



ADD+ON Makes Its Move Back To Basics

By Elizabeth Barnett

Just how ADD+On Software, Inc. had such a great year in 1998--a 75% increase in sales revenue--presents an interesting model for Business Basic developers.

ADD+ON Chief Executive Officer Joe Taylor attributes it to two essential changes: a change in ownership and a change in philosophy. With the change in ownership, ADD+ON has refocused on its one product, rather than being part of a business that was selling multiple products. A more philosophical shift has occurred in that ADD+ON isn't interested so much in volume as in repeat business. But in focusing on repeat business, the company is seeing its volume soar.

Forging VAR Alliances

"Volume for the sake of volume: it's not someplace where we really want to be," says John Lee, ADD+ON's General Manager. ADD+ON strategy lies in hand-picking its value-added resellers (VARs) and Authorized Service Providers (ASPs) and then strongly supporting them.

"We like good, strong VARs and long-term relationships. That's really key to our business," Joe adds. "We are choosy about who we select as partners and we'll continue to be choosy. The people we select are good business people and they're good people."

Nancy Laporte, ADD+ON's Sales Manager says ADD+ON looks for VARs who:

- share a similar business philosophy in which they're establishing long-term relationships with their customers
- have experience programming in Business Basic and have the capability to customize ADD+ON's product for their applications
- are in an area where there are very few other VARs
- have three or more employees, indicative of larger, hopefully more stable companies
- have recommendations from other VARs and other knowledgeable people

ADD+ON may be selective about its partners, but it's not selective when it comes to giving them information and support. But it wasn't always this way, Nancy says. ADD+ON's VARs have been loyal to the product, but many of them had left in years past, she says. Now, as a result of the renewed focus, she sees them coming back "in droves." The communication is frequent and honest.

"Joe is very realistic," she explains. "People may not like the answers they hear, but at least they know they're getting the whole story, the true story, on what's really happening. And on the sales side, the account management, they're getting called, they're getting paid attention to, and they're getting good information."

Delivering "The Freedom to Grow"

A typical ADD+ON customer is a manufacturing or distribution company, dealing with the day-to-day tasks of transaction processing. The bottom line: they need the ability to enter an order and follow that order through the manufacturing process to the invoicing step to actually shipping the product. Engineered-to-order, made-to-order and made-to-stock manufacturing sectors and companies with multiple locations in the wholesale distribution sector are the core of ADD+ON's customer base.

"Software in general is getting better at it," Joe says, "but ADD+ON is particularly good at processing orders without much labor involved and having that information go where it needs to go fast and accurately." The key, he explains, is to provide the customer service person with all the information needed to process that order quickly and effectively. Then the computer does the rest, relaying the information off to other departments and completely managing inventories. Without effective low-labor automation, a company gets bottlenecked in fulfilling orders and can't grow. And it can't easily or cost-effectively add more people to the job of processing orders because it's just too complicated.

Being able to rely on an automated system that can forward select information to the right people to fulfill and finish the process has changed the scope of business for many ADD+ON customers. Companies' profits climb as ADD+ON solves the processing bottleneck. "That's really what we've done for hundreds and hundreds of customers all across the country over the years: make their processes easier and more effective," Joe says. "That's what the *Freedom To Grow* is all about. And it really is true."

Industry Hot Buttons

ADD+ON is concentrating these days on developing true three-tier architecture for its product. The ubiquity of PCs and the ease and intuitiveness of graphical user interfaces (GUI) are necessitating GUI front ends for certain people in the industrial manufacturing businesses that comprise a lot of ADD+ON's customers. People on production lines and order entry channels may always need and want character-based UNIX terminals. More and more typically, though, the managers of these enterprises need to manipulate order, inventory and labor data in programs like Microsoft Access and Excel for budgeting and analysis purposes. Right now, ADD+ON is working to allow its customers to choose either GUI or character-based interfaces in the same program. The next phase involves expanding customers' data access capabilities.

"Until a few years ago, access to a client's data wasn't really an issue," Joe says. "In fact, there really wasn't a lot of data, except on tapes. Accounting programs were not geared toward providing users access to data. You had to be a programmer to get access to data."

ADD+ON anticipated the data access need and began in 1994 to normalize its database structure. This huge preparatory leap has poised ADD+ON customers to make full use of any kind of structured query language (SQL) database on the back end of their applications.

Then, ADD+ON software, and BASIS PRO/5® upon which it's based, deal with the processing that must take place in between the interface and the data management. "Theoretically, two or three years from now," John says, "you could have ADD+ON Software in a situation where everybody's running a browser front end and an ORACLE back end and using PRO/5 and ADD+ON as the middle piece to move that data around."

Joe adds, "That's really where the whole industry wants to go. We've been evolving and so has BASIS. BASIS has provided us the tools to do that."

Partnering with BASIS

"We depend on BASIS to be forecasting technology for us," John says. But ADD+ON relies on BASIS not only to predict where technology is going but to have PRO/5 and next-generation BASIS products available to meet those technology needs in the future. ADD+ON is excited about the latest forecast, BBJ™, and what it will allow ADD+ON to do. "It moves ADD+ON into a new technology with a minimal effort on our part," Joe explains. "We can continue to focus on features and not have to focus on the technology because Kevin King [BASIS' Director Of Engineering Services] and his group did that for us."

Nancy adds, "People want to be involved in the cutting-edge technology. BBJ is giving us the opportunity to stay part of the fast track and still maintain a really mature, solid, accounting and distribution software package."

Joe sees the concept of BBJ as perfectly suited to help ADD+ON and its customers move into e-commerce and the Internet. It's his conviction that this is the future of the ADD+ON market. "We're going to find that the Internet *is* the network," Joe predicts, "with virtual private networks--absolutely--as well as e-commerce with other, unrelated parties." He sees his market, particularly those industrial companies with multiple locations, moving to a model of regional centers, or centralized environments, where software will be available to many, many end users. End users don't care where the software is located, but the people having to go out and administrate and service the system do. Having it all in one place would be so convenient.

"The whole dynamic of how we're distributing software to the marketplace physically as well as operationally is going to change as a result of the Internet," Joe says. "We needed a way to make our software run native to the Internet, and voilà, BASIS announces BBJ."

Although the Internet will change how ADD+ON works and how its VARs work, it won't change the application software. "We still need the features, the throughput, the efficiency," Joe stresses. "It'll be interesting to see how it all works out."

Founded in 1981, ADD+ON Software is a business solutions software development company providing full-featured, fully integrated manufacturing, wholesale distribution and accounting applications. ADD+ON's suite of products includes General Accounting, Manufacturing, Distribution and Special Function Applications. Over 5,000 companies use ADD+ON applications to run their businesses. Visit the ADD+ON Web site at www.addonsoftware.com.