

Sierra Tel connects mountain communities to the world with Sage



Across the foothills of California's Sierra Nevada mountain range, Sierra Tel Communications Group provides landline telephone, cellular, and Internet services to several counties. Based in Oakhurst, the southern gate to Yosemite National Park, Sierra Tel has been in business since 1895 and is still owned by a single family. The company prides itself on being "your connection to the world."

Even a predominantly rural Telco provider, however, is impacted by industry changes. For instance, the Federal Telecommunications Act of 1996 required that everyone in the United States be provided with broadband services, no matter where they lived. Small companies like Sierra Tel had to expand and also provide the government with detailed records proving that its services were on a par with large urban areas. Suddenly, formal record keeping became of paramount importance.

Golden idea

"We started out with Sage 500 ERP, plus a third-party asset management package designed for independent telecoms," explains Anne Miller, accounting manager. "The asset management package presented information in the manner required by regulatory agencies, but the volume of our business was too large for it. Overall, it just wasn't a good fit."

By good fortune, Miller and Sierra's senior accountant attended a conference for Sage users and saw a presentation on Sage Fixed Assets. The products' capabilities regarding fixed asset management, depreciation, and construction in progress made them excited.

"We realized that Sage offered a totally integrated solution, giving us the control and flexibility we'd been lacking," says Miller. "Anyone in accounting knows what a solid system Sage 500 ERP is. So we were very comfortable expanding with other Sage products. We went home and transformed our systems."

Smart integration

Sierra Tel now uses Sage 500 ERP as its underlying business system to handle all accounting functions. Payroll is produced in Sage HRMS, with direct data feeds from Sage TimeSheet. Payroll information automatically flows back into Sage 500 ERP, for posting to the general ledger. Allocations capabilities assign labor charges to various departments, as required by law.

Challenge

Legacy systems were designed for smaller telecoms, were unstable for a growing firm, provided inadequate reporting, and generally didn't work.

Solution

Completely integrated suite of Sage products, including Sage 500 ERP as business platform, Sage HRMS for payroll, Sage Fixed Assets for fixed asset management, and Sage TimeSheet for time and project tracking.

Customer

Sierra Tel Communications Group Inc.

Industry

Telecommunications

Location

Oakhurst, California

Number of locations

Four

Number of employees

50

System

Sage 500 ERP

- Accounts Payable
- Accounts Receivable
- Cash Management
- General Ledger
- Inventory Management
- Purchase Order
- Sales Order

Sage Fixed Assets

- Sage Fixed Assets—Depreciation
- Sage Fixed Assets—Planning

Sage HRMS

- Sage HRMS Payroll

Results

Reports that once took 1.5 hours are now produced in seconds. Software is saving more than a month of work on annual plant audit. Detailed tracking now possible for employee hours and assets.

“The speed we can achieve with Sage is fantastic,” notes Miller. “Reports that used to take an hour and a half to print can now be produced immediately.”

Awesome fixed asset management

Sage Fixed Assets manages more than \$125 million worth of assets in Sierra Tel's landline business, plus another \$16 million in cellular assets. Fixed assets are known as “plant” in the telco industry, and include switches, installed cable, equipment for both cellular and landline services, cell towers, computers, vehicles, and buildings.

“Tracking plant work in progress is one of the most essential things we do. Before, we maintained more than 10,000 lines of information manually on spreadsheets,” notes Miller. “Now we use Sage Fixed Assets—Planning to document all costs for construction in progress. We can record multiple levels of detail, and track numerous projects at once. Once a project is finished, the system instantly transfers both material and labor costs to Sage Fixed Assets—Depreciation as plant. This saves an enormous amount of work.”

Easier audits and forms

Prior to implementing Sage Fixed Assets products, Sierra Tel prepared for audits manually. “At the end of last year, we had 250 open work orders, and had to pull data by hand for the auditors,” Miller explains. “With Sage Fixed Assets, we have this data automatically in a readable format. The software saves our plant accountant an entire month of work each year and frees up about half of her time the rest of the year for other tasks. This alone is worth the price of the software.”

Payroll data has improved too. “Our IT people worked with Sage TimeSheet to create a workflow chart,” says Miller. “This allows us to track employees' hours all the way back to their timesheet, for better allocation of labor. As a result, we finally have stable and accurate payroll information.”

Sierra Tel saved more time using Sage HRMS for producing payroll-related documents. “We prepare more than 500 different items between W-2s and 1099 forms, and always had problems getting the numbers right before,” Miller says. “So we had to proof everything manually. With Sage HRMS, our forms are all correct, saving me about a month of work.”

Miller is glad that Sierra Tel made the move to Sage. “I'm really pleased we have a system that gives us the information we want,” she says. “It no longer requires a rocket scientist to run our business.”

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Anne Miller
Accounting Manager
Sierra Tel Communications Group Inc

About The Sage Group, plc

We provide small and medium-sized organizations with a range of easy-to-use, secure, and efficient business management software and services—from accounting and payroll to enterprise resource planning, customer relationship management, and payments. Our customers receive continuous advice and support through our global network of local experts to help them solve their business problems, giving them the confidence to achieve their business ambitions. Formed in 1981, Sage was floated on the London Stock Exchange in 1989 and entered the FTSE 100 in 1999. Sage has over 6 million customers and more than 12,700 employees in 24 countries covering the UK & Ireland, mainland Europe, North America, South Africa, Australia, Asia, and Brazil.

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