

Medical Equipment Sales and Service Provider Cuts Month-end Reporting Time by Over Half with Acumatica

OVERVIEW

Founded in 1934, Ecuador Overseas Healthcare sells medical supplies and equipment solutions, from heart monitors to MRI machines, to hospitals and doctor's offices all across Ecuador. Their sister company, EOA Servicio, performs any necessary installations and handles product warranties. Together, the two companies employ nearly 90 people, generating \$25 million in total revenue in 2012. In January 2013, the company switched from SBT Accounting to Acumatica, integrating their local tax requirements in a way that yielded benefits they hadn't thought possible.

KEY RESULTS

- Preparation time for monthend reporting cut by more than half, increasing speed of decision-making
- Transactions required for vendor invoicing reduced by 50%
- Complex reporting time shortened from 20 days to 1
- Modern architecture and toolset allows for customization across all modules to fit complex local tax requirements—at less time and money

SITUATION

EOS Group (Ecuador Overseas and EOA Servicio), a company that sells and services medical equipment solutions to hospitals and doctor's offices, was simply outgrowing their aging ERP system of nearly 17 years.

As EOS' business had grown, so had the number of creative exceptions they made for customers. These were more than their accounting solution, SBT Accounting, could handle. Forced to use Excel for some processes, the company's workflow was becoming cumbersome and inefficient. EOS also needed their ERP system to be flexible enough to adapt to the complex tax issues unique to Ecuador.

SOLUTION

Determined to properly map out their ERP requirements and goals, EOS worked with an external consultant for over a year to evaluate the company's existing workflow and define a more efficient plan.

Armed with a detailed proposal, EOS turned to Robert Bolte, Owner of New Day Technology (NDT), an IT firm located in Puerto Rico that helps companies define and implement more effective business process workflows and mission critical solutions. Bolte had already earned the status of trusted advisor, having helped implement, train and support EOS with SBT Accounting nearly 17 years prior.

EOS considered both a software product developed in Ecuador as well as Microsoft Dynamics GP. The local product was nixed, in part, because it lacked a good audit trail. Bolte advised Schotel about his own concerns about Microsoft's proprietary, aging technology and suggested he consider a newer ERP system that NDT was hearing volumes about—Acumatica.

Schotel could see how Acumatica's modern platform would make customizations easier and how it would be possible to adapt the product to fit the specialized needs of EOS and its local tax requirements. He also liked the idea of working with a smaller, more responsive company to do so.

But Schotel still needed reassurance that Acumatica was the right partner for this project. A meeting with Acumatica's then-president, Ezequiel Steiner, allayed Schotel's remaining concerns, especially when Steiner accepted one last requirement to close the deal—to fly down to Ecuador to sign the agreement.



Company

EOS Group
www.eos.med.ec

Industry

Financial Services

Location

Guayaquil and Quito, Ecuador

“ In my mind, Dynamics GP was an old building painted as new. The biggest benefit to Acumatica is the confidence you get from knowing that it's built on a new-generation platform. ”

– Juan Schotel,
CEO,
EOS Group

EOS decided to purchase the following Acumatica Suites: Financial Management (including the Fixed Assets Management module), Distribution Management, and Project Accounting. Due to the technical complexity of the government/tax issues, the implementation process was lengthy, requiring close collaboration between NDT, Acumatica and Ecuador Overseas. “It was so important to have the compromise of all the people involved in the project. Without it, we never could have reached the result we did,” says Sofia Astudillo, EOS Project Manager for the implementation.

To help smooth what could have been a rocky transition period for system users, EOS ran an internal Acumatica campaign focused on the benefits of Acumatica. Employees responded positively to the clear communication and enjoyed the various promotional items offered (water bottles, notebooks, backpacks, etc.).

BENEFITS

Preparation time for month-end reporting cut by more than half

Prior to Acumatica, management depended on the Financial Department for monthly close information prepared manually in Excel— this could take up to a month or more after month-end. With Acumatica, current financial information is always available online, allowing for better decision-making. Monthly close information is now ready on day 10 of the following month.

Transactions required for vendor invoicing reduced by 50%

Before Acumatica, processing a vendor invoice required two transactions (first, to register the invoice and second, to manually select then calculate the withholding tax to be applied to the invoice, according to local tax regulations). Because EOS processed nearly 90 invoices a day, this meant close to 200 transactions were necessary.

Acumatica allows EOS to set up a withholding tax code for each vendor, so when the AP user selects the vendor invoice, the withholding tax percentage is selected automatically, then calculated and posted in a single transaction. This results not only in huge time savings, but in reduction of potential errors as well.

Complex reporting time shortened from 20 days to 1

Ecuador’s specific local tax requirements call for a specialized report to be submitted monthly to authorities. This complex report was prepared manually by the Accounting Department and could take as many as 20 days to complete and validate the information. Now, with Acumatica, the report is prepared with the click of a single button and requires approximately one day for validation.

Peace-of-mind

For EOS, the most significant benefit in purchasing Acumatica is an intangible peace-of-mind. Schotel explains, “When you have an ERP, you want a system that’s good for the next 15-20 years, one that’s going to grow with you. You want an ERP that is a solid partner and helps you envision what else you can do to give added value to your customers. If we continue the partnership we have with Acumatica, we’re going to be able to make that happen.”



“Users can get real-time information according to their specific profiles and make decisions for their daily activities with more autonomy and accurate information. Acumatica is changing the way we work.”

– Sofia Estudillo,
Implementation Project Manager,
EOS Group