ERP   CRM   eBusiness

Surebridge™
Always There.

GUNG-HO

Outsourcing IT Functions Helps Gung-Ho Company Work Order-Fulfillment Magic

Applications Outsourced

- Microsoft Business Solutions, Great Plains Edition®

Business Requirements

- Information exchange with supply chain

- Integration of information into core business

- Free in-house staff to focus on core business

If you want to glimpse the future of business, you might consider visiting John Wade and his staff at Gung-Ho Company (Incline Village, NV). But don't expect them to have time to sit and chat over a cup of coffee. These people have ground to cover — and in a hurry. Gung-Ho manufactures and distributes multimedia materials such as books, manuals, and packaging, as well as software and other media for a wide variety of customers.

Over the years, Gung-Ho has gained a reputation for its positive - one might even say "gung-ho" - attitude about doing whatever it takes to meet its clients' needs. Wade, who is Gung-Ho's president and CEO, believes that his company's ability to exceed its clients' expectations stems partly from a can-do attitude and partly from a business model that provides flexibility to respond to situations as they arise.

The creative use of information technology is also an integral part of the Gung-Ho business model. This is evidenced by the Gung-Ho Enterprise Network and Information Exchange system. The system - which Gung-Ho has dubbed GENIE - is an Internet-based platform that seamlessly integrates all of the company's manufacturing and distribution operations at its various facilities around the world.

GENIE Handles Orders like GOLD

Gung-Ho's clients can access GENIE through the Gung-Ho On-Line Data System - also known as GOLD. This is a secure Internet portal through which Gung Ho's clients can place orders online, as well as obtain real-time information about virtually every aspect of Gung-Ho's manufacturing and distribution process. By simply using a Web browser, clients can check the status of their existing orders and get information about Gung-Ho's ability to fill new orders.

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As each project is undertaken, the company assembles a team of subcontractors - each one carefully chosen for excellence in their field - on an as-needed basis to best meet the individual needs of that project. "Our model is not to manufacture anything under our roof," says Wade, "but to make sure everything is manufactured and delivered in the most efficient way possible."

Wade says that GENIE and GOLD - specifically the ability they provide for communicating with clients and suppliers in real time over the Internet - give Gung-Ho the power to execute its business strategy. The manner in which the company manages GENIE and GOLD is also crucial to its success.

Surebridge Lays IT Foundation

Like a growing number of medium-sized manufacturing and distribution companies, Gung-Ho gets the bulk of its information technology needs met through a contract with Surebridge, an application outsourcer for the middle market. With headquarters in Lexington, MA and its data center and Microsoft Business Solutions' practice in Bedford, N.H., Surebridge targets companies with $10 million to $500 million in annual revenues.

Surebridge specializes in helping these companies deploy ERP, CRM and eBusiness solutions, in whatever way is appropriate to address their individual business needs. The service also entails linking these applications to the Microsoft BackOffice suite of products, including the SQL Server database, and to utilities for conducting electronic commerce.

All of these resources are housed in a secure data center, complete with a help desk, that is up and running 24 hours a day. Surebridge customers have unlimited, easy access to their applications and data through thin-client interfaces.

Surebridge also has the expertise to help its customers establish the necessary electronic links for exchanging information with their supply chain partners and then integrating that information with the customers' core business processes. That is one of the many critical services Surebridge furnishes to Gung-Ho.

Internet Links Customers and Suppliers

Gung-Ho can now make GENIE accessible via the Internet to personnel from any manufacturing or distribution facility it contracts with - as well as to freight carriers such as UPS. "They can get information on the orders we have scheduled for fulfillment on any given day so they can staff up their manufacturing and distribution facilities to meet that demand," Wade says. "At the end of the day, the distribution facilities send us confirmations on all of the shipments that went out, along with tracking numbers. We feed that information directly to our clients' systems. So, if any of their customers call to inquire about an order, they have the information they need to track it down. All order status and tracking information, as well as inventory and other related information, is also available through the GOLD portal on our Web site."

In addition to following its virtual company business model, Gung-Ho's contract with Surebridge continues the philosophy of choosing subcontractors who are the best at what they do. "They came highly recommended," Wade says of Surebridge. "The people at Microsoft Business Solutions told us that they were the best in the business. Then, we talked to other people in the industry and found that they had a reputation for being dedicated to their customers' success. Everyone rated them as a top-notch company."

Those recommendations were especially important to Gung-Ho, because the company signed its initial contract with Surebridge just when it was about to begin a very important

project. Only six weeks after signing up for the Application Outsourcing service, Gung-Ho was to begin delivering a huge allotment of the Kiplinger TaxCut tax software program for Block Financial Corporation, an H & R Block company. Block also publishes numerous legal and business software programs.

During the first week of this project alone, Gung-Ho was expected to manufacture and distribute 1.2 million packages of software. "That's more than 200,000 packages a day, and we had to deliver them to as many as 15,000 different locations," Wade recalls. "We shipped them from our facilities straight to Block's customers. Sometimes that meant shipping to an individual Staples or OfficeMax store. Sometimes it meant shipping to a large Wal-Mart distribution center. Either way, we were completely in charge of manufacturing and delivering those products. And our contract called for us to pay a $100,000-a-day penalty if we didn't ship on time."

When the project was completed, Block informed Gung-Ho that it was missing shipment confirmation data on only 5 packages of the nearly 2.5 million that had been shipped, a fulfillment accuracy of better than 99.99999%! Gene Goldenberg, Block's senior vice president, software and e-commerce, calls this performance "remarkable." He also notes that Gung-Ho exceeded Block's expectations in terms of delivery speed and accuracy, and adds, "They even saved us money on freight."

Partners in Success

Wade gives Surebridge much of the credit for Gung-Ho's success. Surebridge took over the burden of installing and managing the hardware infrastructure for GENIE and GOLD, leaving Gung-Ho's personnel free to develop mission-critical software programs that could manage the manufacturing and distribution processes. "We had a lot to worry about in terms of project management," Wade says. "Because of Surebridge, we didn't have to worry about the computer systems."

Surebridge secured all of the hardware that was necessary to run GENIE and GOLD, in addition to installing the Microsoft Business Solutions, Great Plains Edition ERP software and the Microsoft BackOffice pieces that were needed for

additional support. With those issues covered, Wade was free to work with a group of software programmers - also hired by Gung-Ho on a contract basis - to create custom code that would make GENIE move goods through Gung-Ho's virtual supply chain in the most efficient manner.

This code contains logic that enables GENIE to recognize the ZIP code of the location that a particular order will be shipped to and then route that order to the manufacturing facility nearest to the ship-to location. It also can direct packages to specific shipping companies based on how much the packages weigh.

Gung-Ho's exemplary performance in delivering for Block, as well as for the rest of its clients, which include Microsoft Business Solutions and Siebel Systems, can be directly linked to the amount of attention it pays to what some might consider small details. But Wade says no detail is too small when it comes to meeting client needs. He also is convinced that Gung-Ho would not be as effective at managing such details if it did not have Surebridge attending to its IT needs. "Being a virtual company, we

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have minimal in-house IT staff," Wade says. "We view Surebridge as a partner who handles that aspect of our business." Wade also says the entire Application Outsourcing service costs less than adding another IT professional to the staff.

"We would need several IT specialists who would have to be knowledgeable in many areas - Great Plains, FTP protocols, the Web," Wade says. "Even someone with only part of those skills would be more expensive than the Surebridge service. For a medium-sized business like us, the Application Outsourcing model is definitely cost-effective."

About Surebridge, Inc.

Surebridge, the leading provider of outsourced enterprise application solutions for middle market companies, delivers brand name application choice and affordable strategy, implementation and outsourcing services. Surebridge's complete portfolio comprises ERP, CRM, eBusiness integration and productivity applications, driving efficiencies into business processes and adding value to customers, partners, shareholders and employees alike. Its full service offerings include software selection based on business need, rapid and precise application deployment, upgrade services, secure hosting, application management and continuous business improvement solutions. By providing outsourced business-critical enterprise-level applications, Surebridge provides tremendous cost savings to its customers. In addition, Surebridge's offerings are enhanced with a constant eye toward value through high-touch customer service. Surebridge offers vertical expertise in the manufacturing/distribution, financial services, healthcare/pharmaceutical, services, publishing/media & communications, and public sector industries. The company was founded in 1997 and is headquartered in Lexington, Mass.

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