

A woman with short dark hair, wearing a black top and a grey cardigan, is standing in what appears to be an appliance store. She is holding a mobile phone to her ear with her left hand and has her right hand on the keyboard of a laptop. The laptop is sitting on top of a modern, stainless steel front-loading washing machine. The background is slightly blurred, showing other appliances and store shelving. The overall tone is professional and focused on customer service.

**HELPING
HIGH-END
APPLIANCE
DEALERS
CREATE PREMIERE
CUSTOMER EXPERIENCES**

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HELPING HIGH-END APPLIANCE DEALERS

Create Premiere Customer Experiences

Managing the end-to-end sales process in a world where discerning customers are shelling out more than \$50,000 to outfit their kitchens is more complex than ever. A unified, cloud-based ERP customized for the industry can help address these challenges while helping dealers increase profits, leverage new opportunities and lay out the red carpet for their affluent customers.

There's no room for error when selling and installing high-end kitchen appliances from manufacturers like Sub-Zero, Wolf, Viking and Thermador. Unavailable through traditional retail channels like Lowe's, Home Depot or

Sears, these premium refrigerators, ranges, wall ovens and dishwashers are best sold and supported by providers that can deliver a premiere, white-glove experience every time.

Creating that end-to-end experience isn't easy, and requires a personal touch, attention to detail, some handholding and the ability to see projects through to completion. Orchestrating this process while working under the watchful eye of an extremely discerning customer takes a combination of precision, experience and patience, all of which come together to create a delightful buyer's journey.

This white paper explores the key challenges that high-end appliance dealers are facing in today's marketplace and discuss the value of integrating a cloud-based enterprise resource planning (ERP) system that's customized for the industry.

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AN EXTREMELY SPECIALIZED NICHE

Encompassing the small, single-location dealer that has \$5 million to \$10 million in annual revenue to the multi-location company that brings in \$30 million to \$50 million annually, the high-end appliance industry represents an extremely specialized niche with unique needs. While the products it specializes in remain outside of the realm of the Big Box industry, it is still prone to pricing and margin pressures.

Some of those pressures are being driven from the customer level, where many first turn to the internet to kick off education, research and product selection. Some modern customers even proceed directly to purchase without ever having set foot in an appliance showroom. This has pushed more companies to invest in ecommerce and the technology needed to run those digital operations.

Meanwhile, the process of selling, installing and supporting high-end appliances to affluent customers has become more complex. For

example, many dealers belong to co-op buying groups, or centralized hubs (aka “retail decks”), that they use to place orders. Relying heavily on rebate programs (i.e., sell X number of Samsung products this quarter and get X number of rebate dollars), these dealers are operating in a very dynamic, unpredictable selling environment.

In this environment, most distributors rely on proprietary, in-house legacy technology systems. Others are using NCR point of sale (POS) systems or derivatives like Counterpoint (an industry solution geared toward appliance dealers), Reliable Softworks (geared more toward the mainstream appliance industry) and Storis Retail Solutions. In general, those systems are being used for POS, light inventory management, the uploading/downloading of catalogs and back-office accounting activities, the latter of which are often managed using QuickBooks.



“It’s a fast-paced, highly-competitive industry with a lot of moving parts,” said Robert Ferraro, Vice President of Sales for Business Solution Partners (BSP), an ERP consultancy for the industry. “The legacy systems that are in place aren’t nimble or flexible enough to support it, either on the front-office or the back-office.”

Wedged between a fast-paced industry and legacy technology systems, distributors are literally “throwing their arms up” in frustration trying to figure out how to effectively manage their day-to-day businesses, Ferraro said. And because most of these companies have very lean (or, in some cases, non-existent) internal IT support, most are struggling to bring their businesses into the digital age.

“This is why NetSuite and BSP working together is a really good fit for the high-end appliance industry.”

— **Robert Ferraro**, Vice President of Sales, Business Solution Partners

Chapter 2

A HIGH-STAKES GAME

“By aligning with NetSuite and extending the platform’s functionality in a way that directly addresses these issues, we’re helping the high-end appliance sector raise the stakes, meet the needs of its discerning customers and improve profitability.”

— **Robert Ferraro**, Vice President of Sales, Business Solution Partners

With a Sub-Zero refrigerator costing upwards of \$10,000, the high-end corner of the appliance industry is a high-stakes game. To build out their kitchen suites, most customers are also adding \$5,000-\$10,000 stoves, cooktops, dishwashers and wine storage units, all of which come together to create kitchens that, once high-end cabinetry, flooring and lighting are added, can cost \$50,000 to \$100,000.

“This isn’t like a Big Box store taking an order and delivering a \$1,000 refrigerator,” said David Smootha, BSP’s President. “It requires a much more customized solution and approach for a customer who wants to know that her refrigerator is going to be flush with her cabinets, and that it will arrive on time and look right in the space. She’s spending a lot of money and wants to be treated like a VIP customer.”

To help the high-end appliance dealer create this high-touch experience, NetSuite partner BSP offers the “Brick-and-Click” Appliance

Bundle, which can be used in both brick-and-mortar and ecommerce environments. The solution helps distributors extend a positive shopping experience, increase customer responsiveness, minimize process gaps, master the art of omnichannel distribution and provide reliable, accurate information to customers in real-time.

“These are all areas where high-end appliance retailers are striving to differentiate their businesses from the guy down the street,” Ferraro said.

For example, Brick-and-Click includes an integration that enables communication between dealers and their buying groups/retail decks on key points like product availability, “forced” item bundling (where an item must be purchased in a bundle), product pricing, distributor rebates, warranty tracking, service repairs and delivery times.

Chapter 3

EMBRACING THE DIGITAL WORLD

With more dealers moving to using tablets and smartphones for business management, Brick-and-Click goes beyond the computer desktop to include mobile capabilities that salespeople can use out on the showroom floor, out in the field or at customers' homes. The platform also includes an SMS text module that provides automatic service and delivery updates to customers and end-to-end management of extended warranties.

On the delivery and installation side, Brick-and-Click's driver management module incorporates inventory, warehousing and distribution capabilities ranging from drop-shipment management to daily delivery scheduling to route optimization. Using electronic signatures and their smartphone or

tablet cameras, delivery personnel can quickly obtain the necessary approvals, take pictures of the delivered goods (to show that they were on-time and delivered damage-free), and even receive final payment via their devices.

According to Smootha, the solution also ties the in-person/in-store experience into ecommerce in a very seamless manner. "Facing more regional competition, the industry definitely wants to move towards offering a better ecommerce experience," he explained. "The platform helps dealers meet this goal while also reducing some of their transaction costs, improving their margins, reducing labor costs and providing faster ROI for their technology investments."



7 STEPS TO SUCCESSFUL IMPLEMENTATION

Meeting project budgets is a key aspect of any technology implementation for all companies, and high-end appliance dealers are no exception to the rule. After all, even if the ERP software meets all of a company's functional needs, going over budget will still be a problem. "The implementation of a new cloud ERP system is a project potentially wrought with stress and fear of failure," Ferraro said, "but the good news is that there are ways to keep your project on track."

Here are seven steps that all appliance dealers should follow when replacing their existing, legacy systems with a unified, cloud-based ERP:

1. **Do your homework upfront.** When it comes to cloud ERP software, companies have a lot of options. Research potential solutions on the front-end to save headaches and unbudgeted costs during implementation. "The more homework you do upfront," Smootha said, "the more likely it is that you'll uncover any issues with your ERP software."
2. **Find a partner that knows your industry.** When an implementation partner has upfront knowledge about an industry and general needs, the appliance distributor won't have to spend time educating that company on the intricacies of its work, pain points and

vertical. Smootha said BSP developed its expertise in the high-end appliance industry by working with a single company in the vertical and then realized that it could multiply those efforts across the entire swath of companies operating in it. "Over time, that's led to the development of our Brick-and-Click functionalities," Smootha said, "most of which were created in response to our clients' specific needs and requirements."

3. **Ask for references and contact them.** Before jumping in, always contact references to get a better feel for the implementation team you're planning to work with. Ask them questions like: Was the project completed on time and on budget? Were there a significant number of change orders during the implementation? If so, what were the causes? Was there a clear definition of the project plan and deliverables? And, what was your level of involvement in the project?
4. **Get a point of contact for the project.** Once you've selected the right ERP consultant, make sure communication between both parties is fluid. The key to good communication is identifying a single, primary contact to represent your company

and also knowing your partner company's primary contact. "When no one person is identified as the main contact," Smootha said, "it's easy to drop the ball."

5. **Develop a detailed project plan.** To stay within budget, create a project plan that specifies the deliverables, due dates, task lists and level of effort required to complete those tasks. A clear set of objectives and a definition of the scope of the project are critical. "As much as your cloud ERP partner drives the project plan, it's essential that you take ownership of the plan, too," Ferraro said. "Without the requisite time and energy, your tasks will either take longer than expected—or your partner takes on more responsibilities—both of which can translate into higher costs."
6. **Stick to the project scope and keep customizations to a minimum.** An appliance dealer may wish to create more back-end customization with its ERP software, but these change-orders can alter the scope of the project, often adding significant time and

cost. They can also put the implementation budget at risk. "Avoid trying to make your new ERP solution to fit the old processes and functionalities that your previous system provided," Smootha recommended. "Remember that there's a reason you're implementing a new ERP solution—to get more efficient and streamlined processes."

7. **Focus only on the necessary data during migration.** Migration is one area where it's easy to rack up costs and exceed budgets, so limit yourself to a subset of "need to have" data. "In many cases, it's unnecessary to migrate all of your data," Smootha said. "Most of it gets 'stale' after 90 days anyway. The more data you can leave behind, the more likely you are to stay on budget."

By applying these tips to the software selection and implementation processes, and by building out a plan and sticking to it, you'll greatly increase the chances of confidently implementing your system on time and within budget.

IT'S TIME FOR A CHANGE

“As the younger generations start to take over these family businesses, they see a lot of value in technology and want to pounce on it. They’re not afraid to make the investments in the technology necessary to automate their businesses to bring process improvement to their standard workflow processes.”

— **Robert Ferraro**, Vice President of Sales, Business Solution Partners

In most situations, the transition to the NetSuite Platform with BSP’s “Brick-and-Click” bundle for the appliance vertical takes about six months to complete. Acknowledging that this level of technology investment can be daunting for the high-growth appliance distributor that’s been relying on legacy systems that aren’t integrated with one another, Ferraro points to the combination of industry and consumer pressures as proof that it’s time for a change.

Regardless of generational preferences or where an appliance dealer stands on the technology curve right now, Ferraro said now is the time to move forward. Do it before your competition does, he said, knowing that technology can serve as a key differentiator in the dynamic marketplace that you’re working in.

“We have our finger on the pulse of your marketplace, and your competition is going after these solutions and providing these high-end services,” Ferraro said. “If you’re serious about maintaining competitiveness in the future, technology is the partner that you want on your side.”

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