

Sapphire Case Study: The Riverside Company



“Sapphire has proven to be a valuable business partner, committed to the US market.”

**Jason Murphy,
Management Company CFO**

About Riverside

The Riverside Company is a global private equity firm focused on acquiring leading small and medium-sized enterprises (with a value of up to \$200 million) and partnering with strong management teams to enhance the success of its companies through acquisitions and organic growth.

Since its founding in 1988, the firm has invested in 225 transactions with a total enterprise value of \$5.0 billion/€4.2 billion. The investment portfolio in North America, Europe and Asia includes 70 companies with annual sales totaling \$3.3 billion/€2.5 billion, EBITDA of \$506 million/€384 million and more than 13,000 employees (June 2009). Riverside offers the resources to complete acquisitions smoothly - thanks to its more than \$3.0 billion/€2.4 billion in assets under management, over 180 professionals in 18 offices worldwide and its longstanding relationships with partner lenders.

Requirements; why SAP Business One and Sapphire were chosen

In 2006 the Finance team at Riverside hired a consultant to work with them to replace their financial accounting solution. They had been using QuickBooks, which though a good entry level solution, had its limitations. As Riverside had grown globally, so had its requirements; what was needed was a multi-lingual, multi-currency solution customizable to the local taxes and requirements of each country. An integrated solution with global reach was required.

A review was undertaken of financial accounting solutions suitable to the mid-market, options included customizing QuickBooks – though this was swiftly discounted – as well as Microsoft Great Plains and SAP Business One which was subsequently selected.

The outside consultant hired had done a lot of work with SAP Business One and one of her contacts referred Riverside to Sapphire during the review process. One of the main reasons Riverside chose to work with Sapphire was their breadth of experience in supporting SAP Business One and their development expertise with add-on solutions.

The initial roll-out took six months, which was in-line with expectations. However, the work was largely carried out by the consultant, her programmer and controller.

When Jason Murphy, Management Company Chief Financial Officer, joined Riverside in 2008 he found that the way SAP Business One had been implemented did not mesh well with Riverside's business model and their reporting needs. “Not enough time was spent on the planning – they ran right into the implementation” said Jason, “I would really advise others implementing a new system to take the time to get the design right in the early stages of the project.”

He went on to expand “The initial implementation was a problem; we didn't leverage Sapphire enough at the time and relied too heavily on the consultant we had hired and her programmer. In hindsight we should have used Sapphire more.”





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Sapphire has now taken an active role in the best use of SAP Business One at Riverside: "A Sapphire consultant has explained the set up to us, helping us to understand it and also work around it" said Jason, "We are in a position now whereby we outline the problems and Sapphire brings us potential solutions – we have a great system, albeit with an unnecessarily complicated design from the original implementation."

Using SAP Business One

6-7 users are generally logged into SAP Business One at any one time at Riverside. The system is in continuous use in the US, with users in other countries dipping in and out as required throughout the course of the day – Riverside has several sites in Europe and Asia using SAP Business One.

"Working with SAP Business One is easy when you know how. It's pretty easy to run reports and get started as it's an intuitive solution; it's fairly easy to train users that are new to SAP Business One, even those who do not have previous ERP experience." said Jason

Riverside has integrated SAP Business One with Concur, the solution that they use to manage travel and expenses. They have also integrated a data feed from ADP and are looking for opportunities to integrate their online banking.

Business Benefits

"The key benefits of having SAP Business One in place are that we have a great system for capturing data and have everything at our fingertips" said Jason, "for example, I can view the Polish database and dig into expenses easily. SAP Business One is a truly multi-language and multi-currency solution: each office can view the solution in their native language, using the local currency. Another advantage is that it is accessible from anywhere."

On cost savings as a result of the implementation Jason said "We have been able to consolidate a lot of global information into one place and the scalability of SAP Business One means that work-load can be increased without adding headcount. Our administrative team members are able to assist with data entry at some of our smaller offices which saves us from having to hire outside accountants to perform the monthly bookkeeping."

What's next?

In the second half of 2010, Riverside will be moving to version 8.8 of SAP Business One. "We expect this upgrade to bring a marked improvement in capabilities, such as better use of databases and reporting. It will be easier to write common modules - writing to one database, and there will be a reduction to the time and cost of getting things done. Sapphire and the team here are now looking at how to change the set-up to meet our reporting needs with the release of SAP Business One v8.8." said Jason. "The eXtended Analysis Module from Sapphire and Vision reporting tool, which we are currently being trained on, will also bring improved reporting. We are particularly keen to utilise improved drill down capabilities with the eXtended Analysis Module."

Jason added "We are also considering the Inter-Company Module from Sapphire, however, I don't think that we will need all of the functionality that it offers. Our Account Manager is looking into whether or not our particular requirements will be met in v8.8, or whether it might be a better option to have a small amount of custom development done as an alternative to implementing the full Inter-Company Module."



Riverside

SAP Business
One



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Working with Sapphire

“When I first started with Riverside, receiving technical support was an issue due to timing – with the Riverside office in New York and the Sapphire team being in London” said Jason, “There was a marked improvement when the Sapphire New York office opened, and when our new Account Manager joined; we really feel that we have a great business partner now – and that we are working together for mutual benefit.”

He went on to say “With this partnership in place issues are being addressed and things are running more smoothly. Everyone is fully and properly trained on SAP Business One, so the team is more comfortable with using the system, which in turn makes them more proactive and productive.”

Of the **training** Riverside had to bring the team there up to speed on SAP Business One Jason said “The Sapphire Trainer that came on-site to complete the training was extremely knowledgeable about the system – he was easily able to answer any and all questions that we had and present the information in an easy to understand format. The training was customized too: the second day was very much based on requirements that the trainer identified on the first day, so the course was very tailored to our specific needs.”

Of **Sapphire’s Support provision** Jason said: “The level of service we get from Sapphire’s Support Team is very good – they certainly know their stuff. We also find the online tools provided by the Support Team very useful.” He added “Initially we had mistakenly thought that there was only one consultant who could help us with Support issues, but our Account Manager has run through with us all of the people that can help us with different queries. It’s been a useful 2-way education. Riverside and Sapphire now have constant contact which is a much better way of working.”

He went on to say “Our **Sapphire Account Manager** is great, he is very proactive: he knows what we need, so he is able to seek it out and keep an eye out for us – he has our needs in mind and is a good partner to our business. For example, he has helped us a lot with Fixed Assets which is a module that we wanted and should now be in a position to implement this year. In fact, our **working relationship with Sapphire** as a company is very good and we are very happy with the effort that is being put into the US market. We like that our Account Manager is just a few blocks away from us in Manhattan and that Ian [Sapphire’s Managing Director] visits whenever he is in town.”

In conclusion Jason said “SAP Business One is a good mid-market solution: it has the functionality of a large ERP [Enterprise Resource Planning] system, but without the headache involved in working with big systems. Anyone moving to a mid-market product should consider it. There is also the added bonus of Crystal Reports being included in SAP Business One version 8.8.

“I would recommend that organizations interested in SAP Business One speak to Sapphire. They run a quality shop; they have a highly skilled team who knows that they are doing and they don’t outsource. Though Sapphire is a big company, they really care about their customers. They might not be the cheapest service provider but in our experience we have found that they are efficient and that their ability to get it right the first time will save you money in the long run. We attempted to use another SAP provider for a small, straight-forward programming project. They outsourced the programming which meant we could only talk to the development team at 8:30 in the morning. The project took too long, was over budget and consumed a great deal of my department’s time. We won’t make that mistake again, they were not nearly as good as Sapphire; we are getting bang for the buck with Sapphire.”

