



## DECO LIGHTING

# SAP® BUSINESS ONE LIGHTS UP THE BUSINESS

### QUICK FACTS

#### Company

- Name: DECO Lighting
- Location: Los Angeles, California
- Industry: Consumer products
- Products and services: Lighting
- Employees: 35
- Web site: [www.getdeco.com](http://www.getdeco.com)
- Implementation partner: Covient Inc.

#### Challenges and Opportunities

- Grow to become a FORTUNE 500 company
- Support new markets and business directions without ceilings on growth
- Make it easy for customers to do business
- Achieve a competitive advantage
- Position the company well for an initial public offering

#### Objectives

- Replace constraining business software with a highly flexible application
- Manage inventory more effectively
- Avoid mistakes and risks
- Provide on-the-spot answers to customer questions
- Keep costs low and productivity high

#### SAP® Solution and Services

SAP Business One application

#### Implementation Highlights

- Met schedule and budget goals
- Salvaged data from prior system
- Overcame initial resistance from employees
- Developed custom Web application for sales reps
- Created customized solutions for every user

#### Why SAP

- Flexibility to address the changing needs of a business
- Affordability for a small to midsize company
- Ability to customize software without hiring outside experts
- Powerful, easy-to-use productivity enhancement features
- Credibility within the financial community

#### Benefits

- Recovered investment in less than 1 year through labor savings
- Saved 4 to 6 hours out of the president's workday
- Grew 110% faster than would otherwise have been possible
- Improved customer satisfaction and retention
- Minimized time and effort required to perform business functions while avoiding costly human mistakes

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Sam Sinai, President, DECO Lighting



DECO™ | LIGHTING

DECO Lighting faced the same challenges as many a small company: business processes in need of stronger support, ambitions to grow substantially and successfully, but tight budgetary restrictions on tools for accomplishing these goals. In the SAP® Business One application, the commercial lighting manufacturer found a solution that addressed all these challenges at the same time. In less than a year, DECO Lighting recovered its investment through cost savings and productivity improvements while growing 110% faster than would otherwise have been possible. Now, with indispensable help from SAP Business One, the young firm is successfully entering new markets and opening international channels while positioning itself favorably for an initial public offering.

A division of lighting industry giant DECO Enterprises Inc., DECO Lighting provides fluorescent, architectural, induction, outdoor, high-intensity discharge, and exit and emergency lighting from its headquarters in Gardena, California. DECO Lighting combines the benefits of its parent company's 50 years of experience with the entrepreneurial spirit of a 25-person staff intent on growing and someday joining the FORTUNE 500.

### **Avoiding Barriers to Growth**

In the past, DECO Lighting performed manufacturing for other suppliers exclusively, but recently the young company enlarged its business model and is now successfully marketing its own line of lighting fixtures as well. "We know that our path will contain many more such business model changes, but we don't know exactly

what they will be," says Sam Sinai, president of DECO Lighting. "That's why we knew we needed to get rid of our old business software and replace it with an application with enough flexibility to support whatever the future may bring in terms of the ways we do business. We were also looking for a vendor with solutions that have the staying power to keep doing the job for us when we're a FORTUNE 500 company. We knew perfectly well who makes that kind of software – SAP – but we didn't think we could afford it."

Sinai and his team had been tracking the enterprise resource planning (ERP) field for some time and drew on this knowledge to select vendors to evaluate, including SAP and Oracle. "We learned that SAP Business One is not only affordable for a small company but also less expensive on an ongoing

basis, because it's easy for in-house personnel to perform the customization required to support our growth," he continues. "Within days our employees learned how to optimize their own menus and desktops for the particular ways they interact best with the application. Without SAP Business One, we'd have had to bring in expensive outside consultants every time."

### **Going International Today, Going Public Tomorrow**

Growth ever on his mind, Sinai knew there were other good reasons to choose SAP as DECO Lighting's new ERP partner. "We were just about to launch our international business, which is going well now, and it's much easier with the multiple currency functionality in SAP Business One," he explains. "And a little further down the



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road, when we go public as an independent company, SAP software will make us much more credible with the financial community.”

DECO Lighting engaged SAP Business One implementation partner Covient Inc. of Beverly Hills, California, to perform the installation and transfer all the necessary data from the previous system. Covient completed the project on schedule and within budget, taught users the new functionality, and helped them overcome their initial resistance to the new application. “A lot of our success is thanks to Covient,” Sinai comments.

### Making It Easy for Customers to Do Business

Soon DECO Lighting was experiencing dramatic improvements throughout its business processes, especially those that make it easy for customers to do business with the company. For example, previously when a customer called asking about a particular custom product, it used to take an employee a long time to find the answers. By the time the employee called back, the customer had often lost interest or bought from someone else. Now employees use a drag-and-relate user interface in SAP Business One to drill immediately into inventory data and pull up all the answers on the spot. In real time, they can determine the manufacturer, price, and availability from the company’s various warehouses – everything the customer needs to know to make a purchase decision during the initial phone call.

Another example is the link between SAP Business One and the tracking services provided by DECO Lighting’s shipping companies, DHL International GmbH and United Parcel Service of America Inc. When a customer calls and wants to track a shipment, the employee only has to enter the first few characters of any piece of information that identifies the shipment. In less than

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a minute, the employee can provide the customer with detailed tracking information. Even if customers forget the product name, the employee can work with any related piece of information they do remember, such as the price or ship date. “Talk about ease of use!” says Sinai. “SAP Business One makes everyday customer service processes straightforward – processes that are very complicated with other software.”

To provide the same kind of real-time customer service when its sales reps are on the road, DECO Lighting developed a custom Web application on top of SAP Business One. Via their mobile devices, reps now have full, immediate access to inventory data so they can make price and delivery quotes at once. They can even look up their commissions.

### Achieving Fast ROI by Getting Leaner

With service of such high quality, DECO Lighting has greatly improved customer satisfaction and retention – one reason why revenues have leaped since the new SAP software went live. “I’d estimate that we’ve grown 110% faster with SAP Business One than we could

possibly have grown without it,” says Sinai. “But satisfying customers is only one side of the coin. By spending so little time and effort on processes like finding answers to customer questions, we’re also saving enormously on labor – so much so that we completely recovered our investment in less than a year. I’m very proud that we’re accomplishing so much with just 25 people. SAP software makes it easy for a company to get leaner, because it does so much for you.”

One of the biggest beneficiaries of SAP Business One is Sinai himself. While other small company presidents have to work many extra hours to keep up, SAP Business One relieves Sinai of so much concern and paperwork that he can get his job done in a normal workday. “Without SAP Business One, I’d be in the office until late at night; and even after I got home, I probably wouldn’t be able to sleep,” he says. “SAP Business One means peace of mind.”

## Moving Toward FORTUNE 500 Membership

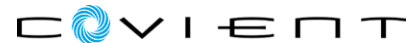
Sinai understands the challenges that lie ahead in turning DECO Lighting into a FORTUNE 500 company, but he is steadfast about the goal and convinced that SAP software gives the company the competitive advantage that makes it possible. "I know from personal

experience with other applications that sometimes you don't want to grow as a company because you don't dare to – the problems would just become insurmountable. But with SAP software, it's easy and inexpensive to move to the next level," he concludes. "Our competitors might not realize it yet, but they're going to encounter ceilings on their growth just like we did with our old system. While they're stuck changing business systems, we're going to be nimbly moving onward and upward without having to worry whether our applications can keep pace. I highly recommend SAP Business One to any

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small company that's trying to figure out which direction to go and doesn't want its business software to stand in the way of whatever direction it winds up choosing."



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