

MUSICAL INSTRUMENT DISTRIBUTION SOFTWARE

CASE STUDY

D'Addario Canada

Prepared by: Blue Link ERP



SITUATION



D'Addario Canada is a consumer goods importer and distributor of musical accessories and instruments, with products sold exclusively to retail outlets across Canada.

Established in 1988, D'Addario Canada originally concentrated on providing the D'Addario family name brand of quality string products to consumers and the trade.

D'Addario Canada has since expanded, becoming the appointed importer and distributor for J. D'Addario & Co. including its propriety brands of accessories: Evans Drumheads, Planet Waves, HQ Percussion, and Rico Reeds. The company also carries independent and established brand name products. In 2002, D'Addario Canada also introduced a range of quality, inexpensive acoustic and electric guitars, and a range of quality hand percussion products – established and recognized brands available only at music retail outlets.

***The company
sees itself as
an important
“one stop”
source of
accessories
for the
Canadian
retail market.***



CHALLENGE

By mid 2000, the company was considering adding eCommerce services.

The company wanted an online ordering platform or system, to place and receive orders 24/7, and expand the business from its traditional model of sales reps, fax machines, telephone, and mailed-in orders.

D'Addario also wanted to enhance its services by providing a different way to market, and promote items, track purchases, and check on buyer profiles.

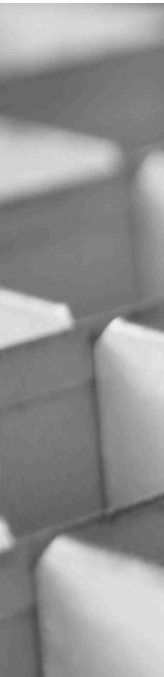
In summer 2005, Brad Davidson joined his family company after graduation. He was, self-admittedly, the most 'tech-savvy' member of D'Addario – a natural choice to look into the possibility of adding an online order portal to the company's traditional way of doing business.

For 12 months, Brad thoroughly investigated the possibility of adding an online order portal to the D'Addario business model.

In considering the company's needs, Brad examined various elements. These included:

- Added customer value: research, based on Canadian figures, showed him that 81% internet shoppers shop/investigate products online; 56% buy online. Therefore, he judged that an online order portal would allow customers a different, more efficient, and convenient method than telephoning/faxing an order.
- Faster, efficient reporting/tracking orders and inventory: the company needed a system which would minimize the time between a price change, discount, or special offers in-house, and the reps (and customers online) receiving that amended information.
- Flexibility: The system had to allow for temporary special pricing to assess sales changes, and volume discounts to increase sales. It also had to be flexible enough to manage inventory quantities and pricing. And the system had to allow for D'Addario's unique image to be translated to online content on the website.
- Ease of use: With no onsite web master (an expert in web design and coding), D'Addario needed a system that would be easy to set up and administer.

With agreement that an online order portal would be beneficial, D'Addario began looking at a suitable system.



SOLUTION

D'Addario's existing software package, Blue Link Elite – an integrated accounting, business management, and inventory management solution – was originally installed at D'Addario in 1999, replacing Great Plains on a Mac operating system. Blue Link Elite utilizes Microsoft SQL-Server for its back end database, and is flexible, with ease of use built into the various customizable modules. A robust system, it accommodates a single-user or dozens of concurrent users, and reliably handles large transaction volumes.

Initially, Brad investigated a wide range of B2B order portal products. He found that the amount of work integrating two separate systems would be considerable – including re-entering all data. And D'Addario management didn't want to run two systems.

However, once Brad examined Blue Link's B2B ordering platform (B2BOP) solution (a powerful component of Blue Link Elite) he realized that it served his comprehensive needs. In addition, since D'Addario was satisfied with Blue Link Elite and the efficient customer service he received from the company itself, the search was over.

One of the most important factors in Brad's decision was the fact that B2BOP was a component of Blue Link Elite, and therefore the need for integration with another system was eliminated. Also, the flexibility of the B2BOP solution meant it could be customized to meet D'Addario's needs yet be easy to set up and simple and quick to maintain.

The B2BOP site could be configured to D'Addario's specific visual and text 'look', including layout, colors, labels, and language, without expert web design knowledge. D'Addario product could easily be displayed on the site, together with video and links.

B2BOP also met the company's specified needs on a wide range of fronts:

- Reps can order online, and get pricing, and specials almost as instantaneously as changes are made on the central database
- Customers have more options – some continue to order by telephone, or through their rep, but they can access product information online prior to making an order – even if they don't subsequently order online
- Information is accessible 24/7, and
- The company's unique brand image has been translated on-line, with on-going customizing

RESULTS

Anticipated challenges, such as acceptance by employees/customers, simply didn't materialize. The reps didn't ask, or need additional training, and found the system easy to understand and to use. Because B2BOP is constantly available, reps on the road can access information from their laptop, or a hotel room; give better service to their customers with up-to-date information on prices, and special offers; and it provides better communication between Head Office and employees.

Customers have accepted it too - bearing out the initial research done by Brad - showing increasing acceptance of online ordering and shopping.

Technically, it was a smooth transition. D'Addario did have to purchase a server (cost about \$2,000), but as it ensures the security of data, (as opposed to being on an external, shared server, off-site) the company is satisfied with that purchase.

B2BOP does provide templates, although Brad found that a basic knowledge of html is useful to enable changing of source code - for instance, to change type colour from black to red. He adds that, because B2BOP is consistently upgraded, and is fast to respond to customer requests for certain features, increasingly more customization is possible.

Blue Link provides a B2B Ordering Platform as part of our all-in-one inventory management and accounting ERP software for use by both your wholesale distribution B2B customers and sales reps.

Some of the specific benefits that D'Addario has found with Blue Link include:

- Increased sales: To date 10% of total sales come through B2BOP and it is seen as having the potential to create extra sales, outside of the ones directly generated by the reps or company staff.
- Better tracking: Orders can be tracked in real-time, and customer information is immediately accessible.
- Improved customer service: Customers can browse online, access previous orders, see any special offers, and input orders at their convenience. The company can improve customer service while enhancing orders – because the order has a manual interface just before going into final order, it allows D'Addario to add on special pricing, or suggest free shipping. For example, the office can see that an order might qualify for free shipping if one more product was added, or an extra unit added, and can contact the customer with that suggestion.
- Order tracking: more efficient ordering.

As B2BOP is part of Blue Link Elite, integration issues were not relevant, which considerably eased the transition to eCommerce.

Due to B2BOP's flexibility, customers who choose to use older communication methods, such as fax or telephone, can continue to do so, while the 24/7 accessibility of the new eCommerce site has attracted new customers, and additional orders, and extends the potential customer base.

The customizing features allow D'Addario to present its unique online 'storefront', maintaining its image.

The implementation has been extremely successful in achieving D'Addario's objectives of adding eCommerce functionality, providing accurate and timely information to management and staff, and ensuring secure, timely updates, and increased sales opportunities.



BLUE LINK ERP

With Blue Link ERP Software, you will be able to:

- ✓ **Grow your business** with advanced functionality and an all-in-one solution
- ✓ **Decrease costs** with better inventory management
- ✓ **Save time and automate processes** across all business operations

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