



Tsar Nicoulai Caviar

www.tsarnicoulai.com



At A Glance:

- **Company:**
The world leader in farmed sturgeon caviar — grown in the U.S.A.
- **Location:** San Francisco;
Sacramento
- **Industry:**
Ecommerce/Manufacturing
- **Challenges:**
 - Provide top-flight, personalized customer service efficiently — and at a cost a growing company can handle
 - Integrate complex business information — on sales, customers, and products — to improve forecasting, inventory management, and marketing efforts
 - Successfully sell caviar from an ecommerce shopping cart
- **Software switched from:**
Peachtree, Goldmine
- **Results with NetSuite:**
 - Customers see shorter call times, and company sees higher customer satisfaction — without higher costs
 - All business information managed and accessible via a single Web-based tool, enabling company to incorporate real-time data into sales, marketing, and product development strategies
 - Company able to better manage ecommerce business operations

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The Results:

With NetSuite, Tsar Nicoulai Caviar is able to tackle — and overcome — a particularly difficult challenge: How does a relatively small company provide the level of service customers placing expensive orders — on average around \$500 — demand? Especially when what they're buying — caviar — is a unique item that often requires a lot of personal attention?

"Customers don't want to wait 30 minutes on the phone, and companies don't want to pay for it," says Mats Engstrom, CEO and co-owner of Tsar Nicoulai, which does between \$5 and \$7 million in sales annually. "By integrating the sales, accounting, CRM and ecommerce features we need, and giving us immediate access to all of our business information, NetSuite does more than facilitate order taking. It vastly improves customer relations and satisfaction, letting us interact with buyers in a fast yet accurate manner — far better than before."

It translates into cost savings, too. "Every minute you're talking to a customer, there's a cost to that," says Engstrom. "By enabling us to be more efficient, NetSuite lets us be more cost-effective, too. That's incredibly important, especially when you're a company of our size. If we shave 15 minutes off a call, we shave \$15 dollars off our expenses."

By leveraging NetSuite's ability to store, process, and provide immediate access to all business data — from customer histories to order status — NetSuite also enables Tsar Nicoulai to better track its inventory, forecast sales, plan marketing and manufacturing strategies, manage its Web store, and keep a sharper eye not just on how its business is faring, but where it is going.

"Caviar is a unique product and the challenges in making and selling it are unique, as well," says Engstrom. "It takes a special program to cope with all that, and fortunately, we've found it in NetSuite."

The Challenges:

By 2004, California-based Tsar Nicoulai had mastered an innovative — and sustainable — approach to producing caviar, using tank-farming techniques to provide a boundless supply of the delicacy. It was a successful alternative to the traditional method of producing caviar: from wild sturgeon found largely in the Caspian Sea. And it was a necessary one. Pollution, over-fishing, poaching, and the loss of spawning habitat had decimated caviar production — and put all 27 types of sturgeon on the endangered species list. Tsar Nicoulai had hit on a more efficient, more responsible way.

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*— Mats Engstrom
CEO and Co-owner
Tsar Nicoulai Caviar*

But what it needed was a better way to manage its growing business. In many ways, selling caviar — especially over the Internet — is trickier than selling other items. A perishable product, caviar's inventories have to be watched closely, and sales forecasts have to be accurate. Customers demand exceptional customer service — and often have questions. But at the same time, Tsar Nicoulai's small staff needs to be efficient, processing orders quickly and accurately.

Sales tools need to be top-notch, too. “You don't need to eat caviar on a regular basis, so it's easy for a customer to forget about you,” says Engstrom. “You need a solution that tracks what and when people are ordering, and lets you know when you need to call them up and keep them aware of what you have to offer.”

Already, one thing was clear: Tsar Nicoulai's existing platform — a combination of Peachtree Accounting and Goldmine — wasn't the answer. “We had to upgrade Peachtree so many times and it still didn't do what we wanted,” says Engstrom. “It couldn't cope with all the information we needed to process, and because it only handled accounting tasks, we had to combine it with Goldmine for customer information, and that wasn't elegant. We'd have to re-enter a lot of information manually, and it took too long and opened the door to mistakes.”

What NetSuite offered, says Engstrom, was the features and integration Tsar Nicoulai needed immediately — and room to grow down the road: “NetSuite didn't just let us incorporate accounting, sales, and customer service in one tool, but it was Web-based, which means we can easily access the information we need from any of our four facilities. The price was right, too. “NetSuite was a lot more cost-effective than other platforms, which is important for a relatively small company like ours,” says Engstrom. “When you're able to be efficient and effective that's a benefit both for you and your customers.”

The Solution:

Since launching its NetSuite platform in 2004, Tsar Nicoulai has leveraged a number of the package's feature to improve the way it does business — and interacts with customers. It uses NetSuite for accounting, invoicing, fulfillment, to track shipments, and for e-commerce, but a few tools have proven especially beneficial for the company. For example, because caviar is a perishable good, sales representatives need fast, accurate inventory information. “With a perishable product, we have a short lead time,” says Engstrom. “So our sales teams need to know how much we have on hand, and we need to know what we must produce more of, and when. NetSuite's real-time, Web-based inventory capabilities give us the data when, and how, we need it.”

NetSuite also gives more heft to Tsar Nicoulai's marketing efforts. Says Engstrom: “With NetSuite, we can quickly see a customer's history — what types of products they buy, and when — and we'll know when we should contact them to tell them about a new order, and what new products they might like.” NetSuite also provides sophisticated, and customizable, reporting on sales, so the company knows which products are selling well and which aren't — enabling it to tweak its strategies and marketing plans.

Moving forward, Tsar Nicoulai hopes to further exploit NetSuite's capabilities by using the platform to track parameters for individual fish: how fast they are growing; which tank they are located in and when they need to be transferred to another; how much they are fed; and so on. “It takes from six to nine years for each fish to grow to maturity,” says Engstrom. “The goal is not just to manage the fish better, but to use the information we track to create sales forecasts, to know how much caviar we can anticipate. The beauty of NetSuite is that it gives us total access to the information we need, and lets us use that data in ways that won't just help us grow fish — but our business.”

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