



Littlearth

www.littlearth.com



At A Glance:

- **Company:** Littlearth
- **Location:** Pittsburgh, PA
- **Industry:** Wholesale/Distribution;
Electronic Commerce
- **Challenges:**
 - Improve order fulfillment time, and integrate Web store with inventory and accounting systems
- **Software switch from:**
 - Proprietary accounting package, MIVA Merchant
- **Other software considered:**
 - Microsoft Great Plains, QuickBooks
- **Results with NetSuite:**
 - Web store sales up 189 percent in most recent quarter
 - Orders that used to take up to 6 weeks to process now ship within 1 week
 - Year-end inventory was reduced from 2.5 weeks to just 2 days



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— Andrew Gottlieb, Director of Finance
Littlearth

The Results

After moving to NetSuite to run its Web store and back end in August 2004, Littlearth expected to see some benefits. What it didn’t expect was the speed with which the improvements came. “It didn’t take us a year or two years to see results; we started seeing them right away,” says Jerry Driggs, the general manager of Pittsburgh-based Littlearth. Better integration meant better accuracy and efficiency. The company’s response time improved dramatically. Orders that used to take up to six weeks to ship were now processed within a week. Complaints dropped in half from twelve per 100 orders to just six per 100.

Product returns were reduced to three percent and the two and a half weeks it used to take Littlearth to do its year-end inventory was cut to just 48 hours. “With NetSuite, we’re more organized, and efficient. It’s been a big, big, improvement,” says Driggs.

The biggest boost of all, however, is in the biggest number of all: sales. In the first quarter of 2005, Webstore sales were up 189 percent over the year before, which David Horn, Littlearth’s Web store manager, credits directly to the new software. “NetSuite makes it easy to purchase online, taking two or three steps out of the process,” says Horn. “Over 75 percent of the people who put something in their shopping cart make a purchase. Before NetSuite, we didn’t get anything near that.”

The Challenges

Littlearth had grown into a multi-million dollar company integrating things that, by all conventional wisdom, should not go well together, like bottle caps and belts, and old license plates and handbags. Yet the fashion-accessories manufacturer was having a hard time integrating things that should work together, like its Web store and its inventory software. While Littlearth was gaining sales for its popular, offbeat fashion accessories, it was losing efficiency—and profits—because of its antiquated business software.

“We were really at our wits end with the small, proprietary accounting package we used to do inventory,” says Driggs. “The problem was that we had no integration between our

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Web store and our inventory and accounting software.” The problems were mounting—orders could take up to six weeks to ship because Littlearth often didn’t know that an item was out of stock until after the order came in; complaints rose. “For every 100 orders, we’d get about 12 complaints, mainly from customers waiting for their products,” says Driggs.

The need to take orders coming into the Web site and manually enter them into the accounting system led to errors and delays. A growing number of mis-shipped orders meant a growing number of returns. Just as worrisome, the inability to see inventory in real-time meant that Littlearth wasn’t able to buy raw materials in an efficient manner. “We buy quite a bit from China, where it can take three months to get to us,” says Driggs. “It was a real challenge to calculate inventory levels, and we’d often end up buying either too much or too little.”

By early 2004, Littlearth was looking for a new solution. It looked at Microsoft Great Plains and QuickBooks, but soon decided that a Web-based package made more sense, saving the company the cost of running servers and updating software. “We liked NetSuite because it was hosted software, but also because it integrated all the parts of our business, which was something we knew only too well we needed to do,” says Driggs. The cost savings were significant, too: “With NetSuite, we’d pay 40 percent less than our best estimate with another package because we wouldn’t need internal servers,” says Driggs.

The Solution

Littlearth began using NetSuite’s accounting and back-end features in August 2004, and launched its NetSuite-driven Web store over Thanksgiving. The integration between store and back-end meant that orders would not have to be re-keyed into different systems—cutting down on errors and delays. It also meant that when a product was out of stock, Littlearth knew about it, and could take action immediately. “With NetSuite, we just click a button and temporarily take the item’s page off the site,” says Horn. “Before NetSuite, we’d need to tear down the page and then rebuild it later when the product came back in stock.” The ability to see real-time inventory also enables Littlearth to better manage its supply of raw materials, taking the guesswork out of when, and what, to order.

Using NetSuite’s sales force automation tools, Littlearth can keep tabs on how its sales representatives are doing. “If we see someone meeting their goals, we’ll congratulate them, urge them on,” says Susan Brown, the company’s NetSuite administrator. “If we see that they’re behind, we’ll know we need to help them out.”

NetSuite’s dashboard gives Driggs a real-time view of how Littlearth itself is doing, tracking key criteria like open orders and monthly sales goals. “The dashboard is one of NetSuite’s best features,” says Driggs. “It gives me a snapshot of the key things I need to know in order to make decisions, showing me which orders need to be pushed through, and which back-orders need to be filled.” The end result, says Driggs: “We can steer our activity more quickly and precisely than we ever could before—and you can’t overstate the importance of that.”

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