



Distribution Video & Audio

www.dva.com



At A Glance:

• Company:

Distribution Video & Audio is the country's largest wholesaler of entertainment closeouts

• **Location:** Palm Harbor, FL and Los Angeles, CA

• **Industry:** Wholesale/Distribution; Entertainment

• Challenges:

- Unsuccessful attempt to run back-end on SAP due to complexity and spiraling costs
- Great Plains was too expensive an alternative, and was missing functionality
- QuickBooks + Excel + Mail Order Manager were not integrated, hurting employee productivity
- Multi-location business had poor inventory visibility between warehouses
- No easy way for executives to access key information when traveling

• Results with NetSuite:

- Saving over \$120,000 on license fees and customization costs required for other solutions
- Financials, CRM, inventory management and e-commerce all in one system
- Instant improvement in real-time inventory levels across the company
- Dashboards providing better insight into sales processes
- NetSuite's accessibility from Apple iPhone handheld boosts morale and increasing productivity

“We went from the most expensive piece of software on the planet [SAP] down to nothing ... But we knew that we had to get on a single system, and that’s where NetSuite came in.”

— Brad Kugler, CEO

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The Results:

Distribution Video and Audio (DVA), a 20-year old wholesale dealer in closeout DVDs and other entertainment media, turned to NetSuite after a series of other enterprise and off-the-shelf software platforms proved too expensive and inefficient to run the business. DVA first heard about NetSuite in 1999, but tried other options instead, each of which failed to satisfy the company's needs. Finally in 2007, DVA turned to NetSuite to manage its bi-coastal business, providing instant operational clarity. “We didn’t want a software solution that would create resistance from the 40 employees who would be using it,” says Brad Kugler, CEO of DVA. “Our people like NetSuite. They welcomed the change.”

What’s more, with SuitePhone — NetSuite’s compatibility with the Apple iPhone — Kugler’s productivity while traveling has increased significantly.

NetSuite provided immediate benefits in the warehouse, as well, where managing the inventory of two locations had been problematic in the past. “We weren’t able to do a company-wide physical inventory for six years, and NetSuite made it possible to finally do that — using its multi-location inventory,” says Kugler. Even now, any salesperson at DVA has a view of the its current inventory for sale at any time instead of waiting a week for a report, and they can use saved searches in NetSuite to find the latest products. “Features like that could pay for NetSuite alone,” he says.

DVA’s biggest payoff comes from finally being able to operate as an integrated operation.

“We are a two-location company, in Los Angeles and Tampa, and there was a lot of confusion over purchase orders and inventory, creating too much cross-traffic and forcing us to have a person who did nothing but enter data in a spreadsheet,” Kugler says. “NetSuite has eliminated all of those problems.”

The Challenges:

When it comes to enterprise software platforms, DVA has seen and done it all. “We went from the most expensive piece of software on the planet down to nothing.” The company was an SAP R/3 customer during its dot-com expansion days, from about 1999 to 2001, but had to drop the platform when maintenance fees became unmanageable.

“We felt like we got SAP R/3 for a good price, but the implementation for our 15 users at the time was a whole other story,” says Kugler. He explains how it cost about \$200,000 for two years, and there was still a huge learning curve for DVA’s users. “SAP was not a product you could customize yourself. It was complicated and rigid. It became an unbelievable monster. And then we got the bill for the year-two license fees. I said ‘QuickBooks — here we come.’”

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



“I was shocked that I could pull up my complete NetSuite dashboard on my iPhone, as if it were on my laptop.”

— Brad Kugler, CEO
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For the next few years DVA got by on QuickBooks, Excel spreadsheets, and Mail Order Manager for e-commerce, but the various systems, with a limited number of licenses, didn't solve the problem either. "This was the period when we would hear employees calling out 'I need someone to log out so I can log in.' We were paying less than we had before on software, but we were definitely paying for it in loss of productivity."

When the company started growing again, DVA's accounting department had a difficult time keeping up. "So here we were, a \$20 million company with basically manual operations using three or four systems and Excel to manage our business—with none of it integrated," Kugler says. "Our accountant was on our case and we knew we had to sort it out."

DVA had worked to implement Great Plains starting in 2003, but \$60,000 later, the system was never fully implemented and the company was at a crossroads. "Our staff was in confusion. It was like SAP all over again. With Great Plains and SAP before it, we were always writing custom code, which can go on forever. We were looking at another \$30,000 to \$40,000 just to get Great Plains up and running, and there were no guarantees," he says. In addition, Kugler estimates DVA's cost would have tripled when factoring in a new CRM package and e-commerce system to accompany Great Plains.

"We knew that we had to get on a single system, and that's where NetSuite finally came into the picture."

The Solution:

"We had looked at NetSuite as early as 1999, and were aware the product had improved exponentially since then. This time around it was a choice between NetSuite and custom development," Kugler says. "Custom development can be great, but what happens when the guy is not around to fix it? You can have the greatest software in the world, but none of that matters if your employees can't use it."

NetSuite's flexible business process management was an excellent fit for DVA with minimal configuration. Kugler estimated the cost of buying and implementing NetSuite about one-third what it would have been for Great Plains + CRM + e-commerce. "And that doesn't include the third-party software required to tie it all together."

"The implementation of NetSuite with our business processes went very well—our employees caught on very quickly—and the changes we needed to make in NetSuite were simple things we could do ourselves just by going into the suite's configuration screens," Kugler says. "We're now using NetSuite for just about everything—from our inventory and e-commerce to our sales and e-mail marketing campaigns. The dashboards let me know at a moment's notice about everything from our bank balances to the profitability on each salesperson. And it can all be customized easily."

Kugler says DVA does a lot of over-the-phone transactions where they obtain credit card approval at the time of the order, but only charge the card right before it ships. "This was a big issue for Great Plains and needed custom code, but in NetSuite, we just used the checkbox for 'bill before you fulfill,'" Kugler says.

Another thing that put NetSuite over the top, says Kugler, was the ability to completely access NetSuite from his iPhone. Kugler, who travels extensively, often leaves his laptop behind. "Before a meeting I'll use my iPhone to pull up the history of that customer. And when I go to bed I often keep my charger close by, so I can wake up in the morning and know immediately how the Web leads and sales went overnight."

Yet one more benefit of NetSuite is its ability, along with Onsite POS, to be transformed into a point-of-sale system for the two days of the year when DVA opens its doors to the public and its 40 employees change hats and turn their desktop computers into cash registers. Starting at 5 a.m. on those two days, DVA employees welcome over 2,000 consumers eager to get their hands on the latest box-office hits that fill pallets and pallets and in their warehouse. "It's our cutting-edge business software NetSuite that makes those two wonderful but hectic days possible," says Kugler.

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