

Coastal Nursery LLC Cultivates Growth with Baytek and Sage MAS 90

Case Study Overview

Issues Leading to Need for a New System

- Tremendous growth and increased transaction volumes
- Commission calculation
- EDI requirements of major customers
- Inventory tracking
- Increased payroll demands

Results of Implementing Sage MAS 90

- Integration of EDI allows for increased sales
- Reduction in time spent calculating salesperson commissions
- Employees spend less time managing inventory kits
- Stable system that allows for continued company growth

Results Working with Baytek

- Meaningful information to help run business better
- Customized reports and forms
- Knowledgeable and available support staff

Growing is top priority at Coastal Nursery. For more than two decades, Coastal Nursery has been growing rosemary, heather, cypress and ivy in the soil-rich, mild-weather climate of beautiful Northern California. Once nurtured and grown, these plants are shipped to retailers all over the country for consumer purchase. Just as Coastal Nursery cares for and nurtures its plants, they needed to find a partner to help care for and nurture their accounting system to keep up with the growing demands of an expanding customer base.

Growing Demands

Coastal Nursery was using Peachtree by Sage since the business began in 1986. With the addition of several large, national retailers such as Home Depot, Albertson's and Lowe's, Donna Rodrigues, Coastal Nursery's owner, knew Peachtree would no longer be able to meet their business needs or the EDI processing requirements of their customers. "While working with the larger retailers was a good thing in terms of increased orders for Coastal Nursery, it demanded that we add more functionality and flexibility to our system," said Donna. "We were very comfortable using Peachtree and I was concerned that a new system would not be as user friendly and more difficult for our employees to use."

Coastal Nursery had been working with Baytek for the support of their Peachtree accounting system and it was to Baytek they turned to for advice. To manage their inventory, which can be as much as \$4 million during peak season, calculate commissions on more than 7,000 items, integrate customer-required EDI and keep up with larger transaction volumes, Baytek recommended a move to Sage MAS 90 ERP. "Before I could commit to a move to Sage MAS 90, I needed to

know that adequate support was available to my employees during the ongoing training, conversion and support. The answer to this concern was Baytek," said Donna.

Baytek began the process of customizing Sage MAS 90 for Coastal Nursery, including a complete redesign of all the basic structures to accommodate for the cost accounting required of an agricultural business that has a two-year capitalized plant growth cycle, inventory tracking, large payrolls and extensive customer ship-to's. Once the system was ready, Baytek managed the opening transaction data entry and continued on-site training of all employees up to and past the "go live" date as needed. Historical data remained in Peachtree for future reference. "Baytek's support allowed us to immediately utilize Sage MAS 90 without spending countless hours trying to interpret user's manuals," said Donna. "Their support was vital to our transition of integrating our needs into a sophisticated and powerful accounting system."

Flexibility

In addition to improved inventory tracking, one area that was cumbersome at Coastal Nursery was the kit management process.



“Time is money! Baytek has certainly made sure that Coastal Nursery is making the best use of our time through education and support.”

—Donna Rodrigues, Owner

The plant, container, tag, packaging and decorative foil wrap were individual items in a kit. When a season would change, a customer requested a change or a decoration would go out of stock, Coastal Nursery needed to change the kit components. With Peachtree, this could not be done – a new kit had to be created, which resulted in significantly more inventory to manage. It was also difficult for the salespeople to keep up with what was in each kit. In Sage MAS 90, Coastal Nursery is able to remove an item and easily replace it with something else. Inventory does not get bogged down as new kits are not created, and more importantly, employees save a tremendous amount of time since they do not have to search through the kits to determine what is available.

Improved Efficiency

Since 75% of Coastal Nursery’s business is done over a four-month period and salespeople are paid commissions only when the customer pays, calculating commissions and running payroll was a daunting task for Donna. Payroll used to be run in small batches for the 150 employees of Coastal Nursery. This was time consuming and only became worse as volume increased. With Sage MAS 90, the volume is significantly higher and the calculation significantly easier. Sage MAS 90 tracks all paid and unpaid commissionable items and created a report that guides Donna through the process. Employees and outside sales reps are paid timely and correctly, and allows for accurate accruals of commissions due.

EDI Integration

Many of Coastal Nursery’s current large retailers required Coastal Nursery to use EDI. Coastal Nursery was performing all sorts of manual manipulations in order to get the data into Sage MAS 90. This was very difficult and time consuming for the staff. After a cost-benefit analysis performed

by Baytek, it was clear that Coastal Nursery should implement EDI. True Commerce’s EDI product was selected due to its ability to integrate with Sage MAS 90. “Having this piece cut down our processing cost by 75%,” said Donna. The cost of manual entry, making a mistake and processing individual transactions as well as lowering the stress level among the staff were all taken into consideration. “Since this process is no longer manual and we have implemented True Commerce, we have been able to expand our shipping and ultimately expand our sales,” said Donna. Coastal Nursery was able to add Wal-Mart as a customer following the Baytek-led EDI implementation.

Customers also required customized packing lists for their orders. With the help of Sage MAS 90 and Baytek, Coastal Nursery was able to accommodate their customer’s requirements and improve their customer relationships.

Moving Ahead

The implementation of Sage MAS 90 by Baytek has yielded positive results for Coastal Nursery. Marilyn Stringer, Baytek’s technical consultant and project manager for Coastal Nursery’s implementation said, “With the same amount of staff, Coastal Nursery has increased its gross revenue over 35% in two years, has fully implemented a very much needed cost accounting system, has been able to produce meaningful financial statements using FRx not only for the banks and CPA firms, but for internal management purposes, and ultimately has no fear of “outgrowing” their accounting system. The nightmare of calculating commissions is over for Donna!”

“When we were on Peachtree it was not even possible for us to take on the big retailers. We realized that we could do more volume, but the system limited us. With Sage MAS 90, True Commerce and Baytek, there are no barriers to growth,” said Donna.

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