, which resulted in lost productivity. We also wanted a solution that could easily export data into Excel. The old system was extremely cumbersome," stated Doug. In addition, Jensen needed to replace their core financial programs with software that could integrate with their existing inventory and order entry process. "Our accounting department is small, and we needed to increase productivity to keep up with the



growth of the business. Without an improvement we would have had to hire more employees to keep pace," Doug added.

In addition to their slow system and data export issues, Jensen had a challenging accounts payable situation. As part of a national buyer's organization, Jensen Distribution Services paid a company who in turn paid all of Jensen's vendors. Jensen needed to be able to track what they were spending with each vendor as well as identify current spending and report volume information to buyers. Prior to the new system this process was complicated, detailed and cumbersome.

In the past, Jensen had come across software resellers who promised more than they could deliver, which in turn led to a general distrust of the industry. However, they had a good feeling about Milestone from the beginning. "Their interest and questions in how we run our business made us feel that they could deliver on their promises," commented Doug. "We developed a relationship with Milestone; and even visited one of their customers in Seattle. We received glowing reviews which helped us gain a better comfort level with the proposed project."

Powering-up for a new era

During the selection process, Jensen narrowed their choices to 3-4 software brands and concluded that all of the software they were evaluating would suit their needs. Ultimately the decision came

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Doug Kauffman, CFO, Jensen Distribution Services

down to which reseller Jensen felt most comfortable with. They believed Milestone could help not only during the initial installation and customization, but also in the future as a trusted advisor. In the end, they chose Milestone and the MAS 500 solution they proposed. “Over time we developed a level of trust, and we knew that we were going to need Milestone to help us make things work,” commented Doug.



A Strong Foundation for the Future

Jensen finished the implementation of MAS 500 and reports that, while the project wasn't without late nights, it went very smoothly. Milestone accommodated all of Jensen's training needs, and continues to be responsive to follow-up on support issues. Doug reports, “We have been very pleased with the response time of Milestone; they can typically resolve any issue we have within an hour. They know who we are when we call and have capable people available to support us.”

As part of the new solution, Milestone was able to customize the system to track Jensen's unique vendor payment process quickly and with ease. Milestone added a “pay-vendor,” button, and with a single click, Jensen has access to all accounting details including a way to track year-end rebates, process charge-backs and accommodate chain customers more efficiently.

The new system is already saving Jensen time and money. They have had a 20%

increase in processed transactions and with the new system they have been able to manage the accounting workload without hiring additional people. “This has been a tremendous improvement from the old system. The new system is Windows based and allows for quick access to information. We only need to identify a single element of data to search and locate the desired information. We are able to create reports and spreadsheets with ease, which provides us with the information we need to maximize our business,” says Doug. Not only was this a technological improvement, but a cost effective change as well. “We are saving \$30,000 a year in service and maintenance fees,” estimates Jensen. “With Milestone we are confident that we can upgrade to new releases and keep our system from becoming outdated. We plan to stay on this system for the next 20 years.”



MILESTONE

INFORMATION SOLUTIONS

Milestone has acted as a solutions partner to Northwest area businesses in Washington State for over 15 years.

We offer Sage Software's award-winning Sage MAS 90, Sage MAS 200, Sage MAS 500, SageCRM and Intuit's QuickBooks Enterprise Solutions.

We implement business management systems that combine core accounting functionality with manufacturing and distribution functions to increase efficiency, productivity, and profitability.

Our areas of specialization include:

- Core Accounting
- Manufacturing
- Distribution
- e-business
- Customer Relationship Management (CRM)

We encourage you to learn more about us and our services, and we welcome the opportunity to help your business prosper.