

Fidelux Lighting Pivots to a New Business Model Leveraging Acumatica



OVERVIEW

When Fidelux Lighting, an LED lighting manufacturer for commercial customers, changed its business model to sell through distributors and implemented a commission structure, it quickly became apparent that QuickBooks couldn't handle the complex inventory and assembly and kitting requirements, or commission processing it needed. Fidelux chose Acumatica for its flexible inventory model, cloud-based solution and affordable licensing model.

SITUATION

Connecticut-based PRIME AE Group, Inc. is a professional engineering services firm that recognized the rapid shift to LED Lighting in the commercial sector and formed a division called UIC Energy to address the market.

After five years of rapid growth, the division was spun out as Fidelux Lighting, a move that also included switching its business model to sell through distributors. The new business model required a better way to track and pay commissions, manage inventory, and new financial software to manage operations.

Fidelux inherited QuickBooks from UIC Energy, which it used for everything from accounts payable to accounts receivable to inventory management. After Fidelux changed its business model, it became apparent that QuickBooks couldn't handle several processes the company needed.

"For the first three to four months we were doing a lot of the commission tracking on spreadsheets," says Leslie Alt, Senior Software Support Specialist. "It took us a full workday to filter through the orders and determine the commissions that needed to be paid."

QuickBooks couldn't handle the company's inventory management needs. For example, some customer orders required switching out a part to create different lighting kit assembly. But "we didn't have the ability to track anything in QuickBooks so there wasn't a history of a part being removed or changed, which meant we couldn't accurately reflect the cost of the finished good," Alt says.

QuickBooks was not customizable, nor did it connect to other software, which meant Fidelux had to import and export data in and out of QuickBooks just to create standard financial reports and handle commissions.

SOLUTION

Fidelux needed to streamline processes for inventory, accounting, and order processing and began looking for new software. The company wanted cloud software that would allow it to provide access to distributors so distributors could view inventory and order history.

The lighting company, which employs 15, began looking at various ERP solutions and considered Microsoft Dynamics GP and Microsoft Dynamics 365, among others. Fidelux was ready to move forward with one vendor but quickly switched to Acumatica after a demo.

Acumatica's consumption licensing model allowed Fidelux to affordably let its more than 30 distributors access inventory and order history directly.

COMPANY

- Headquarters in Connecticut, with warehouses in Middletown and Wallingford, CT
- **Industry:** Manufacturing & Distribution

KEY RESULTS

- Improved inventory management, assembly and kitting visibility
- Streamlined and automated commission payments, saving 7 hours a month
- Eliminated manual duplicate data entry
- Improved data visibility
- Avoided expensive ERP user-licensing costs
- Provided visibility to inventory and orders to more than 30 distributors affordably

“The major reason was ease of use. When we saw Acumatica, we totally switched gears. Cost was another factor. Licensing with Acumatica is all about the resources and usage rather than how many users you have. Acumatica made a lot more sense for our business model because a lot of our users are in support roles, and not in the software regularly, so paying (a full seat license) to access a system once or twice a month didn’t work for us.”

– Shivani Raval, Director of Operations

Fast Implementation

Once the decision was made to purchase Acumatica, the new ERP was implemented in just under two months thanks to Alt’s strong internal project management. Under the guidance of Acumatica partner CAL Business Solutions, Alt used the Acumatica self-service resources available and assisted with the implementation. Fidelux was able to save money by getting Acumatica up and running in a minimum number of hours and then improved the system on its own.

Fidelux installed Acumatica’s financial management and CRM, exchange integration, expense management, advanced inventory, and order management modules.

BENEFITS

Streamlined Operations for Rapid Expansion

Acumatica helped Fidelux streamline operations, including commissions and inventory management and position it for rapid growth. The cloud-based system allows Fidelux to grant limited access to more than 30 distributors affordably.

Automating the commission process saved many hours of manual data entry and eliminated the need for a separate spreadsheet to track them. In Acumatica, Alt built a tab into the sales order process that integrates with accounts payable. When payment is received for an invoice associated with a sales order, the commission is paid.

“That way commissions are only paid after we have received the money,” says Alt, adding that part of that automation was a customization created by CAL Business Solutions. “It has definitely been a big time saver for us, and the sales teams are happy because they get paid faster.”

Improved Inventory

Fidelux saw a big improvement in the way it handles and accounts for its inventory. The company imports parts from China and assembles the commercial lighting fixtures in the U.S. With

Acumatica, the company not only has better visibility into what it has in inventory but also provides a way to track individual parts.

“Acumatica helps us make sure all components are reflected accurately in inventory,” says Raval. “It also makes sure we know what each component is related to what light and accurately reflects the true cost of a kit assembly.”

Acumatica is so user friendly that anyone can easily update a sales order with the new information when parts are replaced, she adds. That’s not something they could do in QuickBooks. In fact, the whole order process took two people to perform in QuickBooks. “Now we only need one person to process an order,” Raval says.

“That’s because Acumatica is integrated,” adds Alt. “All the modules are connected and from start to finish we can do everything in one place, and it’s automated so we don’t have to do a lot of duplication.”

Flexible Software

Alt loves Acumatica’s ease of use and flexibility, which allows her to customize and adapt the software to the way Fidelux does business. “I am not a developer, but I can understand how it is built, and I can do as much customization as I want,” she says. “For example, I can click on a field, see what it is and how it opens so I can understand it.”

Acumatica’s generic inquiry function is invaluable, Alt adds. “Whatever Fidelux Executives need to see as a snapshot, I can build it,” she says. “We love Acumatica’s dashboards. We are in the process of integrating Microsoft’s Power BI to pull information for our sales team reports to send to our distributor agencies, and the overall transparency of Acumatica has been very helpful to me.”

Raval praised Acumatica’s ease of use and easy to understand navigation, which extends throughout the entire system. “I manage several teams from customer service to the warehouse to accounting and finance and everyone has access to Acumatica, understands it and can see what is happening during an entire cycle,” she says. “Its transparency allows anyone to track problems with a customer order and figure out what happened.”

Poised to Enter New Markets & Grow

With Acumatica, Sindhu Natarajan, President of Fidelux, has an agile platform for growth to continue increasing market share, advancing Fidelux’s position as one of the premier LED lighting solution companies in the nation while continuing to innovate, modernize and spearhead industry-leading product reliability and quality.

In addition to offering commercial LED interior lighting, Natarajan has started pilot projects to retrofit and/or replace streetlights in many towns and municipalities, a potentially huge market. “We’ve tripled our distribution rep agencies since we started,” says Raval. “As we move into new markets, Acumatica gives us the confidence that we can handle the increase in transactions and growth with ease for many years.”