

Import-Export Firm Keeps a Closer Watch on Inventory with QuickBooks® Enterprise Solutions



BUSINESS CHALLENGE

Sales of I.W.'s brand name watches were slowing down, so the company desperately needed to get a better read on its inventory of 7,000 different models. At the same time, the owners wanted to expand into promising new product lines – but needed a more robust accounting system to keep up.



SOLUTION

QuickBooks Enterprise Solutions offers I.W. Inc:

- Precise, ongoing insight into inventory levels.
- Less guesswork, thanks to prompt, accurate financial reports.
- Support for multiple users with precise access controls.
- Effective ways to modernize outdated procedures.



BENEFITS

- Less working capital tied up in inventory.
- Saved 39 person-days on latest inventory count.
- Reduces time to select, ship and invoice products.
- Enables nine users to access the system at once with no slowdowns.
- Allows chief financial officer to stop working after hours on accounting.

CUSTOMER PROFILE

- Import-export business for watches, calculators, and home healthcare devices.
- 25 years in business.
- Sales of \$10.5 million in 2005.
- Located in San Diego, with dealer network in Mexico.
- Using QuickBooks Enterprise Solutions since 2005; upgraded from QuickBooks Premier Edition.



“Enterprise Solutions gave our company the financial control it didn’t have before. Enterprise gave us 10 users, and a lot more speed. And it helped improve my quality of life, because now I spend less time working on accounting after hours. We’ve evolved with Enterprise Solutions.”

Albert Kamahi
Chief Financial Officer
I.W. Inc.

In 2003, Albert Kamahi knew that time was running out for the family business.

The thriving import-export operation that his father started 22 years earlier was built on a brand name line of watches. But cheaper watches from China were starting to pop up in big-box stores, stealing sales from his company’s smaller dealers across Mexico. Albert had to reduce the firm’s reliance on watches and find new products. And Enterprise Solutions was there to help, just in the nick of time.

A Step Back in Time

After several years as a finance executive in other companies, Albert returned to the family business in San Diego as chief financial officer. He found data that showed its sales were about to take a licking and saw an operation that hadn’t changed much since it opened.

“It was like taking a step back in time,” Albert remembers. “All the invoices and checks were written by hand. People paid us whenever they wanted. During our third quarter, our busiest quarter, we closed down for a week to count the inventory. And financial reports were not readily available.”

With financial reports coming out once a year, most decisions were based on the gut feeling of family members; when they disagreed, there was no way to settle the dispute.

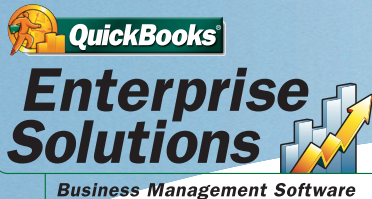
Out-of-control Inventory

Albert’s first step was to replace the company’s ledger book with a single-user version of QuickBooks 2003. As more staffers began using computers, he upgraded to a multi-user version. Meanwhile, he worked with the rest of his family to negotiate distribution rights for promising products like calculators, digital thermometers, and blood-sugar meters in Mexico, and set up a subsidiary to handle operations there.

But the watch inventory headache remained.

“As a CFO, my challenge was to decrease the working capital invested in the watch business, and bring down our inventory to match what we were actually doing in sales,” says Albert. “How could I downsize that business, while we grew the other lines?”

With 7,000 different watches in stock, it took one staffer a full year to type all those models



into QuickBooks. But the software couldn't handle a file that big, and would slow down dramatically whenever Albert logged in to make any inventory adjustments. He wound up waiting until everyone else went home, then switching to single-user mode. Even so, the system took hours to save his updates.

Nothing Compares to Enterprise Solutions

Frustrated, Albert started looking at alternatives.

"We looked at other platforms like Macola and SAP, but we decided that they had many offerings we didn't need, and the price seemed too high for the offerings we did need," he says. "We were even working with a programmer to make a custom database. But when we saw what he was coming up with, there was no comparison with Enterprise Solutions."

For one thing, the reporting was nowhere near as flexible. "And it didn't allow us to do a lot of things QuickBooks does, so we decided not to go with that," Albert recalls.

Instead, the company upgraded to Enterprise Solutions, which solved the inventory and file-size slowdowns. Now Albert can work on

the system all day with his employees, and leave at quitting time like everybody else.

He also cut shipping time by two-thirds by installing numbered shelves in the vault, and creating a custom field called "Locator," which appears on pick lists to help staff quickly find the right location for each watch.

What's more, the end-of-year inventory count went faster than ever.

"Where it used to take the full staff a week, my brother and I did the counting in about three days," Albert says. That added up to a labor saving of about 200 man-hours. "And we got an added bonus: While we were doing all our bills and invoices, Enterprise Solutions was automatically calculating our inventory and valuing it for us."

Giving the Right Access to the Right People

When he had several employees using the previous version of QuickBooks, Albert had no way to make sure they didn't make mistakes that would later take hours to straighten out.

"Let's say I wanted somebody to be able to look at my expense account, but I didn't want them to see the payroll," Albert says. "You

couldn't do that with our other QuickBooks. It was all or nothing – either you kept them out completely, or you gave them full access."

The fine-grained user permissions in Enterprise Solutions solved that. "Now it allows people to do their work without the ability to access or change anything – even by mistake – that would create more work for me," says Albert.

Today, he generates inventory and financial reports every month, like clockwork. Enterprise Solutions has truly helped his company change with the times.

Helping You Build Your Business

For more than 10 years, QuickBooks has worked with small businesses to develop tools that will help them succeed. Today QuickBooks is doing the same for larger, growing businesses with products like QuickBooks Enterprise Solutions — the most powerful QuickBooks product ever. Given the "Best in Class - Business Productivity Tool" award by CRN Magazine (December 2004), QuickBooks Enterprise has the capability and flexibility to meet the unique needs of growing businesses, potentially helping them save thousands in up-front and ongoing costs.

QuickBooks Enterprise Solutions enabled I. W. Inc. to:

- Achieve perpetual inventory levels and valuation.
- Easily generate precise monthly financial reports.
- Handle invoices, bills, and payroll faster and easier.
- Create unique price lists for 200 dealers and 7,000 SKUs.
- Upgrade easily with minimal learning curve.

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Chief Financial Officer
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FOR MORE INFORMATION

For more information about QuickBooks Enterprise Solutions, visit our Web site at www.quickbooksenterprise.com. For other QuickBooks products and services, visit www.quickbooks.com, or call QuickBooks Sales at (866) 272-8735, ext. 2006.

Free Demo

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