

MUSICAL INSTRUMENT DISTRIBUTION

ACHIEVING PEAK PERFORMANCE IN INVENTORY MANAGEMENT

CASE STUDY

CONNOLLY & CO.

EXECUTIVE OVERVIEW

Connolly & Co. implemented RockySoft's Inventory Management solution to meet the increasing challenge of business growth, long lead times in ordering, and annual peaks in product demand. With this solution, Connolly & Co. has been able to save millions of dollars in inventory on hand, and is ready to meet the needs of their customers.

SITUATION ANALYSIS

Connolly & Co. partners with several manufacturers of high quality string instruments. They have a long-standing relationship with Thomastik-Infeld, based in Vienna, Austria, and in recent years, brought on additional manufacturers as well. As a result, they began to enjoy a steady growth in the business and in early 2004, Jake Connolly, Chief Executive Officer, and George Haddow, Operations Manager, realized that Connolly & Co. would need a new way to manage inventory to accommodate that growth.

Their previous methods of inventory management included tasks that required a lot of time to complete, and they felt that forecasting was not as accurate as it could be. One of their most difficult challenges is that Thomastik-Infeld requires a six month lead time on orders. Using their previous inventory management system, it was difficult to predict and understand patterns in product needs over time to determine the appropriate number of instruments to order. Other manufacturers also have long lead times on orders and when combined with the very high demand at the beginning of each school year, ordering too little of a particular product could be disastrous. The months it would take to get another order could mean significant revenue losses. As a result, they often ordered more than they thought they would need.

"Top to bottom, I can't think of one weak link in the chain at RockySoft. The capabilities of their Inventory Management solution and the experience of their staff far exceeded my expectations, and make my job much easier."

*-George Haddow,
Operations Manager,
Connolly & Co.*

**SAVED \$1.5 MILLION
IN FIRST YEAR**

**IMMEDIATE 300%
RETURN ON INVESTMENT**



THE SOLUTION

RockySoft's Inventory Management Solution was robust enough to resolve all of the problems. Today, they are able to manage over 6000 SKU's with ease and forecast product needs far more accurately. Connolly & Co. was careful to consider several solutions and evaluate the costs as well as the benefits and capabilities. That analysis illustrated RockySoft as far ahead of the competitors. During initial consultations to determine how they could help Connolly & Co., RockySoft's analysis revealed that there were several pending orders that, according to their forecasting, Connolly did not need to place. Canceling these orders resulted in an immediate Return on Investment (ROI) of approximately 300% as well as confirming that their solution would give Connolly & Co. the capability they were looking for. The ability to forecast more accurately resulted in a savings of about \$1.5 million that first year, and Connolly & Co. savings are now tracking at a rate of \$1 million per year.

George Haddow, Operations Manager, is responsible for managing inventory at Connolly & Co. He is pleased with the time he and his staff have saved since they began using RockySoft's solution. "What used to take me days to complete, now takes only minutes. RockySoft's Inventory Management forecasting module does all the work and accurately provides me with the appropriate number of products to order," says Mr. Haddow. There are multiple features, also, that make Mr. Haddow's job easier, such as providing alerts when a potential problem exists, custom reports and capabilities, and a support staff that is skilled and knowledgeable in RockySoft's functionality and inventory management as a whole.

BENEFITS

- Forecasting effort went from days to minutes
- Integrates with accounting system
- Alerts users when unusual events occur such as delays in delivery
- Provides custom reports that fit Connolly's unique needs
- Exceptional support staff

SUMMARY

Connolly & Co. is very proud of their family business and the reputation they have in providing high quality products. RockySoft's Inventory Management has given them an important tool to maintain their high standards and meet increasing customer demand.

ABOUT CONNOLLY & COMPANY

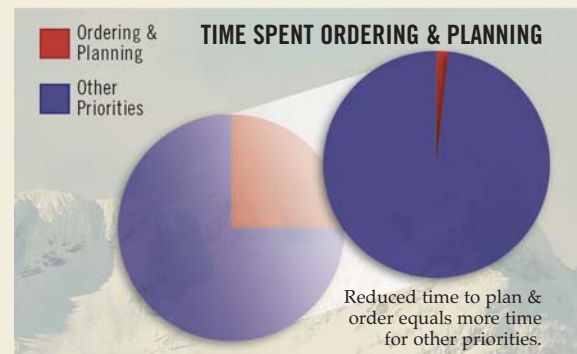
Connolly & Co. has been a leading U.S. distributor of fine musical merchandise since 1970. As a partner with Thomastik-Infeld, Connolly & Co. exclusively imports and distributes their highly acclaimed line of strings and accessories for bowed and fretted instruments. In addition, Connolly & Co. also imports and distributes products for bowed instruments from various respected manufacturers around the world.

For more information, see <http://www.connollyandco.com>.

ABOUT ROCKYSOFT

RockySoft is located in Fort Collins, Colorado. Its mission is to help distributors and manufacturers reach new heights by implementing inventory management systems and processes in ways which positively impact the bottom line. By delivering on this promise, RockySoft helps reduce inventory costs, improve customer service and increase profitability. For further information, please contact: Jeffrey Porter, Vice-President of Business Development.

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"They saw the need. They saw the value. They determined the savings. It turned out to be a win-win situation for both of us. Yet for me, their willingness to move quickly and jump on this project with a strict attention to our needs was very impressive. I expect this story to just get better and better."

*-Jake Connolly, CEO,
Connolly & Co.*

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GOLD CERTIFIED
Partner

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