

SUCCESS STORY

Strandberg Guitars
tunes into next level
growth with Sage X3

*Cloud ERP solution supports
Swedish guitar manufacturer to
boost volumes and revenue*



Swedish guitar manufacturer Strandberg achieves greater supply chain transparency resulting in more than double its production volumes and revenue, with the support of Sage X3.

Key outcomes:

- Greater control and management of business data
- Improved traceability throughout the supply chain
- Seamless integration with the e-commerce system
- Enablement of global growth and expansion

From humble beginnings building guitars in his garage in Sweden, Ola Strandberg has grown Strandberg Guitars into a multi-national, million-dollar brand, with demand from artists across the world.

A self-proclaimed engineer rather than musician, Strandberg designs and builds innovative electric guitars that incorporate ergonomic design and original features to make instruments that help reduce muscle stress, enabling musicians to play for longer and sound better.

Today, the company is widely renowned for reimagining the electric guitar, transforming the instrument's weight, shape, and feel to create guitars that are revered for being futuristic and visionary.

.strandberg*

Company

Strandberg Guitars

Location

Sweden

Industry

Discrete Manufacturing

Sage Products

Sage X3

For more info, visit

www.sage.com



Sage X3 helped Strandberg to consolidate all the information coming in from around the business, connect the information and track what went where.

“I knew I wanted to serve this demand but realized I couldn’t do it by myself; it was time to scale up the business.”

Ola Strandberg, Founder, Strandberg Guitars

Early days

The catalyst that first sparked Strandberg’s interest in making a guitar – [just as a hobby] – was a book called ‘Make Your Own Electric Guitar’ by Melvyn Hiscock: “That was my roadmap to realizing the first guitar.”

Fifteen years and a stressful IT career later, his first attempt at reviving his old hobby resulted in winning ‘Guitar of the Month’ in an online guitar builder forum. As a result, Strandberg received a request from an American musician – Chris Letchford – to create a groundbreaking seven-string guitar [traditionally guitars are six-strings]. Strandberg accepted the challenge.

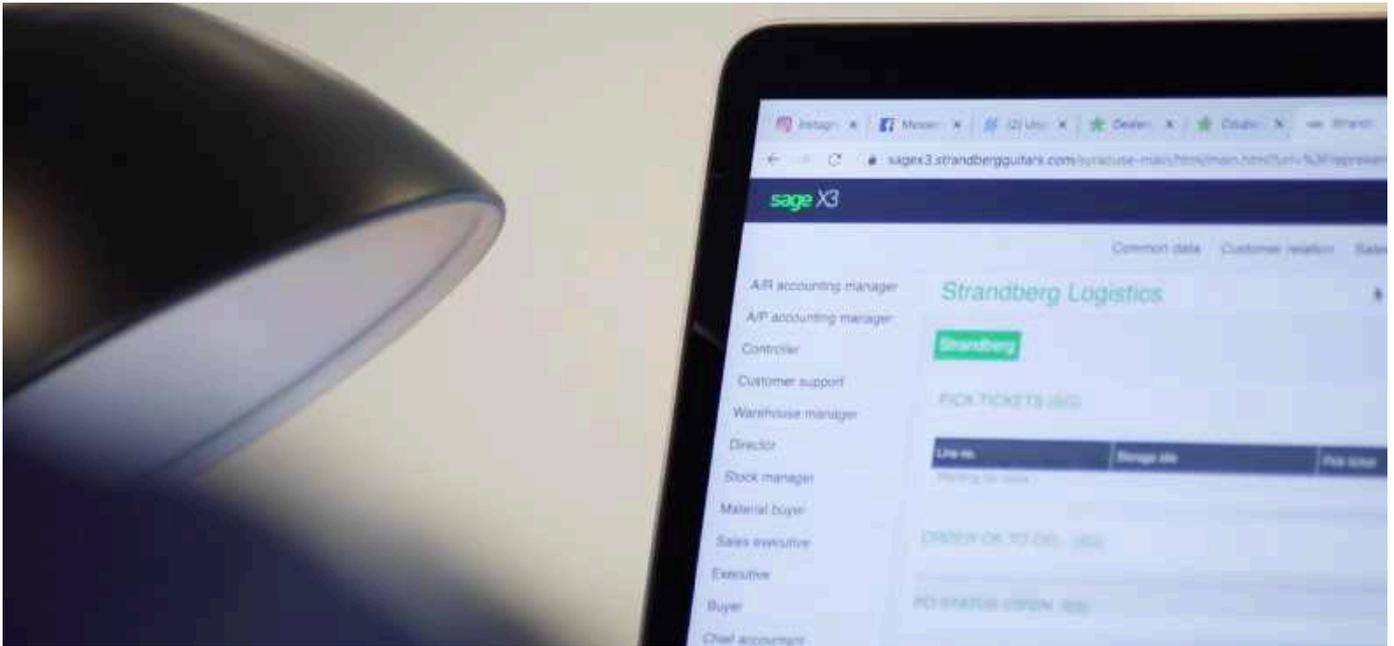
Following that first seven-string build, he began receiving more build requests and huge praise for the designs. A rapidly growing wait-list followed. “I knew I wanted to serve this demand but knew I couldn’t do it by myself; it was time to scale up the business,” says Strandberg.

Manual processes

Once mass production was up and running, Strandberg set up an e-commerce site serving international customers and was able to quit his day job. Joined by his wife and a friend, the trio ran the business together. The first few years of mass production produced strong results, with revenue growing by hundreds of percent.

But with mass production came rapid growth, and it soon became clear that managing everything themselves only using Excel spreadsheets, was unsustainable.

“We knew we had to address the situation,” says Strandberg. “We had to find a way to consolidate all the information coming in – from sales orders to purchase orders, and the automated orders from the e-commerce site. We needed a way to connect the information and track what went where, across the whole process.”



For a small business, Strandberg needed a sophisticated system. Sage X3 was the only ERP software to meet all the criteria Strandberg had set.

“Sage X3 is a user-friendly solution that’s consistent throughout; once you understand how to use it in one area of your business, it’s easy to implement in another.”

Ola Strandberg, Founder, Strandberg Guitars

Strict criteria

Strandberg discovered that the EU would contribute funding for digitization projects. After successfully applying, Strandberg was able to enlist the help of an ERP consulting firm that specialized in European vendor selection processes.

With no IT department and hoping to keep it that way, Strandberg needed a system that would require minimal maintenance. It also needed to be cloud-based because the business couldn’t support in-house servers.

“We knew the chosen ERP system had to support a truly international business as we already had subsidiaries – and would have more in various countries. It also needed to integrate with our e-commerce system and be capable of handling large volumes of orders, multiple manufacturers, forecasting of purchases and more. For a small business, we needed a pretty sophisticated system,” explains Strandberg.

After going out to tender, the ERP consultancy presented Strandberg with four different solutions; Strandberg says there was only one that ticked all the boxes – Sage X3.

Ready to roll

A big win for the guitar manufacturer was that Sage X3 enabled it to get started straight away. “It was more or less turnkey,” says Strandberg. “It can be customized at any level, but it was usable for us out-of-the-box.”

A vital part of the puzzle to get right was the integration with the e-commerce site, which according to Strandberg happened seamlessly. “Sage X3 is a user-friendly solution that’s consistent throughout; once you understand how to use it in one area of your business, it’s easy to implement in another,” he adds.



Sage X3 has given Strandberg total traceability – from the birth of a guitar through to a purchase order and onwards to delivery to the end customer – all tracked by serial numbers.

“We were approached by Guitar Center which is the biggest reseller of musical instruments in the world and they wanted to start selling our products in their stores.”

Ola Strandberg, Founder, Strandberg Guitars

International expansion

Strandberg says it was also important that the software could work with international currencies, subsidiary information, and accounting. “We were approached by Guitar Center which is the biggest reseller of musical instruments in the world and they wanted to start selling our products in their stores,” he says.

So, the firm established a wholly-owned US subsidiary, and Sage X3 enabled it to consolidate and connect all the data across its international portfolio.

Improved traceability

Building cutting edge electric guitars requires a whole range of components and parts – sourced from different parts of the world. Selling to a global customer base led Strandberg to have resellers in strategic locations.

“As we were growing, we suddenly found ourselves with three suppliers of guitars, additional suppliers of spare parts, and accessories, dozens of dealers all around the world and with long lead times in guitar production, it was becoming unmanageable very quickly,” explains Strandberg.

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Sage X3 has helped Strandberg to double production and grow revenue to \$55m by connecting its information and supply chains across the world.

“As we continue on our growth journey, we know that Sage X3 will grow with us and help support us in running our business better.”

Ola Strandberg, Founder, Strandberg Guitars

Supporting long-term growth

Since implementing Sage X3 as its ERP solution, Strandberg reports that the company has doubled its production volumes from 250 to 500 guitars, and increased revenue twofold to 35 million SEK (\$3.5m). Including the US subsidiary, Strandberg's revenue stands at 55 million SEK (\$5.5m). “We could never have done this without having the back-end support via Sage X3; it keeps our information safe and interconnected.”

Strandberg believes the company's utilization of Sage X3 will increase, particularly in the extraction of data from the software. “We're putting a lot of information into the system and are looking forward to exploring how we can capitalize on this data to help forecast and draw intelligence out of the system.”

Strandberg asserts that Sage X3 has become key to running the business. “If we were to take Sage X3 out of our business, we'd stop operating,” he says. “As we continue on our growth journey, we know that Sage X3 will grow with us and help support us in running our business better.”



About Sage X3

A scalable, global business management system, Sage X3 has been designed to support industry specific processes across finance, purchasing, inventory, manufacturing and customer relationship management. Sage X3 manages all areas of your business in one solution. Modules within the system are parameterised and can be enabled as the demands of the business grow; a solution for the future.

