



# PRIMUS

## DRIVING EFFICIENCY TO ENABLE GROWTH

### QUICK FACTS

#### Industry

Consumer products

#### Revenue

Less than US\$100 million

#### Employees

100

#### Headquarters

Stanton, California

#### Web Site

www.primus-group.com

#### SAP® Solution and Services

SAP® Business One application

#### Implementation Partner

Vision33 Inc.

#### Key Challenges

- Lack of visibility into data across departments
- Inability to manage special orders
- Need to improve on-time delivery record
- Difficulties with forecasting and tracking sales
- Need for standard cost and pricing strategy
- Expensive-to-maintain IT environment
- Outdated "green-screen" user interface

#### Implementation Best Practices

- Selection of a proven implementation partner
- Use of best-practice templates
- Executive management endorsement
- Thorough training

#### Financial and Strategic Benefits

- Integrated all business processes
- Established gross-margin standards
- Systematized special-order process
- Enabled better sales forecasting and tracking
- Empowered salespeople to quote in real time
- Improved on-time delivery

#### Why SAP Was Selected

- Comprehensive, integrated, and scalable solution
- Attractive price
- SAP's experience and stability
- High availability of local SAP-trained support
- User-friendly interface

#### Low Total Cost of Ownership

- Executed rapid implementation
- Eliminated costly legacy systems
- Reduced IT cost per employee
- Simplified administration to streamline operation and maintenance
- Decreased points of failure between application interfaces

#### Operational Benefits

Key Performance Indicator	Impact
Gross profit	+7% to +10%
On-time delivery	>90%
Equipment ownership cost	-70% to -80%

Primus Inc. designs, manufactures, and distributes custom signs for petroleum, automotive, food and beverage, retail, car rental, and financial services companies, as well as for city, state, and federal highway departments. The company faced challenges in managing special orders, sharing data across departments, and pricing for profitability. Deploying the SAP® Business One application enabled them to achieve significant operational efficiencies, improve profitability, and offer new services.



“By improving our processes, we’ve been able to increase our on-time delivery from 57% to more than 90%.”

Jeff Ellsworth, COO, Primus Inc.

[www.sap.com/contactsap](http://www.sap.com/contactsap)

## This Way Up

Primus Inc. produces and distributes several lines of custom signs and transportation signals in a mixed-mode manufacturing environment. In addition to its sign and sign-material supply business, it is expanding into design services to help customers with creative branding, working with them much earlier in the conceptualization process. To expand its reach to new markets, the company wanted to improve some of its business processes, particularly to drive greater efficiencies, increase profit margins, and improve on-time delivery.

According to Jeff Ellsworth, COO at Primus, one of their top priorities was to better manage special orders. “Fully one-third of our business comes from special orders that may be sold only once” says Ellsworth. “Specials” had no part numbers, bills of materials (BOMs), or cost baseline. They were logged manually into the company’s MAPICS software, and paperwork was filed; but without standard costs and a closed-loop reporting system, there was little chance of accurate record keeping.

Having had previous experience with enterprise management solutions, Ellsworth recommended to the executive team that they evaluate the SAP® Business One application to achieve visibility across all departments, better manage special orders, establish standard cost and pricing strategies, improve margins, and generally become more efficient.

## Going in a New Direction

Teaming up with Vision33, a Gold-level member in the SAP PartnerEdge™ program from nearby Irvine, California, Primus went live with SAP Business One in October 2005. To get off to a successful start, Primus emphasized cleansing data that was transported from MAPICS to SAP Business One. Functional team members established new working relationships and cross-functional communication channels as they became familiar with new processes.

## Pointing Toward Greater Profitability

One of the first improvements Primus experienced was the enabling of unique part numbers for special orders and the establishment of standard costs. “We have no margin leakage now,” says Ellsworth. “And costs roll into BOMs, so there’s no more mystery.” This efficiency helps Primus lower average unit cost by driving more volume through their sales pipeline.

Ellsworth notes that with the addition of custom software developed by Vision33, SAP Business One supports the sales team’s need to be able to quote dynamically, in real time, whether at a customer’s site or on the phone. Alerts and approval features help to monitor activity and provide rules and limits for guidance. “Additionally, we can track sales and order status in a way that was not possible before,” says Ellsworth. “And we are meeting our on-time delivery goal of 90+% nearly every month.”

On the cost side, the move to SAP Business One in an industry-standard operating environment reduced the cost of equipment ownership by 70% to 80%. The IT department today consists of one staff member who supports PC users. “And the entire management team appreciates the integration of all business processes and the view we now have into the whole operation,” says Ellsworth. “It makes strategic decision making far easier.”

## Signs of the Times

With an eye to the future, Ellsworth says that the company will implement the application’s sales force automation functionality next, followed by another priority, warehouse management, in the next year. He notes that users are comfortable with the user-friendly interface of SAP Business One. “They are not following a user manual,” Ellsworth says. “They are invested in recommending workflow improvements, and we always can implement them.”

## Implementation Partner

Vision33 Inc., an SAP Business One “Reselling Partner of the Year” (2007), is a full-service consultancy for small and midsize companies and a Gold-level member in the SAP PartnerEdge™ program, specializing in providing clients with SAP Business One.



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