Employee Engagement Firm Inspirus Began Digital Transformation with Acumatica, a Platform for Growth

OVERVIEW

Inspirus LLC, a Pluxee Group company (owned by Sodexo) is a leading employee engagement solutions provider. Inspirus ran on a 38-year-old financial system that couldn't provide critical data, including customer profitability or have full operational visibility. The company deployed Acumatica Manufacturing Edition to optimize business processes gaining real-time data visibility and manufacturing insights from a single platform for data-driven decisions and streamlined operations.

KEY RESULTS

- Implemented a single, connected, robust, modern manufacturing platform with project accounting and native commerce connectors
- Added project accounting, gaining insights and better managing customer accounts
- Replaced paper-based invoicing with real-time, automated billing
- Gained role-based dashboards to measure results and manage strategic business activities
- Streamlined manufacturing, sales orders and POS processes, importing manufacturing orders into Acumatica instead of adding them one by one
- Automated warehouse fulfillment, vendor drop-shipment, and digital redemption processes resulting in considerable time savings.
- Integrated Big Commerce, moving Inspirus from batch processing to real-time processing
- Streamlined and automated processes with no code capabilities, saving time and additional development fees
- Improved collection rates

CHALLENGES

Inspirus, pronounced "Inspire Us" was founded in 1893 as a jewelry and engraving company servicing the Texas stockyards. In the late 1980s and 1990s, the Fort Worth-based company started working with corporations wanting to recognize employee milestones with lapel pins, which it manufactured, among other products. This blog includes the firm's history.

By the late 2000s, Inspirus added a digital experience, offering a peer-to-peer recognition and rewards. The company was bought by one of its customers, Sodexo Group (CAC:SW), in 2016.

When CEO Tatiana Frierson joined Inspirus, she asked to see a P&L by customer to better understand the business. What she learned was surprising: the 38-year-old financial system it used couldn't provide that data. "We couldn't analyze anything in-depth or extract data live into Excel," explains CFO Lionel Koch.

Without in-depth data, Frierson knew it would be difficult to digitally transform the company from one helping enterprise customers celebrate employee milestones with award items it warehouses into a SaaS company offering personalized digital reward experiences directed by employees and facilitated online through tailored portals.

She also knew having a modern ERP would give the company a competitive edge in the marketplace where businesses are increasingly facing a myriad of employment issues brought about by the pandemic, including burnout, lower productivity and employees leaving for higher pay or more permanent work-from-home positions. After Covid-19, retaining employees became a higher priority.

"When somebody walks out the door, it costs on average $70,000 to replace that person," Frierson says. "There's an impact to the business. What can we do as leaders to help retain that human capital asset in our company? It's not always about throwing money at them. It's that people want to feel acknowledged and when they're acknowledged and recognized, they're more motivated and less likely to leave."

Inspirus creates branded digital portals for its enterprise customers—some of which have more than 50,000 employees. The portals allow employees to select reward items, compliment others, and respond to surveys about work satisfaction. The branded portals are like major social media platforms offering a true engagement listening platform.

For reward redemptions that include merchandise, fulfillment is handled out of its warehouse that is stocked with hundreds of brand names that employees know and love. It also has a program where employees can donate their rewards to local nonprofits.

Sparse Customer Data, No MRP, Limited Inventory Visibility

In addition to not providing in-depth customer analysis, the legacy business system was not intuitive, and lacked material requirements planning to coordinate production and purchase orders. Since inventory counts only happened once or twice a year, it was challenging to know when items were out of stock or were sitting on shelves too long hampering cashflow. Demand forecasting was challenging, forcing the company to overstock items and resulting in stock-out situations in other scenarios.

Invoicing was manual with inflexible invoice formats.

"One of the biggest deficits was that it was not a true ERP; it had limited accounting functionality," says Sue Severns, Inspirus' Strategic Realization Office Senior Director. Severns was the Acumatica implementation lead and was honored as a 2023 Acumatica MVP. "It also wasn't able to connect to other systems without custom coding,"

"Before we could only get financial numbers after month-end. You couldn't' do anything to effect change within the month," Severns says.

Employees relied on the development team to run financial reports, and if they didn't have the time, employees didn't get the information, she says. Account managers had to go to the filing cabinets for customer account information, which became problematic for teleworkers during the Covid-19 pandemic.

The Inspirus team created a custom web application for online sales, but the application struggled to manage the massive transactional volumes for its enterprise customers.

New ERP a Priority

Frierson had an IT services background with previous SAP and Oracle ERP deployment experiences and made securing a new ERP system her first priority as CEO.

"We needed to modernize with a proper ERP," she says. To increase adoption and buy-in, she wanted everyone involved in the digital transformation. "I told the team 'This is your deal' and brought everyone in. It wasn't someone in IT or the IT team figuring it out. It was a collective effort because everyone was going to use it."

In addition to real-time data visibility and self-service reporting, Inspirus wanted a modern cloud ERP to streamline operations with remote access from anywhere since it has global offices. It also needed to be SOC compliant since Inspirus reports to its publicly-traded parent company, Sodexo.

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SOLUTION

The Inspirus team evaluated SAP, Oracle NetSuite, Sage X3, Acumatica, and Microsoft Dynamics 365, and discussed its needs with technology partners representing each solution. The evaluation team included a group researching solutions for the business side while another team evaluated the underlying platform technology.

"On the business side, Acumatica ranked highest, and on the technical, Acumatica was second," says Severns "When we averaged the requirements from sales, finance, technology and operations, Acumatica ranked the highest."

Initial cost investment also played a role. "The 5-year total cost of ownership for SAP was significantly higher," she adds, mentioning that Sodexo uses SAP.

The evaluation team liked the look and feel of Acumatica, which they cited as user-friendly and intuitive. They also appreciated Acumatica's open architecture for low-code and no-code integration and third-party application connectors.

"With its unlimited user licensing model, we could add auditors at no cost, and we could connect to Velixo for reporting," Severns says. "Acumatica was also multi-tenant, SOC compliant, and provides a sandbox for upgrade testing."

Due to the complexity of its operations, Inspirus wanted to work with a local systems integrator, selecting Acumatica Gold Partner AIM Solutions, Inc. The implementation was led by AIM's Luke Rains.

"Acumatica's intuitive design, enterprise scalability, and flexible pricing model made Acumatica an excellent fit for Inspirus as we evolve and transform our business," Severns says, adding the project "was delivered at a fraction of an alternate vendor for SAP in both cost and implementation time."

BENEFITS

By implementing Project Accounting in Acumatica, Frierson and the executive team learned who its most profitable customers are and which are not. The data helped them reevaluate the customer roster and led to decisions to drop some that weren't profitable, says Koch, the CFO.

Inspirus now can allocate non-operational costs to the customers 'cost bucket'. They obtain standard profitability reporting at a customer, item, or order level, which gives the company a holistic view of the overall cost to service each account.

"Acumatica helped us be more proactive, faster, to react faster, to close faster, to do analysis faster, and meet deadlines," Koch says.

The company automated many manual tasks. For example, Inspirus leverages invoice templates and can bulk process them across multiple customers automatically. They are refining the process and plan to automate the entire process, eliminating employee intervention and reviews. Previously, invoices were printed and distributed manually.

Reporting and Dashboards

Inspirus makes better business decisions combining real-time data from Acumatica with a seamless connection to Velixo, an Excel-based reporting tool that adds more than 70 functions to Excel specially designed to work with Acumatica's General Ledger, project data and Generic Inquiries, among other Acumatica functionality.

"With Velixo, we have the most up-to-date data since data is loaded and refreshed in a matter of seconds," says Koch. "We can build multiple report types such as P&L, Cash flow statements, sales dashboards, budgets, and allocation and accruals, which help us make better business decisions."

Inspirus employees have the information they need with drilldowns to the original source transaction in Acumatica, such as customer ID, reference numbers, or any other data, and do so from Velixo too, he says.

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Dashboards "deliver visibility into what needs to be done that previously required someone to run an exception report to have to FIND what was missing," Koch says. Key performance indicator dashboards provide real-time visibility into shipping, accounts receivable, accounts payable, purchase orders, receiving and eCommerce.

With automated dunning letters, Inspirus has improved collection rates, reduced past due accounts, and fortified working capital. "We can customize invoices and spend less time chasing the customer because Acumatica does it for us," he says.

Streamlined Manufacturing, Sales Orders and POS

Rather than importing manufacturing orders one by one manually, sales orders are imported automatically into Acumatica from multiple commerce platforms seamlessly. Based on the configuration of the items and the orders, various fulfillment methods are executed simultaneously including warehouse fulfillment, drop shipment, and automated processing for digital redemption.

Previously, Inspirus used a home-grown batch process to get information for its online sales, which meant data was not instantly available. With Acumatica's low-code, no-code functionality, Inspirus and AIM configured Big Commerce, in a mere two weeks, gaining real-time data.

Further Integration for Operational Improvements

"We have been able to connect Acumatica to our internal portfolio, and integrate it with our own software, which helps us run the manufacturing floor, take orders and bring them into Acumatica and manage purchase orders, invoicing and bill payments," says Lesa Blakey, Vice President Operations & Culture.

Now that Inspirus has much better insight into its customers and has streamlined many operational processes, the team plans to deploy Acumatica's CRM, and integrate the platform with Hubspot for lead generation.

"Acumatica is essential to Inspirus as we evolve our products and scale our operations," says Severns. "Our Acumatica implementation was instrumental to achieving our business objectives and we can now be much more responsive to our customer's needs, which ultimately helps us with our growth."