



Associated Grocers, Inc. Retail Store Accounting

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At A Glance:

- **Company:** Associated Grocers, Inc.
Retail Store Accounting
- **Location:** Baton Rouge, LA
- **Industry:** Accounting,
Distribution/Wholesale, Retail
- **Challenges:**
 - Manual re-entry of data caused constant disk errors and discrepancies between general ledger statements and the check register
 - Needed grocery-specific accounting software available online
- **Software switched from:**
RealWorld Expertise, Lawson
- **Other software considered:**
Peachtree, QuickBooks, Creative Solutions, proprietary software
- **Results with NetSuite:**
 - Avoiding approximately \$30,000-40,000 a year on proprietary software or other networked solutions
 - Reducing staff in the department by 2 employees
 - Increasing quantity of financial statements prepared by 143% while improving quality
 - Reducing turnaround time for preparing financial statements by 82%
 - Avoiding \$150-an-hour consultants to fix an obsolete system that had several bugs and little integration

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— Tom DeWerff, Retail Store Accounting Manager

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The Results:

The Retail Store Accounting department (RSA) of Associated Grocers in Baton Rouge, La., started using NetSuite’s online, integrated accounting/CRM service for its solution to provide accounting services to its accounting clients, consisting of member retail grocery stores. As a result, RSA has been able to save approximately \$128,600 on proprietary software over the last three years, or \$94,100 that the department would have spent on a hosted RealWorld solution over the same period.

“Our number of accounting clients had been shrinking, but last year it increased from 12 to 24,” says Tom DeWerff, Retail Store Accounting Manager. “Over the next two years, we could double again. Much of this is thanks to NetSuite. In the past three years, we have been able to reduce our staff by two people while increasing the number of financial statements we produce by 143% and decreasing service time by 82%. We have also been able to provide our customers with better management reports to help them make better business decisions.”

The Challenges:

Providing accounting services is a well-established practice at Associated Grocers, Inc. (AG), an organization that does purchasing and distribution for over 230 independent grocers in Louisiana, Texas, Mississippi, Arkansas and Alabama. With both large supermarkets and corner grocers as its clients, RSA provided accounting services for those who opted to purchase them, but that number had been declining in recent years.

When DeWerff was hired at AG in June 2000, the RSA department was using RealWorld Expertise and Lawson as its accounting solution, and after sizing up the situation, he concluded “there has to be a better way.”

“We had a problem with Expertise’s general usability, with bugs and fixes,” recalls DeWerff. “We would find discrepancies between a general ledger statement and the check register. It was a bad situation.” Fixing it cost the services of a \$150-an-hour consultant.



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Even when it was working, using the RealWorld system meant participating stores submitted their monthly data by disk to Associated Grocers' Baton Rouge offices. “Three times out of ten we'd get a bad disk, and the data would have to be resent,” giving rise to another opportunity to introduce errors. The data off the client's disk had to be printed out from RealWorld and re-entered manually into Lawson general ledger to allow us to prepare financial statements, says DeWerff.

Then RealWorld was acquired by Great Plains, which was in turn acquired by Microsoft. DeWerff didn't expect the problems to disappear any time soon.

“Upgrading our systems to allow clients and us to access data simultaneously was a desired outcome, but with the systems we were looking at, it was cost-prohibitive.”

The Solution:

DeWerff looked at a grocery-specific accounting package, but it was resident on an IBM mainframe. He looked at PC-based accounting packages like Creative Solutions, QuickBooks and Peachtree. At the same time, he realized his customer base was distributed, so he knew there would be advantages to an online service that was accessible from anywhere. Consequently, DeWerff evaluated Peachtree's ePeachtree and eLedger.com's online services, but the latter ceased operations in May 2001. “It was apparent to me that NetSuite had the best package, and I still say it's the best thing running,” he says. “We successfully implemented NetSuite in January 2001 and I can honestly say it was the best decision we could have made.”

“NetSuite was a system that was straightforward and easy to learn, without a lot of confusing bells and whistles, which made it an easier sell for our clients,” says DeWerff. He logged on to NetSuite from his laptop and took his story on the road to both existing and prospective customers of RSA's accounting practice.

“Being able to work over the Internet is fantastic. It's been a really good selling point for our services,” says DeWerff. “There really are no geographical barriers for us to provide our real-time accounting services in this environment.”

An added selling point is that DeWerff is an employee of Associated Grocers, Inc., the trusted supplier the grocery stores order most of their goods from. “It helps to provide accounting services to the industry you work in,” DeWerff said. “Stores do call me for technical support. I was the one who brought them in. I'm acquainted with the situations they are encountering,” he notes. “With a little help, they complete their transition and learn to use the system on their own,” he says.

Providing accounting services to member retail grocers used to be a subsidized operation at Associated Grocers. Now, thanks to NetSuite, it's a break-even operation. DeWerff believes NetSuite will be the department's stalwart accounting and CRM system for years to come.

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