

CUSTOMER

Oregon Chai

CORPORATE PROFILE

Headquarters
Portland, Oregon

Type of Business
Beverage manufacturer/distributor

Number of Locations
Five, with 14 virtual warehouses
across the U.S.

Number of Employees
18

SYSTEM PROFILE

Operating System
• Microsoft Windows NT

Users on System
• 18

MAS 200 Modules in Operation

- Accounts Payable
- Accounts Receivable
- Bank Reconciliation
- Bill of Materials
- Custom Office
- Crystal Reports
- e-Business Manager
- F9
- General Ledger
- Inventory Management
- Purchase Order
- Sales Order



MAS 200 Fits Oregon Chai to a Tea

High in a village in the Himalayas, college student Heather Howitt tried her first taste of chai, the sweet and spicy tea drink beloved for centuries throughout the Indian subcontinent. Upon returning home to Portland, she began experimenting with recipes, finally settling on a unique brew she called Oregon Chai. Her mother urged her to go commercial, and the two of them started a business in the basement kitchen with the help of several long-time friends.

Oregon Chai was such a success that the team soon had to rent a kitchen in a nearby building for operations. The next expansion was to Oregon State University's extension office, where food service experts provided advice on scaling small-scale home recipes for mass production. Today Oregon Chai is available in handy long-life cartons at grocery stores in all 50 states, Canada, Guam and Indonesia. Devotees order Oregon Chai in cafes, restaurants and at

latte stands, where it consistently outsells other tea beverages. Besides the initial blend, called Original Chai, other flavors now include Kashmir Green Tea, Herbal Bliss, Organic Chai and turbo-boosted Chai Charger. Sales have grown to almost \$11 million a year, and are still growing at a staggering 60 percent, as Oregon Chai continues to spread its "nirvana, now available by the cup."

THE CHALLENGE

During its first few years, Oregon Chai limped along with an off-the-shelf bookkeeping package dropped on a founder's desk by a friend. But as business took off, staff members got tired of lining up to share the single-user product. The package also couldn't deliver the reports expected by banks, professional finance and auditing groups, much less keep up with the growth the company was anticipating. By 1997 the system had

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**— Kurt L. Peterson
Vice President of Finance
Oregon Chai**

become such a bottleneck that it was time for a change, and an outside accounting firm recommended MAS 200.

THE SOLUTION

Kurt L. Peterson, Oregon Chai’s vice president of finance, was familiar with MAS 200 from his experience in public accounting. He also knew how difficult it sometimes is for mid-range companies to budge from a familiar (if inefficient) product. So he encouraged the switch to MAS 200 by using a powerful “carrot” – the promise of a multi-user platform, where everyone could access sales and accounting information from their desktop. Little did he know at the time that an even more powerful “carrot” would quickly emerge, namely e-commerce capabilities.

“We converted to MAS 200 without so much as a hiccup while getting our product out the door,” explains Peterson. “Suddenly, all the data we needed to track sales was right there at our fingertips. Plus, we could completely automate our manufacturing, ordering and invoicing records. My only wish is that we’d changed over to MAS 200 sooner.”

The company now relies on MAS 200 to manage everything from manufacturing and distribution to invoicing. Using Custom Office, staff members can work directly within MAS 200 to set up new accounts, automatically generate welcome and thank you letters, determine credit limits, explain terms of sale and perform other tasks in Microsoft Word. Ease of use is especially important for Oregon Chai, as they currently lack an information technology specialist. Fortunately, MAS 200 is both intuitive and robust. And as Peterson says, “MAS 200 is so fast it practically screams.”

Oregon Chai then faced another dilemma. As the business grew, how could they increase customer satisfaction, return on investment and sales, while also decreasing the growth of overhead and increasing productivity? They added the MAS 200 e-Business Manager module, which Peterson reports was very easy to set up. The module has opened up new possibilities for streamlined transactions. Large accounts such as independent distributors can now place orders electronically. They can also check on the status of an order, query about shipping information, confirm delivery dates, and access accounts receivable data.

In addition, the built-in WAN

capabilities of MAS 200 allow the entire company to be linked. Employees in the sales group, management team or any of the five manufacturing sites can access stock status reports and physical count variances from remote locations.

“We’ve really been strapped for staff members as we grow,” Peterson points out. “Fortunately, we seem to be a lot bigger than we are. To achieve this, we had to use technology to maximum advantage, to create and maintain an appropriate presence in the marketplace. MAS 200 with e-Business Manager played a major role in allowing us to do this.”

A big surprise to Peterson has been the speedy implementation of e-commerce through the e-Business Manager module. Just four weeks after starting implementation, customers were eagerly placing orders, checking prices, and confirming shipments. Because screens are customer-specific, customers only see the prices and specials that apply to them, alleviating confusion and avoiding calls to the accounting department.

Yet another surprise was the fact that Oregon Chai’s online presence was the first exposure many customers had to e-commerce. Two key accounts have already used Oregon Chai’s innovation as an excuse to get their own offices wired. “Many companies who are a lot bigger than we are turned out to be way behind us on the technology curve,” says Peterson. “To our amazement, we’ve become part of the leading crest of the wave.”

Carla A. Powell, a co-founder of Oregon Chai who started the accounting department, emphasizes how important it is that MAS 200 with e-Business Manager can grow with the company. “In just a few years we have expanded from one manufacturing site to five, and from one warehouse to fourteen. Our sales orders last month totaled more than we had for the entire year of 1996. I never dreamed we could ever handle such volume. But we have – and I’m confident that MAS 200 and e-Business Manager will be able to keep pace with us in the future.”

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