

Sage 500 ERP | Customer Success

Summerhays Music Strikes Up the Band With Sage 500 ERP

If your son or daughter joins the school band and you live in Utah, chances are you'll head straight to Summerhays Music for a rent-to-own instrument. The family-run business began in 1936 and now rents almost 7,000 instruments a year from its three stores and associate dealers throughout the Rocky Mountain states. It also sells a complete line of instruments and supplies, from clarinet reeds, sheet music, and guitars to handmade Bosendorfer pianos priced at \$100,000.

Systems Out of Tune

Given the nature of its business, Summerhays Music Center is as much a finance company as a music store. Thousands of customers make payments on instruments every month, creating a bookkeeping nightmare. Speedy, efficient processing is a must.

"We're committed to being the leader in quality, service, and price—period," says Scott Summerhays, president. "We realized about ten years ago that the only way to do this as an independent player was through technology. So we formulated a long-term plan to achieve our quality goals—and hold our own against the big chains."

Early efforts involved three stand-alone systems: One each for rentals, general ledger, and point of sale. "We suffered because of a lack of integration," says Summerhays, "and began working on an end-to-end system built on SQL architecture."

A Symphony of Efficiency

After a three-year search, Summerhays found what it needed in Sage 500 ERP.* Written in Visual Basic and utilizing an SQL database, Sage 500 ERP permits seamless integration with other key components: Fusion Retail Solution, a point-of-sale module from Mik and Associates, and a custom rental module written in-house.

Summerhays' new system is surprisingly sophisticated. When a customer rents an instrument, Fusion generates a paperless contract, as well as a hard copy on the laser printer. The customer reads the terms and conditions of the contract, then signs in a digital signature box like those used in larger department and electronics stores. When the customer leaves with the paper version, Summerhays maintains a cybercontract. The entire rental process can be completed in about five minutes.

*Sage 500 ERP was named Sage ERP MAS 500 when Summerhays Music Center initially implemented this solution. The product names have been updated in this case study to reflect current naming.

Customer

Summerhays Music Center

Industry

Musical instrument sales and rentals

Location

Murray, Utah

Number of Locations

Three

Number of Employees

90

System

Sage 500 ERP



Challenge

Replace disharmonious systems with a robust, end-to-end financial system that provides seamless integration with retail modules, enhances efficiency, and accommodates growth.

Solution

Sage 500 ERP financial, distribution, and Sage Fixed Assets modules in conjunction with Fusion Point of Sale.

Results

Streamlined automation from A to Z; seamless integration; paperless office; instant analysis and easy reporting; accurate depreciation; credit approvals in less than a minute instead of hours; \$50,000+ annual savings.

"Before we had to create paper files, maintain them, and find somewhere to store them," says Summerhays. "Each time there was a payment, payoff, or return, we had to retrieve documents. But now all that's gone. The paperless office is saving us at least \$50,000 a year."

Another nifty feature is automatic credit approval. While a salesperson serves a customer, the new system pulls a credit report and evaluates it behind the scenes. Credit checks that previously took hours can now be done in less than a minute.

After credit approval, sales information is recorded, including down payment, accessory sales, and close-out data. Items are relieved from inventory, payables and receivables are automatically updated, and information is available for easy analysis and reporting.

The system also includes the Sage Fixed Assets module to depreciate fixed assets like buildings, fixtures, furniture, and office equipment. Sage Fixed Assets maintains complex depreciation calculations and journal entries.

The next phase in Summerhays' vision is expanding the system to associate dealers in small towns throughout the region. By providing them with computer links over the Internet, associates will have the same access to rental and business data as stores in the Great Salt Lake area. This will permit many of the benefits of e-commerce without losing the human touch that's so essential in the music business.

Summerhays says he now has the technology to handle future growth and make improvements in customer relationship management and database marketing. "Sage 500 ERP is more than just an incredibly good general ledger package," he comments. "In our case, it's the engine that serves as the foundation for our entire system. There's no way we could be where we are today without it."

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**Scott Summerhays, president
Summerhays Music Center**

About Sage

Sage North America is part of The Sage Group plc, a leading global supplier of business management software and services. At Sage, we live and breathe business every day. We are passionate about helping our customers achieve their ambitions. Our range of business software and services is continually evolving as we innovate to answer our customers' needs. Our solutions support accounting, operations, customer relationship management, human resources, time tracking, merchant services, and the specialized needs of the construction, distribution, manufacturing, nonprofit, and real estate industries. The Sage Group plc, formed in 1981, was floated on the London Stock Exchange in 1989 and now employs 12,300 people and supports more than 6 million customers worldwide. For more information, please visit the website at www.SageNorthAmerica.com or call 866-996-7243. Follow Sage North America on Facebook at: <http://www.facebook.com/SageNorthAmerica> and Twitter at: <http://twitter.com/#!/sagenamerica>.