



Pioneer Organics

www.pioneerorganics.com



At A Glance:

- **Company:** Pioneer Organics
- **Location:** Seattle, WA;
Portland, OR
- **Industry:** Food/Beverage; Retail;
Electronic Commerce
- **Challenges:**
 - Online grocer needed a new system to manage its expansion and growth
- **Software switched from:**
QuickBooks, Access Systems
- **Results with NetSuite:**
 - Revenues have grown between 15-20 percent
 - Customer base grew 25 percent



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— Steve Jones, CEO,

Explore Consulting

The Results: Smoothing Out the Seasonal Ebb and Flow

Overall, revenues have increased by 15 to 20 percent since NetSuite’s implementation. Also, with NetSuite, the company has been able to smooth out the seasonal fluctuations inherent in the produce business. Historically, Pioneer Organics has experienced an approximate 15 percent decrease in business during summer months, after peaking in customer levels and revenues in late May. Then, it would take until January of the following year to recover to previous levels.

Running NetSuite, Pioneer Organics’ business during the summer lull only decreased by 5 percent—as opposed to the 20 percent decline it experienced prior to NetSuite—and executives anticipate full recovery by early October, instead of January.

Also, due to NetSuite, Pioneer Organics was able to get its newly acquired Portland-based business integrated with its own system over the weekend, thus saving what would have been lost revenues if a longer rollout had been necessary.

The Challenge: Small Firm; Big Goals

In the Spring of 2003, Pioneer Organics was a small organization with grand designs for expansion. Among the vanguard of second-generation online grocery firms, the company had deliberately chosen to concentrate on a strategic slice of the market: delivering fresh, organic produce to its Seattle customer base.

In essence, says Steve Jones, CEO with Explore Consulting, the firm that spearheaded NetSuite’s implementation, “it was, and still is, a business plan based on steady and managed growth. They started with a smaller product line, concentrated on perfecting that line, and only then would move onto other categories.”

To manage its start up, Pioneer Organics used QuickBooks and certain customized features of Access. But by 2003, the company decided the time was ripe for the next stage of its

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expansion. To manage this process, it would need an entirely new enterprise suite and IT system.

“Their initial thoughts were to build a custom application,” Jones says. It was an understandable impulse, he adds, as there are very few enterprise suites that have been verticalized for the grocery industry, much less one that operates on the Internet.

“But after talking with them and evaluating their needs, we felt that much of what they were doing could be accomplished with NetSuite’s out of the box functionality.”

As for the rest—the features and functions and business processes particular to Pioneer Organics’ business model—those could easily be customized. “NetSuite has introduced some amazing customization abilities, and we knew these could easily be leveraged for Pioneer Organics’ business model.”

The Solution: A Story of Growth

Using NetSuite, Pioneer Organics developed a solution that it initially expected to have to build from scratch. “NetSuite provided the platform and the development tools to put the necessary applications and processes in place—without having to incur the huge costs of a custom-built application,” Jones says.

At the same time, Pioneer Organics began to use applications in NetSuite that it never originally contemplated. The CRM application, for example, helped the company to revamp its customer service processes—and ultimately spur further growth.

Previously, Jones explains, the interaction with customers was dependent on manual processes. “The customers would send emails or phone in orders and the staff would input that data into the system.”

Using NetSuite’s CRM module, he says, customers are now able to enter their information directly into the system. As a result, Pioneer Organics was able to redirect its workforce to other areas of growth.

“Before NetSuite, there were a lot of people coming in during the weekend to determine which emails they needed to address first for the following week,” Jones remembers. “Now, the system has automated that order management and delivery process.”

As a direct result, Pioneer Organics’ customer base grew by 25 percent, Jones says. “They were able to devote resources to growing their business instead of spending all their time managing their existing customer base,” he explains.

Also by using NetSuite, Pioneer Organics was able to expand its product lines to include other grocery items as well as dairy and meat products.

NetSuite’s inventory management and order management applications were the drivers behind the product line expansion, Jones says, helping the company pinpoint demand and accurately manage inventory levels.

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And finally, NetSuite was instrumental in Pioneer Organics' most significant expansion of all: a move into an entirely new geographic area when it acquired a Portland-based company. Rolling out NetSuite to this company took one weekend, Jones says, an inconceivable schedule for any other software application. "They were ready for business on Monday."

Pioneer Organics' CEO Ronny Bell explains the progress this way: "With the help of the NetSuite platform and Explore Consulting's expertise we have greatly improved our office efficiencies and our overall customer service, including the customer experience," says Bell. "Today we are doing things with our database and Web site we only dreamed about doing a year ago. The beauty of our NetSuite experience is that while we've been able to grow our systems and our service to new levels already, we feel we've only scratched the surface of all its potential capabilities."

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