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Eagle has a "Special Effect" on Multi Media Electronics a MAS 90 Distribution Solution

Get your own bubble machine—and you could be the next Lawrence Welk. Farmingdale, New York based Multi Media Electronics, Inc. (MME) designs and distributes what it terms "lifestyle stuff"—chic lighting and special effects products for the home market. A compact fog machine, retailing for \$39.99 is the current best seller, followed closely by the ever-popular Lava Lamp. Fun products yes, but this is serious business. There is a real and growing market for this trendy gear; MME's sales have jumped from \$3 million to \$44 million over the past five years.

Several years ago, MME moved the majority of its manufacturing to China. This strategy cut manufacturing costs dramatically, enabling MME to offer its products to retailers at a favorable margin, and still keep the products at a price point attractive to consumers. That wise choice, combined with a keen eye for upcoming trends, has kept sales growing even during a down-turned economy. Target,

Wal-Mart, and Spencer Gifts are MME's three largest customers, and MME has plans to move its products up-market into national home design stores.

The Bubble Burst

MME's former accounting solution, a combination of QuickBooks and a File-Maker database, left much to be desired. An entire day out of each month was spent hand writing and then manually recording every check into QuickBooks. Inventory, sales order and purchase order functions were completely separate from accounting functions, resulting in hours of redundant data entry, frustrating reconciliation, and the potential for the data entry errors. Obtaining support for the highly customized database had become increasingly difficult. The company's dramatic growth necessitated a business software solution capable of handling its burgeoning sales, and allowing for continued expansion.

Clearing The Fog

Having used MAS 90 in another venture, one of MME's owners was impressed with the ease of use and powerful tools such as Crystal Reports. MME invited Eagle Consulting Group to perform a demonstration of MAS 90, and were convinced they'd found the solution. Mike Sable, MME's CFO, explains: "We realized we had moved out of small business software and into the middle market. Other packages were evaluated, but MAS 90 was simply the best package out there for companies of our size."

The implementation went very smoothly; MME started generating financial statements and inventory valuations that tied to the



MAS 90 streamlines the selling and inventory control of Lava Lamps to bubble machines

general ledger. Accounts Payable was the first module up and running, and the time and labor savings was immediate. The number of checks processed has quadrupled since the initial implementation, yet the entire process consumes just a fraction of the time it did prior to MAS 90.

"With two disparate systems, the details tend to get lost. With MAS 90, we have a completely integrated system—there's no room for details to get lost. We can put our focus on one system, without wasting effort trying to tie together two completely different packages."

Support and Custom Report Writing

MME opted for a yearly support contract from Eagle Consulting Group. The yearly contract entitles MME to unlimited telephone support at a fixed fee, simplifying budgeting and ensuring that any problems are resolved quickly and professionally. "Eagle Consulting Group has been very responsive," explains Sable, "They are always available over the phone, and come on-site whenever needed to install an upgrade or help implement a new feature."

Using the FRx Financial Report Writer, Eagle helped Sable prepare a customized balance sheet that summarizes every account by

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the account type. Eagle was also helpful in preparing a consolidated financial report that combines the data from two subsidiary companies into a single report. With the training Sable received from Eagle Consulting Group, he has gained the confidence to begin preparing custom reports of his own.

Within the Purchase Order module, Crystal Reports was used extensively to create a unique purchase order which includes the company's logo and user defined fields holding item-specific data required by MME's vendors in China.

Distribution Solution

With MAS 90, MME is able to obtain reliable inventory information. At a glance, MME can analyze best sellers and make any necessary adjustments to purchase orders. The Stock Status report details the on hand and on order quantities for each item, and the Inventory Turnover Report gives insight into the average on hand quantities and year-to-date sales. With access to detailed analysis reports and on-screen inquiries, MME is able to make informed buying decisions that were simply impossible with the old system.

Landed Cost

MME takes ownership of their inventory at the point it is loaded onto container ships overseas. It may be several weeks before the stock actually arrives at MME's physical warehouse locations. Tracking this in transit inventory has always been of special concern; MME owns these products yet they are not available for sale. To complicate matters, the landed cost of the inventory is higher upon receipt than it is upon order, due to shipping and customs fees (landed costs) paid to separate vendors. Prior to the implementation of MAS 90, MME utilized a complex array of spreadsheets to track what products were on order, what products were *on the water*, what products had arrived, and what landed costs should be al-

located. These spreadsheets were updated several times per day, as the changing status of a shipment became known.

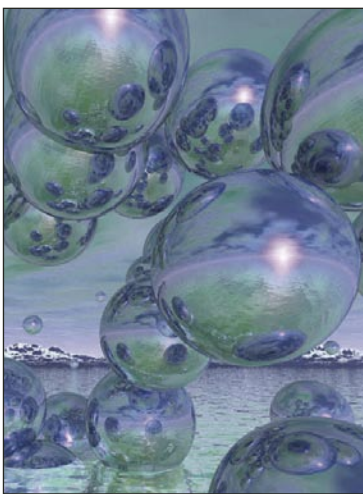
Eagle's consultants devised a procedure for tracking this inventory within MAS 90—a method that requires much less user intervention, and has proved accurate and efficient. A purchase order is issued to their vendor at the vendor's item cost. When MME receives notification that the order has shipped, a receipt of goods is performed against the order, in effect receiving the goods into an *on the water* virtual warehouse. When the goods arrive at MME's physical warehouse, a return is performed to remove the items from the virtual warehouse, and a second receipt is performed to receive the items into their physical warehouse at the appropriate landed cost. Inventory costing is highly accurate, as the landed costs can be allocated to each item based on weight, cost, quantity, or volume.

In addition to the labor savings reaped in abandoning the spreadsheets, MME can now print an Inventory Valuation Report for each warehouse, included the *on the water* warehouse, providing an instant, accurate look at the value of inventory that is in transit.

Future Effects

To ensure lasting success MME is continually refining their strategy. Plans are underway to upgrade to MAS 200, the client server version of MAS 90, to increase performance and enable remote data access. The Credit Card module may be added as more of their customers wish to pay via credit card. In addition, the Job Cost module is under consideration for tracking the costs incurred during the product development cycle.

MME found an ideal niche market, and has equipped itself with the tools to succeed in that market. MAS 90 and Eagle Consulting Group are vital players in that success.



MAS 90 helps MME track landed costs for each product produced off-shore



Headquartered in New York City, our firm has specialized in MAS 90 and MAS 200 by Best Software since 1994.

Since our firm supports the MAS 90 family of products, you can be assured of our experience and expertise in solving business problems.

If you need to improve how your firm approaches manufacturing, we would like to talk with you to see if MAS 90 is the right solution for you.



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