



AMERICAN DIGITAL SYSTEMS

SAP® BUSINESS ONE SDK FOSTERS INNOVATION, HELPS MANAGEMENT REDUCE COSTS

“I can’t say how much more money we’re realizing as a result of our SAP Business One implementation, but it’s huge – probably a good 15% in improved revenues just by being able to track those two factors, inventory and receivables.”

Matt Woods, IT Director,
American Digital Systems

QUICK FACTS

Company

- Name: American Digital Systems (ADS)
- Location: Broken Arrow, Oklahoma
- Industry: Telecommunications – cable/broadband and Internet
- Products and services: Satellite TV products and services
- Employees: 325
- Implementation partner: VistaVu Solutions Inc.

Challenges and Opportunities

- Support growth by integrating processes
- Improve access to critical business data
- Streamline inventory control processes to reduce costs
- Improve receivables accounting to avoid lost revenue

Objectives

- Replace legacy business systems to improve visibility into inventory tracking and receivables accounting
- Tie existing applications into new business management software

SAP® Solution and Services

SAP® Business One application

Implementation Highlight

Implemented software in just 1 month

Why SAP

- Superior business management functionality
- Ability to easily access business data
- Formalized software development kit
- Extensible application

Benefits

- Cost reduction through replacement of physical inventory processes with inventory aging procedure
- Recovery of revenues previously lost to time-consuming inventory processes
- Recovery of previously unaccounted revenues

Existing Environment

- SouthWare accounting system
- Various instances of non-SAP software, including a Web portal and payroll application
- Integrated voice response system

Third-Party Integration

- Database: Microsoft SQL Server
- Hardware: Dell
- Operating system: Microsoft Windows



AMERICAN DIGITAL SYSTEMS

SAP® BUSINESS ONE SDK FOSTERS INNOVATION, HELPS MANAGEMENT REDUCE COSTS

“We had grown to the point where our legacy software was no longer capable of running the business,” says Matt Woods, IT director at American Digital Systems (ADS). “It was a COBOL-based, terminal-window-accessible application, and it became a major part of the problem in expanding our business.” ADS found the perfect solution to its requirements with the SAP® Business One application and, in particular, the flexibility provided by the SAP Business One Software Development Kit (SAP Business One SDK).

American Digital Systems of metropolitan Tulsa, Oklahoma, is one of the premier retailers for DISH Network throughout the United States. DISH is, of course, one of the two major suppliers of satellite TV and associated products and services in North America. ADS’s territory extends throughout Oklahoma, into northern Texas, with a bit of Kansas included. The company employs approximately 250 technicians and 50 to 75 corporate personnel. Being privately held, ADS does not publicly provide its revenues.

As satellite TV gained acceptance, ADS grew. “We were taking over more territory, and as the satellite industry picked up, so did our work,” recalls Woods. “And the data we needed was inside our business management system. It was almost entirely impossible to get to that data from outside the application, and the application wouldn’t do what we needed it to do.”

Visibility surrounding both inventory and accounts receivable was particularly lacking. “We were losing money, and

there was no way to estimate how much because we could never tell how badly we were doing,” notes Woods.

Sold on the Formalized SDK

Woods and his people started looking at alternative solutions. They considered Microsoft’s various business

“We were losing money, and there was no way to estimate how much because we could never tell how badly we were doing.”

Matt Woods, IT Director,
American Digital Systems

applications as well as Macola, before SAP partner VistaVu Solutions introduced them to SAP Business One.

Woods and his team had been building external applications even before they implemented SAP Business One. When they wanted a particular kind of Web portal or an integrated voice response

system for their technicians, they built it themselves. Not surprisingly, the SDK was the deal maker for ADS. “We were really sold on the formalized SDK,” says Woods. “And having SAP software handling the back-end processes is a lot more attractive than some of the other things we looked at.”

The comprehensive object-oriented SDK development tools provide SAP Business One with a key advantage. They allow SAP partners and customers to write programs or integrate third-party applications that add to SAP Business One without interfering with the core functionality. The SDK makes extending the functionality of the application a relatively inexpensive and very seamless process. SAP Business One is the only application that gives everyone this freedom to easily add fields, change forms, and personalize queries and reports. New functionality can be added quickly as the needs of the business change over time.

“SAP Business One is written in C++,” says Geoff Smith, account executive at VistaVu Solutions, “but the application incorporates this software development kit that gives you access to all the SAP titles and screens. So, without changing the SAP Business One code, you can write whatever program you want in the language of your choice and then access the SAP application through the SDK. The SAP Business One programs are kept intact, but you’re altering the way they behave. And that’s what ADS did.”



“Now that we’ve implemented SAP Business One, we never have to do a physical inventory. . . . This has saved us a significant amount in employee costs and also in lost revenue.”

Matt Woods, IT Director, American Digital Systems

Extensibility – A Major Advantage

“The extensibility of the SAP application was a major advantage to us,” says Woods. “We had already developed our integrated voice response and payroll accounting systems before we acquired SAP Business One. Being able to tie those external systems into it and modify the behavior of the SAP software for our needs while retaining the core business management processes built into it was crucial for us.”

ADS interrupted its implementation of SAP Business One to wait for a particular SDK feature it specifically wanted. Having begun the implementation in September, the company rolled it out on January 1, but the actual implementation time only took about one month.

Impressive Benefits

The benefits ADS has seen since go-live have been impressive, with many of them centered around inventory control. The company sells everything from one-dollar parts to high-definition TVs costing thousands of dollars. Keeping track of all these items is crucial to the profitability of the business.

In the past, inventory control was arduous, time-consuming, and costly. Every month, the technicians would come into one of five ADS distribution centers, unload their vans, and check every item. The inventory process would shut down an entire location for at least one day and sometimes two. All this represented a significant cost to ADS.

That’s all changed now.

An End to Physical Inventory

“Now that we’ve implemented SAP Business One, we never have to do a physical inventory,” says Woods. “Instead, we use inventory aging exclusively to determine where the parts are.”

Each van is now essentially a warehouse in the SAP application. “We track how old items are and require each technician to renew parts beyond a certain age by refreshing them in the system,” says Woods. “By doing inventory this

“So, without changing the SAP Business One code, you can write whatever program you want in the language of your choice and then access the SAP application through the SDK.”

Geoff Smith, Account Executive, VistaVu Solutions

way, we’ve been able to eliminate the need for physical employees in the inventory management area. This has saved us a significant amount in employee costs and also in lost revenue.”

The lost revenue is associated with the savings in technicians’ time. Where it used to take half a day for technicians to inventory their vans, the whole process now takes just 15 minutes. “And it’s done on the fly,” comments Woods. “We no longer have to park the technicians; now we can run more work orders and make a lot more money that way.”

What is all this worth? Says Woods, “At one point we estimated that every physical inventory performed would cost in the neighborhood of US\$10,000 to \$15,000 per location. And we would do this at each of the five locations once a month. So that’s upwards of \$50,000 a month right there.”

15% Improved Revenues

There are other benefits that link to the bottom line. ADS has a very complex financial arrangement with DISH Network. Prior to its SAP implementation, ADS was not able to effectively track accounts receivable data. “But at this

point we know exactly what to expect as far as payments,” says Woods. “We now perform reconciliations with DISH to verify outstanding payments, a process that has brought about substantial benefits. And we no longer have to assign people to the task; we were able to build an application to handle it.”

Looking at the overall gain, Woods is enthusiastic. “I can’t say how much more money we’re realizing as a result of our SAP Business One implementation,” he says, “but it’s huge – probably a good 15% in improved revenues just by being able to track those two factors, inventory and receivables.”



50 088 548 (08/05) Printed in USA.
©2008 by SAP AG. All rights reserved. SAP R/3, xApps, xApp, SAP NetWeaver, Duet, Business ByDesign, ByDesign, PartnerEdge, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and in several other countries all over the world. All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary.

These materials are subject to change without notice. These materials are provided by SAP AG and its affiliated companies ("SAP Group") for informational purposes only, without representation or warranty of any kind, and SAP Group shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP Group products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.