



CPI USA

www.cpi-usa.com



At A Glance:

- **Company:** CPI USA
- **Location:** Irving, TX
- **Industry:** Manufacturing; Wholesale/Distribution
- **Challenges:**
 - Finding an ecommerce, accounting and customer relationship management system that would give both dealers and the parent office a real-time view into operations
 - Streamline administration; gain control over sales opportunities and open quotations
- **Software switched from:** Paper-based processes
- **Results with NetSuite:**
 - Saves \$480,000 a year in employee costs



“The factories are in Taiwan, China, and Indonesia, so without a real-time system like NetSuite, it would be difficult for us to monitor the status of products that are in the warehouses and that are being shipped. At the same time, the parent company has access to our sales and how many units we have sold during a specific period.”

— Johnny Tai, Administration Manager

CPI USA

The Results: Half A Million Savings Every Year

Johnny Tai, administration manager of CPI USA, estimates that the company saves an eye-popping \$480,000 a year in employee costs. “Hardly any companies in this industry are automated—and certainly not to the extent that NetSuite allows us to be,” he explains. “So it is easy for us to quantify the savings NetSuite delivers.”

CPI USA’s competitor needs 25 employees to maintain the paper-based workflows supporting the order management, inventory and warehouse processes and customer service records. Tai is able to attain the same—in fact, higher—level of productivity with only 12 employees because of NetSuite. “If we had to hire the additional 11 people to remain competitive, it would cost us \$480,000 a year.”

The Challenges: Paper-Based Processes

CPI USA is a factory representative of The CPI Group, a Taiwanese-based manufacturer and distributor of motorcycles, all-terrain vehicles, scooters and dirt bikes. It is a narrow-margin business, Tai explains, that is highly competitive. “These products sell based on three factors: quality of product, price of product, and service.”

Service, he says, is the one factor that dealers can control. But because of the archaic systems that characterize the industry, providing quality service can be very difficult. Mistakes due to data entry errors are common, for instance. And providing accurate information to customers on a timely basis can be downright impossible.

“It can take three or four days for a manufacturer to respond to a dealer question about availability of a part or a product in a certain color. In the meantime, the dealer probably has lost the sale.”

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“Thanks to NetSuite, dealers can order parts, register warranty, submit warranty claim online—and in this industry, having the necessary parts on hand is key to success—which means they can make guarantees to their own customers.”

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Administration Manager
CPI USA

Tai knows about such problems first hand: CPI USA is a relative newcomer to The CPI Group family. In August 2003, the company acquired JAG Powersports, then an importer and reseller of these products. The company was renamed CPI USA and its mission subsequently changed.

And when that happened, Tai knew the company would need a system to give it a real-time view into the corporate parent’s factory operations, and—just as importantly—give its dealers an edge in what had become a very popular and very competitive retail niche.

“I needed a top-of-the-line system that could do all of that—and at a reasonable cost,” Tai says.

The Solution: A 24-Hour Web Store

NetSuite’s functionality does both, Tai says. “The factories are in Taiwan, China, and Indonesia, so without a real-time system like NetSuite it would be difficult for us to monitor the status of products that are in the warehouses, and that are being shipped. At the same time, the parent company has access to our sales and how many units we have sold during a specific period.”

Indeed, he says, NetSuite’s sophisticated accounting features and reporting capabilities allows both the parent and the affiliate to crunch sales and forecast data according to any metric or timeframe required. “Either party can see, for example, how many units are sold during a particular time frame, such as an advertising campaign,” he says.

NetSuite has also enabled CPI USA to build up—and then cement—its network of dealers. Using NetSuite’s custom record feature and Web store tool set, CPI USA has developed a Web store that it provides free to its dealers, giving them access to parts of the system necessary for their business. “They can order parts online—and in this industry, having the necessary parts on hand is key to success—which means they can make guarantees to their own customers,” Tai says.

And because the system has been configured to track parts and products by their VIN number, dealers can also input warranty claims. “This has been a phenomenal help to their own customer relationship management activities, because with that data in the system they can tell a customer within seconds whether a problem or part is still under warranty,” Tai says.

Tai says that when he gives potential dealers a demonstration of the Web store, they are almost always sold on its benefits on the spot. “I would estimate that 40 percent of our new dealers are with us specifically because of NetSuite.” Besides the inherent satisfaction of maintaining a good relationship with his distributors, Tai notes that these new partnerships directly translate into more sales for the CPI Group. “Typically new dealers order between \$10,000 to \$15,000 worth of product right away—in our case, they are able to do it effortlessly through the NetSuite application.”

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