



2nd Wind Exercise Equipment

www.2ndwindexercise.com



At A Glance:

• Company:

With annual sales exceeding \$100 million, 2nd Wind Exercise Equipment is a leading provider of exercise equipment to both residential and commercial markets through retail outlets, the Web, and a direct sales force.

• Location:

Minneapolis, MN

• Industry:

Retail

• Challenges:

- No enterprise-wide visibility into financial/operational metrics
- ERP upgrade necessary
- Took three weeks to close the books every month
- No automated reporting

• Results with NetSuite:

- Reduced overhead costs \$300,000-plus
- Books closed in three days or less
- Real-time visibility of performance measures in all stores for all sales representatives

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— Tom Kelly, CFO/CIO

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The Results:

Early in 2008, 2nd Wind Exercise Equipment implemented NetSuite to replace their Peachtree accounting system. The benefits have been nothing short of profound: annual hard dollar savings exceeding \$300,000 through labor and overhead savings, in addition to significant bottom-line benefits through streamlined operations.

"Our annual costs for NetSuite are about one-tenth of what we save with the solution each year," says Tom Kelly, 2nd Wind's CFO/CIO.

With NetSuite, 2nd Wind now closes its books every month within three days or less instead of the three weeks it used to take. The company also has greater and faster visibility into back office and sales operations, ensuring that all equipment is sold at the best possible margins. "NetSuite gives us great insight into commissions paid, which is very important now that we base performance on gross sales margins rather than top line revenues. Our previous accounting system did not provide us with the ability to drill down to the representative level in analyzing performance...NetSuite does," Kelly adds.

With the ability to generate sales information down to the store and sales representative level across 100 plus stores, the company is also now armed with the information it needs to tweak training programs that emphasize successful sales techniques. As a result, sales representatives make more sales — and generate more commissions for themselves.

"Because NetSuite has empowered us to make sales representatives more successful," Kelly says, "we know that voluntary turn-over has been reduced since it was rolled-out."

The Challenges:

2nd Wind Exercise Equipment had been using Peachtree software for over five years, but as the company grew, the limitations of a dedicated accounting system became increasingly obvious. "Quite simply," Kelly says, "Peachtree didn't really help us get a handle on what was going on financially and operationally across the entire organization. Plus, it made what should be simple tasks, hard — like requiring three weeks to close the books every month."

 Find out more: contact NetSuite, Inc. at 1 877 NETSUITE or visit www.netsuite.com





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What 2nd Wind wanted was a way to quickly and easily see, manage, and report on information and metrics regarding business performance, operations, and sales data. "We wanted visibility into such things as how quickly we pay vendors, what our days-sales-outstanding is, how many times we turn inventory," Kelly says. "Although this information was stored in Peachtree, bringing it all together was a time-consuming manual exercise, from the journal entry right through to the generation of reports. The software had no automated analytics or reporting capabilities whatsoever — and we needed this kind of functionality in order to survive and prosper in a tough economy."

The Solution:

After carefully reviewing alternatives, 2nd Wind selected NetSuite to help drive business performance. "The short reason why we selected NetSuite is that it provides great value," Kelly says.

The detailed explanation he gives cites NetSuite's SaaS model of a single platform that integrates accounting, CRM and Ecommerce functionality; extremely positive discussions with existing NetSuite customers; and role-based dashboards that present customized information access across every company function.

Kelly also points to the outstanding training sessions NetSuite offers. "We used NetSuite's implementation services initially," he says, "and thanks to the awesome training sessions that NetSuite provides we have become fairly self-sufficient. The training sessions that our employees have attended has made them phenomenally better NetSuite administrators and users."

During the first year of use 2nd Wind utilized the Platinum support level offered by NetSuite. "It made good sense for us in that we wanted to afford employees the ability to get their questions answered immediately," says Kelly. However, a year after going live, the staff at 2nd Wind has become so adept at using NetSuite that 2nd Wind has downgraded their support level from Platinum, where they were assigned a dedicated support person, to Gold, a lower cost option. "With NetSuite, we pay only for what we need, and if our requirements change with time, we can adjust the service and software equation."

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