Large IT Reseller

Express Computer, Elena and John Barrett,
ASCDI Member, Irvine California

Our IT reseller enterprise comprises 80% secondary market products in various conditions; NEW, NOB (new open box) REF (refurbished) products. We have an extensive technical facility and warehouse that insures quality on every order of Cisco, IBM, and HP items we ship.

Number of employees (30)
Prior System Microsoft Dynamics Solomon

IQ Reseller has critical IT reseller features that our prior application, Microsoft Dynamics Solomon could not replicate even after extensive customizations at three times the cost of our IQ Reseller application."
Elena Barrett, President

Accounting is equal in importance to processes that insure profitability in an IT reselling business. IQ reseller provided the features and process to accurately track and report on the important elements of our business critical to managing profit. Solomon is solid accounting software but can not match IQ's ability to manage IT reseller processes in an effective manner even with custom programming changes that we implemented.

Reasons for changing to IQ reseller

1. **Sales Rep Accountability = Company Profitability**
   - "True" Net Margin Commission Reporting on Collected AR
     The ability to treat each rep as a profit/loss center in IQ reseller is perfect. Net Margin reports are based on the true cost of the serialized asset that shipped, not inaccurate "cost averaged information". Expenses such as bank wires, credit card processing, and technical fees can be tied to a sale transaction or an inventory purchase, which is tied to the rep, and their profit report. We have the Net Margin reports tied to collected AR so the rep does not get paid until the AR is collected. Select the rep and print, the report does the work for us saving us time manually tracking on spreadsheets

   - Inventory Write Down Capability
     Every month we review inventory that is overvalued or aging, and write down the value by either a percentage or dollar amount. The dollar write down flows through the GL to the reps net margin account and reduces their net margin. We have found the reps now pay much more attention to their inventory. Year end inventory surprises no longer exist. The write down feature makes all the entries and adjustments to each serialized line and affects the GL in seconds.

   - Profit Split between reps
     A fair share of the time, margin is created more on the purchase than on the sale. IQ reseller encourages reps to maximize every dollar on their purchases. With the profit split capability between reps, we can allocate the "fair" profit to each rep involved in the transaction proportionate to the value they created with a "great" buy or a nice sale price. The margin flows to each reps report based on the collected AR for the transaction automatically saving huge amounts of time for accounting.

- <u>Part Removal Cost Transfer</u>
  We have a practice of moving approximately 80% of the selling price of a part onto the cost of the part sold from an existing asset. So when a Cisco chassis is being cannibalized, the removed items are costed properly. We no longer have overvalued inventory contributing to an inaccurate balance sheet.

2. **Inventory**
   - <u>Unique Serialized Location</u>
     Dynamics Solomon did not allow us to place a unique individual location on each serialized part, there was a part number location only. This was confusing when locations were full and alternate locations were used.

   - <u>Condition Code</u>
     We complete transactions in various conditions. The ability for sales to see inventory and sales price history by condition (NEW, REF, NOB,) is critical. The price variances for the same sku can vary widely according to its condition; this allows us to sell at higher margins than when we did not have this reporting and sku conditions were lumped together. We had tried creating multiple sku's based on condition and that became confusing as we would have to query three of four sku's to get information we now get in one query.

Did IQ reseller deliver what you expected?
Yes, In addition we have been with them for 3 years now and we consider their software and support a valuable strategic component in the success of our company.

Was the conversion off of Dynamics Solomon difficult?
Conversion takes work but in our case the conversion was much easier than our conversion to Solomon where we were faced with many issues where the needs of our business did not match the standard capabilities of the software. This forced us to commit to custom programming. Custom programming is expensive difficult and takes you away from managing your core business.