

Please note, because of contractual obligations, R-Squared Computing, Inc. is not permitted to disclose certain technical aspects of the work performed.

We apologize for the inconvenience.

**Challenge:**

Excalibur Electronics, Inc., a multinational executive gift manufacturing company, was concerned about rising overhead costs.

US Headquarters Contact Information

Excalibur Electronics, Inc.
13755 S.W. 119th Avenue
Miami FL, 33186

Telephone: (305) 477-8080
Fax: (305) 477-9516
www.excaliburelectronics.com

Solution:

After a preliminary process examination, we found several inefficiencies. The most glaring and easiest to solve was the printing and mailing of daily invoices to customers that included invoices for \$0.00.

**Excalibur recovered
\$87,000 in profits
during the first year.**

The majority of zero dollar invoices were generated by credit card transactions. The original invoicing system was developed before Excalibur had a high volume e-commerce web site. Since credit card transactions are settled upon shipment, and the accounting system generated an invoice automatically upon shipping, Excalibur was printing an average of 5000 zero dollar invoices every week. Furthermore, in cases where Excalibur issued a credit for a returned purchase, the computer system was also printing a negligible number of negative balance invoices.

R-Squared Computing conducted an examination of the software code that managed the automatic invoice printing. Once we identified the relevant portions of the software, we simply added programming code to exclude all invoices with balances less than one penny. This ensured that Excalibur would no longer print zero and negative dollar invoices for customers.

By eliminating the printing of zero dollar invoices, Excalibur Electronics saved the costs of invoice paper, toner, wear-and-tear on the machines involved, envelopes and postage. Excalibur recovered approximately \$87,000 in profits during the first year. This change took less than thirty minutes to implement with remarkable results.

Conclusion:

If R-Squared Computing had simply looked at the problem using traditional IT philosophy we would have likely developed a completely different solution. Someone else might have examined the problem of rising overhead and determined that the best solution

**“Tactics mean doing
what you can with
what you have.”**

~ Saul Alinsky

The Father of Community Organizing

was a round of layoffs. Or perhaps another solution would have been to provide expensive software for the sales department in the hopes of increased sales, with the added expenses of training, new equipment, backups and so forth. However, because we took the time to examine operations, track the business work flow process and learn how the company functioned, we

identified an unnecessary expense that could be completely eliminated at no cost.

This simple tactic led to a significant cost savings, without impacting operations at all. It also helped further corporate strategy by reducing overhead and making Excalibur more profitable. This is an example of how technology tactics can aide company strategy.

"Tactics cut across a strategic field, exploiting gaps in it to generate novel and inventive outcomes." ¹ By reducing overhead, R-Squared Computing helped promote Excalibur's goals. The fact that it cost nothing was an added bonus.

 r² computing	13831 South West 59 th Street Suite 100 Miami, Florida 33183	Voice: (800) 784-8045 Fax: (305) 675-4694 Email: info@r2computing.com
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Business Technology Experts

¹ Wikipedia, "Tactic (method)", [http://en.wikipedia.org/wiki/Tactic_\(method\)](http://en.wikipedia.org/wiki/Tactic_(method)); retrieved 9 Feb 2004