

How do you comfortably give a warm shampoo to someone who can't get out of bed – without a complete drenching? And how do you design a protective gown with sleeves that never ride up? These are the kinds of healthcare concerns that Illinois-based Sage Products addresses every day.

Oral care, personal hygiene and in-situ cleansing for bed-ridden individuals – along with protective clothing and gear for the professionals who care for them – Sage is the industry pioneer and revenue leader in solutions like these. Sage knows that innovations in this market make a big difference in the costs and quality of day-to-day patient care.

Paring down its product lines this year to emphasize high-demand patient cleansing and oral care products is one way Sage has focused its energy and resources on product innovation.

Streamlining its IT processes is another, and Sage chose a Silvon business intelligence system to help it get there.

Managing a multi-tiered sales force

You'll find Sage products in hospitals, clinics and nursing homes across North America. To reach that widely dispersed customer base, Sage depends on large medical distributors with sophisticated supply chain resources and infrastructure. Sage's field sales force provides ongoing support for and communication with end users and is compensated on a commission basis for sales in each region. Yet it's the distributors that do the actual product delivery.

With multiple parts to the Sage sales equation, gathering and analyzing marketing data – not to mention accurately calculating compensation – can be tricky. Sage relies on the

distributors to feed back data about end-user sales – who's buying what, where and when. Getting the data isn't the problem, thanks to strong partnerships with its distribution channels. But turning that data into usable information is another story.

Simplifying a cumbersome process

Until 1999, monthly sales data from distributors was entered into Sage's AS400-based data store, and reports were generated using native AS400 capabilities. "The AS400 platform has always performed well for us – we're very happy with its stability," said Bill Kale, IS director at Sage. "But creating reports was incredibly time-consuming for my staff. Whenever a manager wanted a specialized view of sales data, someone on my team had to develop a custom report from scratch – not an efficient or productive process for either party."

That inefficiency was a key reason Sage implemented Silvon's DataTracker® business intelligence solution in 1999. DataTracker integrated smoothly with Sage's ERP system, PRMS from interBiz. And it provided a way for sales managers and other users to access and analyze reports without IT intervention – easily and with complete flexibility. "We could have built a custom solution ourselves," adds Kale. "But the Silvon package gave us what we needed with faster implementation and greater scalability as Sage grows down the road."

Feedback from distributors is still provided monthly – some via EDI and some on paper – but once that data is aggregated and keyed into the Sage system, it is readily available to the users that need it. And where managers used to receive a 6-inch stack of paper to analyze, they now can run their own reports," adds Kale. "They can easily slice and dice it

however they want. That frees up my staff from tedious querying and reporting tasks and lets us focus on more strategic initiatives."

"This system has really empowered our sales and marketing people to go after their own information," adds Rich Naponelli, Chief Financial Officer at Sage. "It enables sales and marketing to analyze data in ways that let them try out totally new horizons, while at the same time freeing resources in our database area."

Focusing its product lines

In addition to generating ongoing sales and compensation information, DataTracker helped Sage successfully navigate the recent sale of two of its product lines. To focus on its fast-growing personal cleansing and oral care products, Sage sold its SharpSafety and ChemoSafety hazard protection product lines to a publicly traded company in late 1999. "We were the market leader in sharps disposal, which is a good thing. But maintaining a leadership position is very resource-intensive. And it was in a way holding us back in terms of new product development – one of our key strengths," explains Naponelli. "We got an attractive offer at the ideal time and decided it was the perfect opportunity to focus on innovative products we knew had great potential – it has really re-energized Sage."

Those product lines had generated 60% of Sage's business, and DataTracker gave Sage decision-makers an accurate snapshot of what the company would look like without them. It also enabled Sage to provide the buyer with an accurate and concise sales history on the product lines it was about to purchase. "DataTracker was instrumental in making the sale happen," said Kale. "It was a textbook example of getting the

Case Study

right information at the right time.”

The IT efficiencies created by DataTracker were timely as well.

“With sales and marketing able to go after their own information without excessive IT support, we were able to get the full benefits of the staff reduction we made as a result of the reorganization,” adds Naponelli. “The soft cost savings alone – salary and FTEs – were enough to justify the whole DataTracker concept in the beginning.”

Power to the people

Why DataTracker? The decision for Sage hinged on remote functionality. With DataTracker, Sage can provide its seven regional field manager with “slices” of sales data relevant to their regions. A manager can then query and report on that data without being linked to the network – yet with virtually the same functionality as the live application. That makes it simpler for managers to answer the question “how’s my region doing?” any time and any place.

“The system lets your field sales managers track exactly where business is going, and more importantly, where it’s no longer going,” says Naponelli. “Our managers can quickly see where business may be eroding, and pick up the intensity in those areas. We’re calling it “chasing business,” and when our salespeople actually get online with the system next month, we’ll really be strong in that area.

That added productivity is spreading throughout the company. Sage is using a “train the trainer” approach, leveraging current users to train new ones. Soon, field sales reps will also have access to the system – enabling them to monitor their own sales performance and get closer to their customers.

“If there’s any downside to the system, it’s that it’s made us a lot more accountable up here in finance,” laughs Naponelli. “In the course of their analyses, the users will flush out issues – a change in average selling price, for example – that we need to investigate. They’re watching, they’re in tune, so we need to be more responsive than ever.”

Focusing on growth

Looking forward, Sage is preparing itself for growth in a changing market. The increasingly cost-conscious healthcare industry is moving toward clinics and alternative care facilities. That trend, along with opportunities in the retail market, is changing the Sage customer profile. Sage is using DataTracker to accurately type its evolving customer base to analyze where business is moving.

And streamlining remains a high priority. Sage hopes to move from a monthly reporting schedule toward real-time data collection – working with distributors to get sales data faster and eliminate paper-based reporting. It also hopes to add new production and manufacturing applications to its DataTracker arsenal, one way to maximize returns from its new manufacturing facility under construction in Cary, Illinois.

The combination of enhanced customer retention benefits and cost savings generated by DataTracker will help Sage meet its growth objectives – returning to its former size within 3-5 years. With its people more productive, its information more relevant and the dust finally settling from the 1999 divestiture, Sage is on track to continue its string of innovations in the patient cleansing and oral care market.

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