

# NexTec Helps Grow Success For The Magellan Group Ltd.



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**Pamela Olson**  
*Manager of Finance and Administration*

From the company's beginning in 1994, The Magellan Group, Ltd. has pioneered the development of raw lumber and value added products from the world's premier plantations. By maintaining a commitment to sustainable forestry practices, the company sources pine and fir, hardwood flooring and decking, and finished wood shelving products from efficient, conscientious partners around the world. Its customers range from independent hardware stores to big box retailers, window and door manufacturers, and architects and builders. Strong demand keeps The Magellan Group busy and growing.

To keep its business on track and successful, The Magellan Group relies on Microsoft Dynamics GP and the consulting team at NexTec Group.

### **Outgrowing QuickBooks**

The company had been using QuickBooks® Enterprise Solutions, but its enormous transaction volume strained the software beyond usability. "We broke it," recalls Pamela Olson, manager of finance and administration for The Magellan Group. "Every few months it would completely crash. The rest of the time it was so overloaded that it would take four hours a day just to print sales orders."

### **A Winning Combination**

Olson says the company looked at several options before deciding on Microsoft Dynamics GP, including Microsoft NAV and iCode Everest™. "NexTec Group was the main reason behind our decision to choose Microsoft Dynamics," she says. "They

understood our business and approached the project as a problem-solving mission, not as a software-selling mission."

NexTec Group's project plan was thorough, methodical, and effective, Olson notes: "They did the research to understand how we operate, what we need from the system, and how the software could be adapted to help us function more efficiently."

NexTec Group drew upon the core product's functionality and enhanced it with integrated third-party applications and custom programming.

### **Detailed Cost Tracking**

The Magellan Group's three major project lines are sourced, stocked, and distrib-



The Magellan Group now has easy access to detailed cost information it needs to make informed pricing decisions.

uted differently, with some shipped to the company's warehouses by the container load and distributed from there, and others drop shipped directly from the mills. The variables involved can complicate cost calculations, but NexTec Group was able to configure the software to calculate and track the landed cost of each item as well as the overall profitability of each container.

"This is a vital part of our business model," explains Olson. "We are now able to correctly isolate the cost of our products by product line, by container, and by customer. Using this information we can be certain we're setting fair pricing."

Previously, staff worked to calculate this information manually, a process that consumed one full day each month. "We've got it nailed, now," she reports. "Dynamics GP performs the calculation for us and frees up hours of my time."

### Integrated EDI Saves Hours Each Day

Several of The Magellan Group's customers require the company to trade via EDI (Electronic Data Interchange). NexTec Group integrated the company's existing EDI solution into Microsoft Dynamics GP, streamlining what was once a burdensome and time-consuming process.

NexTec Group wrote a program that dramatically speeds the application of customer remittances, saving The Magellan Group over twenty hours per week.

"Before, we had to first manipulate the incoming file in Excel and then post the information to our accounting application," explains Olson. "These were huge files and reconciling them frequently took the whole week."

NexTec Group developed another customization to automate the company's dispute resolution process. It identifies unauthorized deductions in a customer-specified reporting format, facilitating collections and improving overall reporting accuracy.

### Efficient Order Processing

The efficient order processing functionality in Microsoft Dynamics GP has greatly reduced the time the company spends printing and shipping its orders. The four hours of order printing required with the old system has been cut down to only minutes. Integrated freight management software saves the staff from manually recording tracking numbers in the accounting application and

logic built into the system determines the proper packing configuration automatically, eliminating the need to manually enter 1000+ orders a week into the manifesting software. "Order processing used to consume ten hours a day, now it's done in two," says Olson.

Financial operations also are benefitting from the change. Olson notes that the trial balance report is completely reconciled in record time and that the company's annual financial review went flawlessly.



The integrated EDI solution saves The Magellan Group hours of processing time each day.

Overall, the efficiencies gained since the switch to Microsoft Dynamics GP have saved The Magellan Group the equivalent of two or more full-time personnel, and that time saved is now being used to tackle more strategic tasks. "We are no longer playing catch-up," says Olson. "We are able to manage the business proactively."

### Depth Of Resources

Olson credits the scalability, power, and flexibility of Microsoft Dynamics GP, and the experience, expertise, and skill of NexTec Group for the success of the project.

"I am NexTec Group's biggest fan. They have a great depth of knowledge and experience," she concludes. "They are an extremely clever and resourceful group with knowledge of the industry as well as expertise in programming and business consulting."

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