Sage ERP X3
Product Briefing

Sage North America | November 2011
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Sage ERP X3 Summary

Sage ERP X3 offers the full power of enterprise-class ERP, in a simple and flexible package, designed to meet the unique requirements of mid-sized companies with complex business processes, yet limited IT staff and resources.

It is designed to support advanced and industry-specific processes across finance, sales, CRM, purchasing, inventory and manufacturing management within one singular software design that is more cost-effective, faster to deploy and simpler to manage.

A Web-native management system, Sage ERP X3 easily connects employees, partners, suppliers and customers and can accelerate all business exchanges, within and outside the company, locally and internationally.

Proven benefits of the solution include:

- **Increased productivity** and reduced costs, with a singular software design and powerful workflow engine to streamline all business operations across finance, distribution and manufacturing, in real-time.
- **Extensive business insight** and reduced risk, with built-in business intelligence capabilities, user-defined dashboards, quality control and audit trails.
- **Enhanced collaboration** and business exchanges, with a Web-native management system ensuring fast and secure information flows, within and outside the company walls.
- **Improved flexibility** and ability to adapt to change, with Web Services technology and a robust, scalable platform to grow from dozens to thousands of users, locally and internationally.

Sage ERP X3 User Portal
# Product Status

<table>
<thead>
<tr>
<th>Current Release</th>
<th>Sage ERP X3 Version 6.3 (September 2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Functionality</td>
<td><strong>Financial Management</strong>: GL, AR, AP, cash management, bank management, cost accounting, analytical dimensions, budgets, commitments, fixed assets, employee expense management.</td>
</tr>
<tr>
<td></td>
<td><strong>Reporting and Business Intelligence</strong>: user-defined dashboards and configurable KPIs, inquiries and reports, advanced data warehouse and preconfigured data cubes, MS Office integration</td>
</tr>
<tr>
<td></td>
<td><strong>Sales Management</strong>: product configurator, order entry, quotes and contracts, invoicing, reminders, pricing and discounts, inventory inquiry and allocations, delivery and shipping, sales commissions, loans, customer returns, credit checking, inter-company/inter-site sales, export declarations.</td>
</tr>
<tr>
<td></td>
<td><strong>Customer Service</strong>: marketing campaigns, contact management, customer support, marketing, sales and after-sales workbench, Microsoft™ Outlook™ integration, Sage SalesLogix™ integration¹.</td>
</tr>
<tr>
<td></td>
<td><strong>Purchasing</strong>: supplier and product category management, pricing and discounts, purchase delivery and scheduling, purchase requests, requests for proposal, purchase orders, contracts, encumbrance accounting, multi-level signature management, receiving, supplier invoice entry, supplier returns, inter-company/inter-site transactions, sub-contracting, import declarations.</td>
</tr>
<tr>
<td></td>
<td><strong>Inventory Management</strong>: product data, multiple units of measure, location management, inventory balances, quality control and sampling, replenishment and inter-site transfers, stock movements, inventory costing, RFID support, physical counting.</td>
</tr>
<tr>
<td></td>
<td><strong>Manufacturing Management</strong>: configurator, bill of material, formula and recipes, work and cost center management, routings, forward/backward scheduling, replenishment and inter-site transfers, order release, quality control and manufacturing analysis, production analytical accounting.</td>
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<tr>
<td></td>
<td><strong>Collaborative Workspace</strong>: collaborative Web user portal, role-based visual process flows, document management, system-wide search.</td>
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<tr>
<td>Compliance</td>
<td>Multi-legislation², Multi-chart of accounts. Multi-language³ Multi-audit (multi-currency, company, site and warehouse). Multiple manufacturing modes (ATO, MTO, CTO, MTS, process, discrete or mixed-mode manufacturing).</td>
</tr>
</tbody>
</table>
| OEM *(embedded)* | Report Designer (powered by SAP Crystal Reports)  
| | Advanced Business Intelligence (powered by SAP Business Objects)  
| | Electronic Document Management (powered by VersionOne)  
| | Sage Search (powered by Exalead)  
| Connected Services *(cloud-based)* | Sage Exchange (a service for electronic payments by Sage Payment Solutions)  
| | Sage Sales Tax (a service for sales tax management by Avalara)  
| | Sage Enterprise WebTop (a service for personal dashboarding and mobile publishing by Netvibes™)  
| Extensions *(connectors to complementary applications)* | Product Lifecycle Management (PLM)  
| | Advanced Planning & Scheduling (APS)  
| | Manufacturing Execution System (MES)  
| | Computerized Maintenance Management System (CMMS)  
| | Warehouse Management System (WMS)  
| | Data Management and Data Integration  
| Third Party Solutions | Sage ERP X3 offers standard integration with a variety of certified solutions, part of the Sage ERP X3 ISV Program®. Also, Sage ERP X3’s open technology and Web Services simplify the integration with virtually any modern third-party application.  
| Deployment | On-Premise or Web Hosted (private cloud).  
| | Scalability from 10 to over 1,500 concurrent users.  
| | Multi-country deployment within one (multi-legislation) or multiple (single legislation) software and database instances. |
Technology

Sage ERP X3 is built on the Sage Application Framework for the Enterprise platform (SAFE X3) that includes the technology components shared across all applications. Its robust N-tier architecture benchmarks up to 1,500 concurrent users. The system runs equally well on Windows, Unix (AIX) or Linux (Red Hat) with either Oracle 11g or Microsoft SQL Server 2005/2008 databases, and can be deployed over the Internet or in client/server networking environments.

<table>
<thead>
<tr>
<th>Sage Application Framework for the Enterprise (SAFE X3)</th>
<th>SOA/Web-native</th>
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<tbody>
<tr>
<td></td>
<td>N-Tier architecture</td>
</tr>
<tr>
<td></td>
<td>Metadata dictionary</td>
</tr>
<tr>
<td></td>
<td>Multi-OS engine (Windows, Linux RedHat, Unix AIX)</td>
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<tr>
<td></td>
<td>Multi-DB requester (Oracle, Microsoft SQL Server)</td>
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<tr>
<td></td>
<td>Web Server (Apache)</td>
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<tr>
<td></td>
<td>Configurable workflow engine</td>
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<tr>
<td></td>
<td>Graphical process editor (Sage Visual Processes™)</td>
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<tr>
<td></td>
<td>Dual Web/Windows client with identical look &amp; feel across functions and platforms (generated UI)</td>
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<tr>
<td></td>
<td>LDAP authentication</td>
</tr>
<tr>
<td></td>
<td>Microsoft Office integration</td>
</tr>
<tr>
<td></td>
<td>Business Intelligence engine, data warehouse and reporting tools</td>
</tr>
<tr>
<td></td>
<td>Comprehensive administration toolset, including database administration</td>
</tr>
<tr>
<td></td>
<td>4GL IDE w/Eclipse programming editor and Web Services toolkit (REST, SOAP)</td>
</tr>
</tbody>
</table>
Two Editions to Adapt to Customer-Specific Requirements

Sage ERP X3 comes in two configurations, which provide the high-level parameterization to adapt rapidly to customer-specific business requirements.

**Sage ERP X3 Standard Edition**: a preconfigured solution and implementation framework designed to maximize efficiency in businesses with fewer than 50 users and standard industry processes.

The Standard Edition benefits from preset parameters as well as predefined user roles and process flows designed to help accelerate the deployment of the solution in smaller businesses (less than 50 users) with standard distribution and/or manufacturing processes, and domestic operations. The Standard Edition is most effective in mono-server environments and is optimized for Windows and MS SQL Server.

**Sage ERP X3 Premium Edition**: an open solution designed to be tailored to specific customer requirements, with an extensive choice of components for advanced business processes, extended connectivity and volume processing.

The Premium Edition benefits from extensive parameterization capabilities and an extended choice of options designed to tailor the solution for advanced, customer-specific environments. This Edition is recommended for organizations with more than 50 users or large volumes of transactions. It also enables the management of operations across multiple countries, within one single instance of Sage ERP X3. This configuration is available on multiple operating systems (Windows, Unix, Linux) and supports multi-database environments (MS SQL Server and Oracle 11g).

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### Sage ERP X3 Standard Edition
- Less than 50 concurrent ERP users
- Limited or no IT staff
- One country of operation
- Standard business processes and predefined implementation scope

### Sage ERP X3 Premium Edition
- Up to 1,500 concurrent ERP users
- Strong IT skills and resources
- One or multiple countries of operation
- Large transaction volumes
- Custom processes and implementation scope
Market Served

Sage ERP X3 has been designed from the ground up with mid-market companies in mind. Its flexible Web technology platform and compact software design for all financial, distribution and manufacturing operations offer the best combination to mid-sized businesses with sophisticated business processes and comprehensive management needs, but short implementation timeframe, limited IT staff and resources.

Sage ERP X3 is geared primarily towards operationally-focused businesses and can meet the needs of process manufacturers, discrete manufacturers or wholesale distributors out of the box, with minimal need for customization or third-party applications. While the product flexibility can accommodate requirements in a variety of industries (e.g. mining, finance, professional services, distribution, manufacturing) Sage ERP X3’s focus markets in North America are chemicals, food & beverage, life sciences, hard goods manufacturing and wholesale trade.

A multi-audit system, Sage ERP X3 excels in meeting multi-site, multi-company and/or multi-country business requirements.

<table>
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<tr>
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<tbody>
<tr>
<td>Core Mid-Market</td>
<td>100-500 employees</td>
<td>$50M - $250M revenue</td>
</tr>
<tr>
<td></td>
<td><em>Sage ERP X3 Standard Edition</em></td>
<td><em>Sage ERP X3 Premium Edition</em></td>
</tr>
<tr>
<td>Upper Mid-Market</td>
<td>500-2,500 employees</td>
<td>$250M-$1B revenue</td>
</tr>
<tr>
<td></td>
<td><em>Sage ERP X3 Premium Edition</em></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industry Focus (North America)</th>
<th>% customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food &amp; Beverage</td>
<td>19.5%</td>
</tr>
<tr>
<td>Chemicals</td>
<td>22.5%</td>
</tr>
<tr>
<td>Life Sciences (pharmaceuticals, medical devices)</td>
<td>9.3%</td>
</tr>
<tr>
<td>Hard Goods Manufacturing</td>
<td>30.9%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>17.5%</td>
</tr>
</tbody>
</table>

% customers
Sales & Distribution

A global product, Sage ERP X3 is distributed in 53 countries. The solution is sold and implemented both directly by Sage and through a network of over 200 authorized value-added resellers (21 in North America). More than 3,300 customers with 10 to 1,500 users are using the system, worldwide.

A strategic product for Sage worldwide, Sage ERP X3 benefits from strong investments across Sage business units (including R&D, consulting, services, and support, marketing and sales) to support a fast-growing demand.

<table>
<thead>
<tr>
<th>Customers by Region</th>
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<tbody>
<tr>
<td>EMEA</td>
<td>81%</td>
</tr>
<tr>
<td>Europe, Middle East and Africa</td>
<td></td>
</tr>
<tr>
<td>AMERICA</td>
<td>13%</td>
</tr>
<tr>
<td>United States, Canada, Argentina and Caribbean</td>
<td></td>
</tr>
<tr>
<td>ASIA PACIFIC</td>
<td>6%</td>
</tr>
<tr>
<td>China, Singapore, Australia</td>
<td></td>
</tr>
<tr>
<td>TOTAL CUSTOMERS as of 10/31/2011</td>
<td>3,300</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% of New Licenses in Revenue</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEA</td>
<td>79.6%</td>
</tr>
<tr>
<td>Europe, Middle East and Africa</td>
<td></td>
</tr>
<tr>
<td>AMERICA</td>
<td>65.2%</td>
</tr>
<tr>
<td>United States, Canada, Argentina and Caribbean</td>
<td></td>
</tr>
<tr>
<td>ASIA PACIFIC</td>
<td>75.0%</td>
</tr>
<tr>
<td>China, Singapore, Australia</td>
<td></td>
</tr>
<tr>
<td>TOTAL (Fiscal Year 2010/11)</td>
<td>71.1%</td>
</tr>
</tbody>
</table>

Growth (FY11)

<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>New License</td>
<td>31%</td>
</tr>
<tr>
<td>Maintenance &amp; Support</td>
<td>17%</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>13%</td>
</tr>
<tr>
<td>Number of New Customers Year on Year</td>
<td>20%</td>
</tr>
</tbody>
</table>
Pricing

Sage ERP X3 offers a rich set of integrated features and functions, bundled in two simple packages for distribution or manufacturing, that are offered at one single price per concurrent user, with access to all applications included.

**Distribution Essentials**: the Distribution Essentials includes the core functionality for finance, sales, purchasing and inventory management as well as reporting and BI functionality and the base components of the Sage ERP X3 platform. The Distribution Pack is available for $3,495 per concurrent user.

**Manufacturing Essentials**: in addition to the functionality included in the Distribution Essentials, the Manufacturing Essentials also provides access to the core functionality for manufacturing management. The price of this bundle is $3,495 per concurrent user, plus $500 per user of the manufacturing functions.

The Distribution and Manufacturing Essentials are available in both the Standard and Premium Edition (see page 7 above), along with additional software options priced independently for each product edition.

With a very effective services/license ratio of 1.2 to 1.5 on average, the total cost of the most frequently observed Sage ERP X3 implementations ranges from $100,000 to $800,000 including services.

### Pricing Summary (North America)⁵

<table>
<thead>
<tr>
<th></th>
<th>Distribution Pack</th>
<th>Manufacturing Pack</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$3,495 per concurrent user</td>
<td>$3,495 per concurrent user + $500 per manufacturing user</td>
</tr>
<tr>
<td>base configuration and options</td>
<td>base configuration and options</td>
<td>base configuration and options</td>
</tr>
<tr>
<td>Price per option</td>
<td>Price per option</td>
<td>Price per option</td>
</tr>
<tr>
<td>=Total Cost</td>
<td>=Total Cost</td>
<td>=Total Cost</td>
</tr>
</tbody>
</table>

### Typical sale (license)

<table>
<thead>
<tr>
<th></th>
<th>20 users</th>
<th>20 users</th>
<th>70 users</th>
<th>70 users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Edition</td>
<td>Distribution</td>
<td>$60,000 to $90,000</td>
<td>$75,000 to $110,000</td>
<td></td>
</tr>
<tr>
<td>Premium Edition</td>
<td>Distribution</td>
<td>$240,000 to $280,000</td>
<td>$260,000 to $320,000</td>
<td></td>
</tr>
</tbody>
</table>
Use Cases and Customer Return on Investment

Over 3,300 mid-sized businesses are using Sage ERP X3 daily. They chose Sage ERP X3 over competitive mid-market ERP systems to improve the overall organizational performance of their company, from revenue growth to internal efficiencies, from supply chain to customer service. Common business challenges that we observe are:

- Sustain revenue growth in competitive markets.
- Improve speed and quality.
- Streamline business processes while preserving the company agility to change directions as markets evolve.
- Manage increasingly complex operations with limited resources and staff.

As customers measure how Sage ERP X3 is helping them achieve their goals, common findings include:

- Productivity gains and cost reduction.
- Internal and external business processes optimization.
- Simplified view of distributed operations and better insight.

Specifically, a recent independent survey by Ernst & Young on Sage ERP X3 performance shows the following results:

**Ernst & Young Product Performance Survey (2010)**

- 75% of the Sage ERP X3 customers recording increased profitability attribute this to their new system.
- 72% of our customers are noticing significant improvement in management processes.
- 80% of our customers see the product as a significant improvement or new competitive edge for their company.
- 89% of the Sage ERP X3 customers think that commitments made at the start of their project have been met.

**Examples of Customer Achievements** (case studies attached)

- Increased inventory turns by more than 10% after the implementation of Sage ERP X3 at **Golden Artists Colors, NY** – Manufacturer of acrylic paints.
- Full return on investment achieved by the end of the first year after implementing Sage ERP X3, through labor savings and improved accuracy at **Ganong Bros., NB, Canada** – Manufacturer of gift box chocolates and confectionery.
- 20 hours per week saved in payment processing after the implementation of Sage ERP X3 and Sage Exchange at **Carson Home Accents, PA** – a manufacturer and distributor of gifts and home décor products.
- International deployment of Sage ERP X3 in less than 8 weeks following the acquisition of German and UK competitors by **Satellite Industries, MN** – the world leading manufacturer of portable restrooms.
Future Evolutions

Global markets and technology trends, as well as customer requirements, are guiding the Sage ERP X3 roadmap. Our development efforts focus on what matters most to prospective customers in the markets we’ve chosen: the best functionality for the mid-market, in the most flexible and cost-effective software package.

Based on customer feedback that we collect and analyze on an ongoing basis through a variety of sources (Sage ERP X3 Customer Advisory Board, Partner Advisory Council, Customer Idea Management, Net Promoter Surveys), improvements in the product quality, usability and performance are also a critical input to the product development.

With most of the transactional processes automated—including web-based transactions—we see customers spend more time in managing exceptions and pursuing opportunities, in many cases by using tools outside of the traditional ERP scope. This is leading us to rethink ERP systems from an outside-in perspective and take into account new information needs as more “digital natives” join the enterprise, using Web 2.0 tools to get organized. Some are thinking processes, some are starting from business dashboards, yet all are leveraging Web Services, SaaS and cloud computing to connect with more users and sources of information that are relevant to their business.

Sage ERP X3 Version 6 is a milestone in the product evolution to harness those trends, with over 300 quality improvements and many innovations regarding usability (Sage Visual Processes, Electronic Document Management and Sage Search), mobility (Sage Enterprise WebTop, Single Sign On) and Web Services (support for SOAP and REST protocols).

Moving forward, we have articulated the Sage ERP X3 product development strategy around three priorities for the next major releases:

1. Cost effectiveness

As a continuation of the journey we started by designing a product well balanced to meet the sophisticated business requirements of mid-market companies in an affordable, easy to use software package, we’ll continue enriching the product core functionality over the coming releases, to support new processes out of the box.

2. User-Centric ERP

When it was introduced in 2000, Sage ERP X3 was among the first full Web ERP platform, giving users the freedom to access all functions of the system via a browser over the Internet. New versions of the product are renewing and sharpening this commitment to provide users with a simple tool to interact with business processes, inside and outside the company, and simplify collaboration in the cloud.

3. Connected Services

While Sage ERP X3 continues to offer the richness and customization capability of on-premise applications for mission-critical functionality, Sage Connected Services provide customers with the choice of “cloudsourcing” some of their business processes. Starting
with Version 6, we are introducing more cloud-based services in select areas where the reach of the cloud can bring new value to our customers and accelerate their business.

The product roadmap below outlines the projected evolutions of Sage ERP X3 over the coming releases, following these three strategic pillars.

**Projected Roadmap**

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Sage ERP X3 Version 6.x</td>
<td>Sage ERP X3 “Emerald”</td>
<td>Sage ERP X3 “Jade”</td>
</tr>
</tbody>
</table>

**1. User-Centric**
- Visual process flows and roles
- Sage Search
- MS Office 2010 integration
- Single Sign On (Web/Windows)
- Standard Edition
- Electronic Document Mgmt

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</tr>
</thead>
<tbody>
<tr>
<td>Sage ERP X3 Version 6.x</td>
<td>Sage ERP X3 “Emerald”</td>
<td>Sage ERP X3 “Jade”</td>
</tr>
</tbody>
</table>

**2. Cost-Effective**
- Multi-legislation/Single folder
- New legislation (PL, RU)
- Advanced budgeting
- Project Manufacturing Mgmt
- Global compliance & quality

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</thead>
<tbody>
<tr>
<td>Sage ERP X3 Version 6.x</td>
<td>Sage ERP X3 “Emerald”</td>
<td>Sage ERP X3 “Jade”</td>
</tr>
</tbody>
</table>

**3. Connected Solutions and Services**
- Sage Exchange (payments)*
- Sage Enterprise WebTop*
- Sage Sales Tax*
- Sage SalesLogix
- Product Lifecycle Mgmt (process)
- APS
- Project and Job Costing
- Carbon Footprint Management
- Greenhouse Gas Accounting

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</thead>
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<td>Sage ERP X3 “Jade”</td>
</tr>
</tbody>
</table>

(*| Online solutions | (+| Evolutions |

Note that this information represents Sage’s current view of the product direction and is subject to change at any time without notice. None of this information should be interpreted as a commitment on the part of Sage.
About Sage

Sage is a leading global supplier of business management software and services to more than 6.2 million small and mid-sized businesses. With revenue of $2.2 billion, the company employs 13,600 people worldwide.

We distribute our products and services to more than 100 countries across the world. However, despite our global reach we have built our success on understanding and meeting the needs of customers in their local markets. This ensures we provide a choice of high quality products and services which are relevant to our customers, use the most appropriate technology and are supported by local experts.

In Canada and the United States, Sage North America employs 3,900 people and supports more than 3 million customers, both directly and through business partners.

The Sage Group plc was floated on the London Stock Exchange in 1989 (LSE:SGE)

For more information, please visit the Web site at www.sagenorthamerica.com or follow Sage North America on Facebook (SageNorthAmerica), and Twitter (@sagenamerica).
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Notes

1 Sage SalesLogix™ advanced CRM integration will be available in a later release update (April 2012).

2 Multi-legislation: Sage ERP X3 offers the ability to manage multi-country operations within one single software instance and database. Common regulatory parameters provided as part of the core offering include China, France, Germany, Italy, Poland, Portugal, Russia, Spain, United Kingdom, the United States and Canada. Additional localization may be provided for other countries as software add-on.

3 Multi-language: French, UK English, US English, German, Spanish, Italian, Portuguese, Russian, Polish and Chinese are provided as part of the core offering. Users sharing the same software instance may sign in using different languages. More translations may be provided locally as software add-ons.

4 ISV Program: while Sage ERP X3 offers a broad functional coverage as part of the core software design, independent software vendors are invited to develop dedicated connectors to integrate with Sage ERP X3 and supplement its functionality in select areas. Current certified solutions in North America include:
   - Nectari BI (Business Intelligence, Tangerine Software)
   - Preactor APS (Advanced Planning and Scheduling, Preactor International)
   - Lascom PLM (Product Lifecycle Management, Lascom)

5 Pricing may vary per country of purchase. Global implementations (multiple countries) are priced consistently following a common pricing model.

6 Sage Visual Processes™ offer a graphical, process-oriented user interface that gives each user a clear view of the steps and tools required to complete a task and guides the user through the different steps, avoiding the navigation through traditional menus and options. Users are able to choose from a library of more than 140+ predefined processes by role. Additionally, the Visual Process Designer enables the creation or modification of user processes that are accessible through the ERP portal.

7 Sage Search is an embedded search engine that gives to the user the ability to perform full text searches, and provides a results listing with a total count of "hits" by object category and filters that can narrow the results displayed by a variety of criteria (date, user, company and site, document type). Search results are based on metadata and can be freely adapted and configured pulling a new dimension of useful information from the ERP system.

8 The Sage Enterprise WebTop allows users to connect to Sage ERP X3 through widgets via the netvibes.com publishing platform. Users have secured access to the Sage ERP X3 system on any mobile device in a personalized dashboard environment.
Carson Home Accents is a recognized leader in the wholesale manufacturing and distribution of gift, garden, and home décor products to specialty retail stores nationwide. With over 2,500 products and 7,500 customers, the company has consistently proven the enduring appeal of its products. While its business model has changed and its product offering has grown, it remains family-owned and completely committed to exceptional service. When the company looked to upgrade its business management solution, one solution met the exacting requirements of Carson Home Accents—Sage ERP X3.

Well Researched Choice

“We will not make a change to our operations without absolute confidence in its success,” says John Hill, vice president of administration for Carson Home Accents. “We performed an extensive search for an ERP solution to meet our needs today and to adapt to tomorrow’s requirements.” Sage ERP X3 was selected above the competitors for its broad functionality, flexibility, scalability, and ease of use.

“Our business processes constantly evolve,” adds Hill. “We are constantly working to improve the way we operate to stay competitive and to reinforce our value to our customers. The flexibility present in Sage ERP X3 works in our favor; it adapts easily as our needs change.”

Flexibility to Meet Complex Requirements

One of the company’s requirements of its new business management software was the ability to handle a complex inventory allocation model. “The configurable allocation rules within Sage ERP X3 really stood out,” says Hill. “It offers the most comprehensive tool set.”

Carson Home Accents works with 20 overseas suppliers and the long lead times involved can complicate the company’s goal of optimizing its inventory levels while also ensuring it maintains an adequate supply to meet customer orders. “We strive to ship most orders 100 percent complete, as it saves us money and provides a better level of service to our customers,” explains Hill. “The allocation logic in Sage ERP X3 helps us optimize our fulfillment process, by finding and selecting the orders that we can ship complete based on the stock we have on hand.”
Hill adds, “We prioritize our orders based on a number of factors, such as customer type, or product line. Setting up the allocation logic is very straightforward in Sage ERP X3. It is quick to make the changes we need and even very complex logic is supported.”

Before implementing Sage ERP X3, selecting orders to fill and printing the picking lists required all of a full-time employee’s time. “Now this process is done as part of our workflow and takes no more than 30 minutes a day,” notes Hill.

Streamlined Credit Card Processing

Carson Home Accents has noticed a significant upward trend in the number of customers using credit cards to pay their invoices. To streamline and facilitate the processing tasks, the company turned to Sage Payment Solutions, an integrated credit card processing solution that tightly integrates with Sage ERP X3. “Currently about 20 percent of our revenues are processed from customers using credit cards,” says Hill. “Therefore, adding an integrated credit card processing component to our Sage ERP X3 information system was a smart business decision.”

By eliminating separate and manual processing tasks, the company saves approximately 20 hours per week. Recent regulation changes have magnified the value of Sage Payment Solutions. “It is PCI compliant,” notes Hill. “These regulations can be difficult and costly for smaller companies like Carson Home Accents. We are thankful Sage offered an affordable solution.”

Increasing Customer Satisfaction

With improvements to the order fulfillment process, Carson Home Accents is receiving many positive comments. In fact, the company was recently cited for excellence in customer service in an industry trade publication. Customers approve of the invoices generated by Sage ERP X3. “Our customers are saying ‘thank you for the new and improved invoice’. Anytime a customer thanks you for an invoice, you know it is a good thing,” says Hill.

Measurable Return on Investment

Carson Home Accents makes a conscious effort to achieve a measurable return on investment for any improvements the company considers. “It is more than a formula on a spreadsheet,” says Hill. “We have very high expectations for both our employees and our information systems. When an employee leaves or we find ourselves challenged to keep up with new business, we first look at how we can reorganize the workflow to become more efficient and make better use of the features in Sage ERP X3.”

The solution is paying dividends. Since its Sage ERP X3 implementation, the company has not needed to replace four positions that became vacant.

“We are very pleased with where we are, but we are not stopping here,” Hill concludes. “We continue to look for opportunities to improve, and we are confident that Sage ERP X3 will continue to help us in our efforts.”

About Sage North America

Sage North America is part of The Sage Group plc, a leading global supplier of business management software and services. At Sage, we live and breathe business every day. We are passionate about helping our customers achieve their ambitions. Our range of business software and services is continually evolving as we innovate to answer our customers’ needs. Our solutions support accounting, operations, customer relationship management, human resources, time tracking, merchant services, and the specialized needs of the construction, distribution, healthcare, manufacturing, nonprofit, and real estate industries. Sage North America employs 3,900 people and supports more than 3 million small and medium-size business customers. The Sage Group plc, formed in 1981, was floated on the London Stock Exchange in 1989 and now employs 13,600 people and supports more than 6 million customers worldwide. For more information, please visit the website at www.SageNorthAmerica.com or call 866-996-7243.
Satellite Industries Adds International Subsidiary in Less Than Eight Weeks

Satellite Industries, Inc., a Minneapolis-based manufacturer of portable restrooms, had been running Sage ERP X3 for over two years when the company acquired German competitors Thal GmbH and Thal Uk Ltd. Satellite management set an aggressive goal of getting the Thal companies up and running on Sage ERP X3 in time for the start of the new fiscal calendar, which was approaching in less than eight weeks.

Background
With more than 50 years experience in meeting the needs of the global portable sanitation industry, Satellite is the number one supplier of portable sanitation equipment in the world. The company currently operates in 75 countries with sales offices located in the United States, the United Kingdom, Belgium, Spain and Hong Kong.

Initially, Satellite had decided to operate three distinct Sage ERP X3 installations – one in the U.S., one in the U.K. and one encompassing the remainder of their European operations – from their worldwide headquarters in the U.S. With the acquisition of Thal, a company that was half the size of Satellite’s current European operations, the time was right for Satellite to restructure its international business with the goal of combining and simplifying European operations under one Sage ERP X3 installation.

Implementation
Although Satellite had set an aggressive go-live deadline, the project team had an advantage in that it had integrated a U.S. subsidiary only a few months before. Now, armed with this experience they were able to manage the data conversion for Thal internally. In fact, Satellite’s team handled nearly the entire implementation, with minor technical assistance from the Sage ERP X3 services team. “Sage ERP X3’s ease of implementation was a key factor in the success of our project,” said John Babcock, Satellite Vice President. “The project was conducted by our Sage ERP X3 users and the implementation team was able to meet the time table without expending resources for outside consultants.”

With Sage ERP X3’s import utilities, master files for business partners and products can be uploaded to the system through simple Microsoft Excel spreadsheets, and the SQL database structure permits easy and controlled data migration. Installation wizards and configuration tools help configure the system to meet a company’s unique business needs. Additionally, Sage ERP X3 permits saving specific files in SVG format, which enables easy movement of files from one system to another, effectively transferring parameter settings, master data and related transaction history, if necessary.

“Sage ERP X3’s ease of implementation was a key factor in the success of our project.”

- John Babcock
Vice President
Satellite Industries
Satellite’s team was able to import the necessary files using the tools provided by Sage ERP X3. The Sage services team, having experience in assisting another Sage ERP X3 multi-national customer with combining databases for multiple country taxing, assisted with business process guidance and software testing. “While we were able to complete most of the installation internally, consulting with the Sage ERP X3 services team about the best way to combine our U.K. and European databases provided valuable insight,” said Babcock.

Additionally, Sage ERP X3’s multi-national capabilities supported all the languages that were in use at Thal (English, French, German, Spanish, Portuguese and Italian) as well as multiple forms of currency (U.S. Dollars, Canadian Dollars, British Pounds and Euros).

Satellite was able to meet the eight-week deadline, and the system went live on the first day of the company’s new fiscal year with a few minor issues, which according to Babcock, mostly concerned data that had not been set up because the need wasn’t foreseen at the time. “We were able to cover between 80 to 90% of the foreseen needs upfront and are now in the process of cleaning up all the small details we missed.”

**Results**

By restructuring their operations and consolidating their European Sage ERP X3 installations into one, Satellite is now able to run its international business more efficiently with better global visibility.

Reducing the number of databases eliminated duplication of data and minimized maintenance tasks. With the accounting responsibilities streamlined, the monthly closing has been reduced from five days to four.

Now poised to take greater advantage of Sage ERP X3’s multi-national capabilities, Satellite has achieved greater inventory visibility, and now, movement of products from a warehouse in one country to another is managed by a simple inventory transfer as opposed to a buy/sell transaction. Sales offices can issue one sales order for multiple countries instead of creating one for each individual country.

Additionally, Satellite has gained deeper confidence in its disaster plans, knowing that if a catastrophe happens in one country, another can manage the operations with minimal disruption to the business.

“If another international expansion opportunity arises, we’ll have confidence in adding the new business knowing our system can handle it,” said Babcock. “With Sage ERP X3, Satellite is poised for future growth.”

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**Headquarters**
Minneapolis, MN

**International Locations**
Operates in 75 countries with sales offices located in the U.S., the U.K., Belgium, Spain and Hong Kong

**Industry**
Manufacturer of portable restrooms

**Revenue**
$10 million

**Employees**
150

**Sage ERP X3 Licenses**
60
Background
Ganong is a leading Canadian-based manufacturer of gift box chocolates, fruit snacks and sugar confectionery serving mass merchandisers, drug chains and grocery stores such as National Grocers, Sobeys, Shoppers Drug Mart, Wal-Mart, Canadian Tire, Safeway, A&P and London Drugs. Operating out of its St. Stephen, New Brunswick location since 1873, the company was voted one of Canada’s 50 Best-Managed companies for three consecutive years.

Despite being a mid-sized manufacturer, Ganong believed strongly in the value of an experienced information technology staff and in what a new fully integrated enterprise system could bring to the organization. Operating on a proprietary, heavily customized HP3000-based application for more than 17 years, the system was generally effective in processing the company’s business transactions.

However, Ganong’s management believed strongly that an improved information management system would enable them to make better, more timely business decisions, particularly in measuring customer and product profitability. Further, the new information system needed to have stronger order fulfillment and promotions management capabilities.

Ganong also recognized that, while their confectionery manufacturing business environment placed them within the realm of needing a process-specific software application, they wouldn’t require anywhere near the capabilities offered by most process manufacturing vendors. Instead, their manufacturing processes were aligned more towards a hybrid or mixed-mode style, with requirements for both batch and discrete capabilities.

System Evaluation
Ganong engaged the IBM Global Services Division in Canada to assist with a formal evaluation of packaged applications. During the extensive evaluation period, the team investigated nearly every major application on the market. They quickly recognized the relative merits and drawbacks of each package after weighing key criteria related to functionality, technology, price, ease-of-use and implementation. For example, some of the lower-end packages were easy-to-use and priced right, but lacked the robust functionality needed to meet system objectives. The higher-end packages certainly met the functionally test, but appeared complex, risky and costly.

Marc Lefebvre, Vice-President and CIO for Ganong, first encountered Sage at APICS’ annual membership conference. Although Sage wasn’t included on the initial short-list

Ganong selected Sage ERP X3, believing that the software solution had the right amount of functional depth and breadth to achieve the company’s system objectives and attain the fastest return on investment.
of vendors developed by IBM GSD, the initial demonstrations and discussions impressed him and the team enough to include Sage later on in the evaluation.

The key to selecting the finalists was in determining which vendors offered a truly mid-market solution with the best balance of the aforementioned criteria mentioned. This eliminated Tier 1 and Tier 3 vendors, leaving Sage as a final contender with food and beverage industry stalwarts QAD and Agilisys.

Ganong selected Sage ERP X3, believing that the software solution had the right amount of functional depth and breadth to achieve the company’s system objectives and attain the fastest return on investment. “Sage ERP X3 has what I refer to as ‘focused functionality,’” Lefebvre said. “There wasn’t a whole lot of stuff left on the table unused at the end of the day.”

While running demonstrations using actual Ganong data, Lefebvre and the evaluation team were able to visualize how the system would work for them, specifically noting its easy-to-use design orientation. They lacked this feeling during other vendor demonstrations. In addition, Ganong discovered that Sage ERP X3 provided integrated automated data collection capabilities, a feature that must typically be acquired from third-party specialists.

The Ganong team also saw the potential that Sage ERP X3’s more technically advanced architecture would provide for them on into the future, especially the flexibility to move to a browser-based user interface at any time and at no extra cost, which would allow their customers to more easily connect to them in a collaborative arrangement.

The Implementation
A two-phased approach was selected, with all core ERP functionality receiving the highest priority, while extended functionality and business enablers such as Finite Capacity Planning, Workflow Management and Web-enablement were deferred to a second phase. Ganong implemented a 35-user configuration in a Microsoft environment using Windows as the server operating system and the SQL Server relational database. Several factors contributed to a successful implementation.

Commitment from upper management to the dedication of resources. David Ganong, the company’s president, issued a written statement expressing his support of the project and requested that the project team members put forth the required effort to make for a successful project.

Empowered employees. The Ganong project team members were long-time employees who understood the big picture of the company’s business processes. Taking ownership of the project from the early stages, they were committed decision makers.

100% dedicated client project manager. Lefebvre had intimate knowledge of the company’s business and information technology needs, having designed and implemented the legacy system. He oversaw a solid in-house IT department that was capable of handling the administration of the hardware and software systems.

Train-the-trainer approach. This method allowed training to be conducted on a one-on-one basis.

Frequent communication. Project team members and consultants identified requirements, issues and resolutions. The impact of decisions was considered by all team members, which allowed for the best solutions to be proposed.

A strong Sage support team. The Sage staff was on-site during critical project stages and worked directly with Ganong’s implementation staff to guide them through the process. They provided

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insight into experiences and issues that had been successfully addressed in other Sage ERP X3 implementations, reducing time to solve issues and present solutions at a lower cost to the client.

Results
Sage ERP X3 is playing an important role in improving Ganong’s information infrastructure. For example, accurately pricing and invoicing customer orders are critical in this industry. With Sage ERP X3, Ganong has been able to improve accuracy and reduce billing errors, and can now track off-invoice allowances at a detailed level. Plus, financial reporting is also much improved, now that management can easily access financial and statistical profitability information.

Ganong has also greatly improved the accuracy and timeliness of production recording through the use of the integrated Sage ERP X3’s Data Collection module, thereby improving the production planning process. “This is one feature of the system from which we derived benefits immediately right from go-live,” Lefebvre added.

The second implementation phase included implementing Sage ERP X3’s powerful Finite Capacity Planning tool with rules-based optimization and drag-and-drop visual scheduling capabilities which is helping optimize company resources.

Over time, the company plans to make maximum use of as much Sage ERP X3 functionality as possible in its quest to optimize its internal operation and relationships with customers and suppliers.
Background
Founded in 1980 by the Golden family, Golden Artist Colors, Inc. began producing acrylic paint as a result of conversations with artists who needed new materials to help them explore more innovative ways of working with acrylic. The products that Sam Golden developed as the result of collaborations with these painters became his inspiration and central motif that he carried forward in the creation of GOLDEN.

Now a global brand, GOLDEN operates a 100,000-square-foot facility in rural Columbus, NY. The company’s Custom Lab is the only facility of its kind, dedicated to designing products to the specifications of individual artists. Paintworks, the commercial paint and coatings division of Golden Artist Colors, provides commercial and OEM clients with paint making technology, toll manufacturing and integrated solutions. The company also assists customers with complex production, packaging and regulatory issues.

System Evaluation
Operating with several stand-alone packages, GOLDEN management decided that it was time to invest in a true ERP solution in order to streamline the flow of information, improve inventory management and enhance customer service levels.

A committee of six key personnel was established to manage the selection process. Their first step was to reference the APICS buyer’s guide to select possible ERP vendors that appeared to be a good fit based on the industries served, functionality offered, and customer size.

The committee came up with 12 candidates. Each committee member was charged with the responsibility of evaluating two vendors based on functionality, install base, references and support, and the list was narrowed to three – Sage, CSB-System and SSA (now Infor) – that would be more fully examined through formal product demonstrations and customer site visits.

According to Don Lynch, GOLDEN Director of Operations, the company selected Sage ERP X3 Process for two reasons. First, they valued the strength of the system’s planning functionality. Its MRP / MPS engine met their needs and the shop floor reporting functionality was easy to use and made real-time updates.

The committee also selected Sage ERP X3 because it offered the most functionality at the best price. By making customizations in key areas, GOLDEN was able to use the system to meet their unique customer service, marketing support and shipping requirements.

“Sage ERP X3 has provided better control over our operations. With easy access to information, we can make more informed decisions on how to use our resources to better drive the company.”

- Don Lynch
Director of Operations
Golden Artist Colors

(continued)
The Implementation
To help ensure a smooth cut-over, GOLDEN formed a team comprised of key representatives from each department within the company. The 14 team members were responsible for learning their area of functionality within the Sage ERP X3 system and providing test data in order to configure the system.

The team developed 16 business process scenarios that were tested in a series of three conference room pilots during the implementation. Each time, the team revised processes and troubleshooted for errors. Once the third pilot was complete, the team felt comfortable that the Sage ERP X3 system had been configured to correctly manage their business processes. After documenting the processes and user instructions, each team member trained the users in their respective departments. The system went live within six months.

New Competitive Advantages
GOLDEN takes full advantage of one of the flexible parameterization features of Sage ERP X3 to customize key processes and functions without making programming changes. In particular, the company appreciated the ability to add new fields to tables, update screen layouts and create record selection formulas that can be selected by users to filter data.

In addition to the parameterization features, GOLDEN contracted Sage to develop the following custom programming:

- Freight rates allowances
- Marketing support dollars for promotions
- Co-op advertising

According to Theresa Kehoe, GOLDEN Applications Business Analyst, “We didn’t have to adjust our business processes to fit the software. With several customizations, the Sage ERP X3 software was able to conform exactly to the way we operate.”

Results
Sage ERP X3 has played a significant role in improving GOLDEN’s business operations. Measurable improvements include an increased level of on-time shipments, which are now consistently above 90 percent, as opposed to 70 to 85 percent without Sage ERP X3. Inventory turns increased from 5.4 to 5.96, an improvement of more than 10 percent.

Additionally, GOLDEN is able to monitor key aspects of their business that weren’t possible before, including lead time, supplier on-time performance and purchasing performance. “Actually, we’re better able to monitor productivity in all company departments and focus on areas that need attention,” said Lynch.

He added, “Sage ERP X3 has provided better control over our operations. With easy access to information, we can make more informed decisions on how to use our resources to better drive the company.”