



ARCA Cashes in on the Power of ERP

Company or Organization

ARCA

Headquarters or Location

Mebane, NC USA

Industry, products, and services

Transaction automation solutions

Web site

www.arcatechsystems.com

SAP® solutions

SAP Business ByDesign

Bringing it all together – in the cloud

Headquartered in Mebane, NC, ARCA **provides technology and services** to help people control cash in bank branches, retail stores and self-service kiosks. Its products include cash dispensers, cash recyclers, coin dispensers, and payment solutions. Since the company began in 1998, ARCA has experienced **strong, consistent growth** and now has operations in the United States, the United Kingdom, Russia, India and China.

ARCA was founded by Mort O'Sullivan, who currently serves as CEO. With a track record of rapid expansion, the company has appeared on the Inc. 5000 list five times.

Like many growing companies, ARCA had built its business on a disparate group of software applications – including one for manufacturing, one for sales and CRM, and one for service. But as their business grew, management recognized that they needed a single solution that would integrate all business processes into a cohesive whole.

“We were at a crossroads where we couldn't continue with our old systems,” says Mr. Meador. “The service business is a key part of our future that our customers rely on, and it needed to be integrated.”

ARCA looked for a comprehensive ERP application that was based in the cloud. “The key thing,” says Mr. O'Sullivan, “was to have visibility across all different areas of the business – from sales, to service, to manufacturing and accounting.”

Their search led them to SAP Business ByDesign.

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When one is greater than three

ARCA's primary software solutions were Plex for manufacturing and accounting, Salesforce for CRM and sales, and EnterpriseWizard for service tracking.

These applications, says Aubrey Meador, President, "were not all that good at communicating with one another – which meant a lot of duplication of entry, a lot of manual workarounds, and a lot of spreadsheets."

That became an issue as ARCA's sales and product line grew.

"We had some very complex products that went about 14 levels deep," says Mr. Meador, "and we had trouble getting visibility down into those lower levels of subassemblies. So when we went to build we often went into manual workarounds to make sure we bought everything we needed to build those, it wasn't automatic.

"That became a frustration point for us," he says. "We had to make a move."



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Functionality baked in

ARCA conducted a thorough search of the options available. Ultimately, they found that SAP Business ByDesign offered the features they required, without the need for third-party “bolt-on” applications.

However, the company’s management team had concerns about SAP’s size.

“When we looked at SAP,” says Mr. O’Sullivan, “there was the fear that it would be too expensive; that it was a system for much bigger companies than ours. But when we compared the spending for our three different systems, the integrated SAP solution

actually ended up costing a little less than those three separate solutions did.”

There were also concerns about SAP’s reputation for complexity.

“SAP has a scary reputation for being hard to implement,” says Mr. Meador. “But when we looked at SAP Business ByDesign, so much of the functionality was already baked in. It was already set up for us. So it was more a question of configuration than having to go in and create processes. So the SAP Business ByDesign product seemed to fit us.”

“We have people who want to access from all over the world, so a cloud-based solution was important to us.”

Aubrey Meador, President, ARCA



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An aggressive timeline

Once they decided on SAP Business ByDesign, ARCA's management team couldn't get it implemented soon enough.

"We started with an aggressive timeline," Mr. Meador explains, "which is the way we do things; one of our core values is that we embrace change. And the fact that we decided to start this in the fourth quarter and we went live on April 1st was a pretty good accomplishment for us."

"The implementation team," says Dennis Ross, Director of Continuous Improvement, "brought to the table the ability to keep us on track – and to tell us when we needed to change or adapt to our processes – or do away with processes altogether. And they helped explain to us how SAP would fill the gap."

The team helped ARCA throughout the process, including solution development, fine tuning, testing, and data migration. "We couldn't have done that without their help," Mr. Ross says. "They helped us facilitate, they helped us with training, and they helped us onsite. They stuck in there with us, and pushed through."

"We did the first phase in three months," Mr. Ross notes, "which is extremely aggressive. And we implemented a complete ERP system in six months."

For many companies, software implementation is akin to root canal. But Mr. Meador calls ARCA's implementation "a great experience."



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Everything in one place

“SAP Business ByDesign is the glue for us,” says Mr. Meador. “We’re excited about the idea of logging in one time to one system where we’ll find all the current information on the customer, and all the information we need around products. Everything being integrated is exciting to us.”

In particular, one of ARCA’s priorities was to integrate sales and CRM.

ARCA prides itself on the way it tailors products and services to each customer. The company studies the way cash impacts each customer’s business, and then develops solutions that will streamline their cash-related processes.

That level of customization needs to be kept in a database for all authorized employees to access. But previously, with its main manufacturing

operations and its service business operating separately, the details of customer relationships were too often unavailable to key employees.

Therefore, the company wanted a solution that would help manage customers and prospects throughout their lifecycle.

They found that solution in SAP Business ByDesign, which provides integrated management of all sales, service, and marketing processes.

Today, the details of each customer’s relationship – from the products they use to the names of their personnel – are accessible immediately to ARCA’s customer service representatives. So they can provide the highly personalized service ARCA is known for.



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A fast \$500,000 ROI

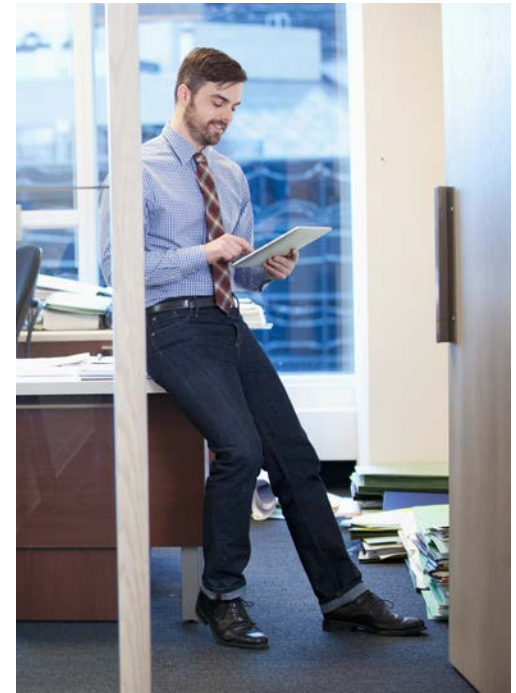
Software applications generally take some time to deliver a return on investment. But for ARCA, the ROI arrived very quickly.

As Mr. Meador explains, “A purchase order we placed with one of our key suppliers had an error on the pricing, and we caught it through SAP Business ByDesign. Had it been in one of our multiple systems, we probably wouldn’t have seen it.

“It was a half-million dollar error,” he notes, “so for us, SAP has already saved us half a million dollars.”

The analytical tools that helped find that error are also valuable in ARCA’s day-to-day operations.

Says Mr. Ross, “SAP Business ByDesign is helping me do my job better because I can make database decisions. If I want to know how an account is being managed, or if there are problems in an account, I can just go in and look at the account and the indicators are going to be there. I can see if the orders are on time or if there’s an increased number of service requests in the account – and I can do that from one place.”



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Working as a team

With SAP Business ByDesign, ARCA is positioned to explore new and innovative ways of delivering its cash automation solutions. “As we move into the future,” says Aubrey Meador, “I see us focusing more on software solutions, on total solutions rather than a slice.”

In the meantime, ARCA has achieved one of its key goals, which was to integrate its services business into the rest of the organization. “The tech services department acted like a separate business from us,” says Meador. “But they’re now in the same system with us, so team is operating more like a member of the company.”

An unexpected benefit of that integration has been a rise in productivity. “We’ve expanded our customer services role without adding headcount,” Mr. Meador says. “They’re doing a lot more activity than before, but we haven’t had to add more people.”

Having an application that allows employees to perform at their best has also been good for morale, Mr. Ross says. “Our employees are really happy with SAP Business ByDesign,” he says. “There were some skeptics as we went from three systems to one, and change is often scary to people. But I think everyone in the company sees the advantage of the power in SAP Business ByDesign.”

“[...] I think everyone in the company sees the advantage of the power in SAP Business ByDesign.”

Dennis Ross, Director of Continuous Improvement



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