



# TERSANO

## SMALL COMPANY USES SAP® ERP TO ACHIEVE PURE SUCCESS

### QUICK FACTS

#### Industry

Consumer products

#### Revenue

CAN\$2 million to \$5 million

#### Employees

Under 10

#### Headquarters

Oldcastle, Ontario, Canada

#### Web Sites

www.tersano.com,  
www.tersanoprofessional.com

#### SAP® Solution and Services

SAP® ERP application

#### Implementation Partner

The Creatch Group

#### Key Challenges

- Implement preconfigured enterprise resource planning (ERP) software before initial product development
- Include solution support for manufacturing, full sales-to-cash process, online shopping cart, electronic warehouse integration, and 3rd-party tax program
- Use single instance of ERP to manage multiple sales and product development corporations

#### Implementation Best Practices

- Strategic cooperation between senior management and implementation partner
- Immediate buy in of entire organization, including engineering, IT, sales, operations, and accounting departments
- Well-defined user roles company-wide

#### Financial and Strategic Benefits

- Greater productivity, with same headcount
- Increase in sales, with no increase in operational costs
- Optimized inventory control
- Faster and more-accurate monthly closings
- Complete product traceability – from purchase order through delivery
- Enhanced ability to offer effective customer referral program
- Low user training costs with training manuals stored and updated in SAP software

#### Why SAP Was Selected

- Prior familiarity with SAP software products
- Speed and ease of implementing the pre-configured SAP ERP application
- Scalability of SAP ERP to meet expected and unexpected growth requirements
- Comprehensive functionality to support online sales, inventory management, and distribution
- Support for 3rd-party software for calculating sales and use tax

#### Low Total Cost of Ownership

- Lower IT maintenance costs; reduction in number of servers needed
- Increased uptime with only minimal downtime during nightly backups
- Lower 3rd-party integration costs

In Latin, “tersano” is a compound word: “terra” means “earth,” and “sano” means “clean.” Today, Tersano Inc. stands for a small and highly innovative company that develops cutting-edge sanitizing systems. Named “Innovator of the Year” in 2008 by the Ontario Ministry of Research & Innovation, Tersano is changing the way people think about cleaning chemicals. Its products are “smart” and effective, which is also how the company might describe the SAP® ERP application that it has been using from day one.

#### Operational Benefits

Key Performance Indicator	Impact
3rd-party integration costs	-92%
Online sales	+30%
Inventory accuracy	>99%
Manufacturing costs	-40%
Productivity	+33%
Shipping times	66% faster
Same-day shipping	+70%
Time to close books	<6 days



“I love SAP software. I don’t know why any company would choose another product.”

Debbie Harmer, Sales and Operations Manager, Tersano Inc.

[www.sap.com/contactsap](http://www.sap.com/contactsap)

## Open for Business with SAP® ERP

Small businesses often have the brightest ideas. Tersano Inc.’s lotus Sanitizing System – which turns ordinary tap water into a powerfully effective yet completely harmless sanitizing agent – is a prime example. Such innovative products also warrant only the finest business tools and processes to support them, which is why Tersano chose SAP® software.

“The company and its founder and CEO, Steve Hengsperger, decided to implement the SAP ERP application from the very beginning,” comments Debbie Harmer, Tersano’s manager of sales and operations. “Steve and his team already had extensive experience using SAP software. They knew SAP ERP would support them, no matter where or in what direction the company grew.” And Tersano felt confident it would grow – and grow quickly (the company’s product was so effective, it was named Best Invention of 2006 by TIME magazine).

## Purifying Business Processes

Working with its implementation consultant, Dennis Nikkel, Tersano installed a preconfigured SAP® ERP application in little more than a month. Soon after going live, the small company – you could count the number of employees on one hand – began to close big distribution deals across North America at major retailers like Costco, Home Depot, Neiman Marcus, and Linens & Things.

Back at the home office in Ontario, Canada, Tersano began to put the SAP ERP application through its paces. “As part of the initial installation,” says Nikkel, “we implemented finance, purchasing, and sales and distribution software, and other core functionality to support our business processes.” As the company’s product sales began to grow, Tersano experienced the software’s scalability firsthand: it used the application to help it restructure into multiple corporations, including a Canadian corporation to handle Canadian sales and an international corporation headquartered in Barbados to handle all other international sales.

Tersano soon began to expand its use of SAP software to meet specific needs. For example, it used SAP ERP to support an online shopping cart, which helped generate additional revenue. “Online sales have since added about 25% to our sales volume,” says Harmer. In addition, Tersano used the application to establish a new customer referral program. It also linked the software to a third-party application it utilizes to calculate sales and use tax for the growing U.S. market and interfaced with its outside warehouses to send and receive shipping information.

## Soaking Up Huge Business Benefits

For any business, small or large, the financial, strategic, and operational benefits of implementing an enterprise business solution must be significant to ensure a return on investment. For Tersano, they are

more than that. “They are huge for us,” says Harmer. For starters, even as sales volumes have grown steadily, operational costs have remained constant. In addition, productivity has increased 33% with no change in headcount. Inventory accuracy has also led to gains year after year. And, by having the tools to trace goods throughout the product life cycle, Tersano can easily determine the status of every order and delivery at any time. Another major benefit of the SAP software: the company has been able to accelerate shipping times by 66% – and customer satisfaction has never been higher, with 70% of all orders being shipped same day and the remainder the next day.

“I love SAP software,” concludes Harmer. “I don’t know why any company would choose another product. There are infinite possibilities with SAP software. I mean, anytime we’ve said, ‘Here’s what we want to do,’ we’ve always been able to find a way with SAP ERP. It works every time.”

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