# Scrapyard Management Systems

An analysis by Zachary St. Thomas

# What is needed out of a scrapyard system

- Scale purchasing and ticket management + compliance integration

Inventory management and accounting integration/report generation

- Comprehensive dispatch system/ integration into Verizon Work/Reveal

- CRM, ACH Payments, and a customer web portal for major customers

# Issues with current solution, ScrapDragon

- No substantial CRM features (ex. Emailing campaigning, lead management)

No ACH payments available

Unsatisfactory (at best) customer service.



Costs 18k a year

# Option 1: Choosing a new pre-existing service

- Relatively cheap start-up cost as compared to developing in-house

- Very fast installation and implementation

- Many options to choose from, some of which are very customizable

- Some options offer everything we are looking for, for a good price

# What ScrapDragon has

 Very easy and intuitive to use purchasing system, inventory management, and sales.

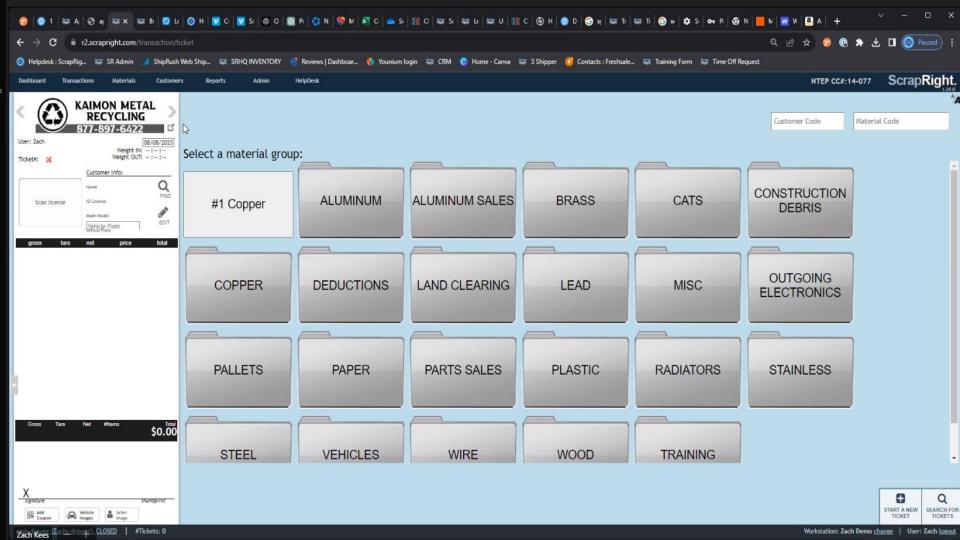
- Easy ability to view inventory stocks via touchscreen

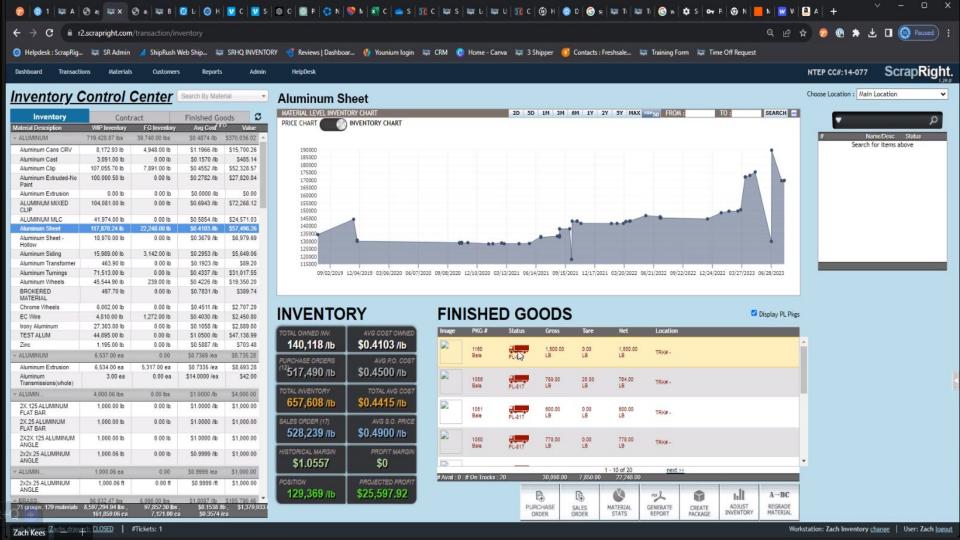
- User permissions control, custom user menu with many features

- Bugs including no parent/child relation between commodities, bugged reports.



- Easy to use, cloud based, all-encompassing buying software
- Emphasizes compliance and functionality
- Very nice inventory management system, but not touch-screen compatible
- Dispatch system is fleshed out but no live tracking
- Many improvements to be released in 2.0 (menu redesign, open sql offers)





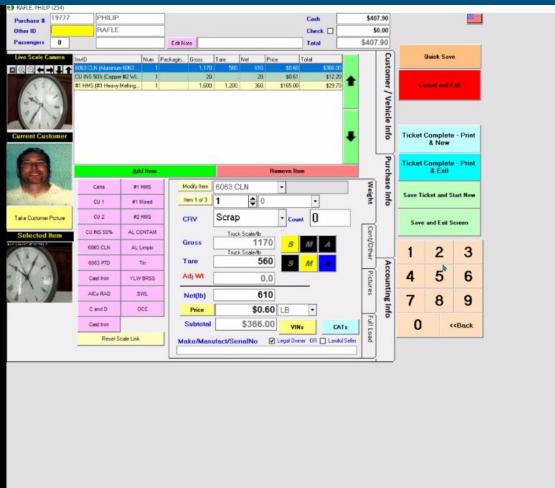


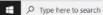
Developed directly by staff with extensive scrap history

- Currently transitioning systems, old system is elaborate but unwieldy

- Brokerage system, fleshed out management features included, more expensive

- Customer web portal for suppliers, but dispatch is somewhat lackluster





















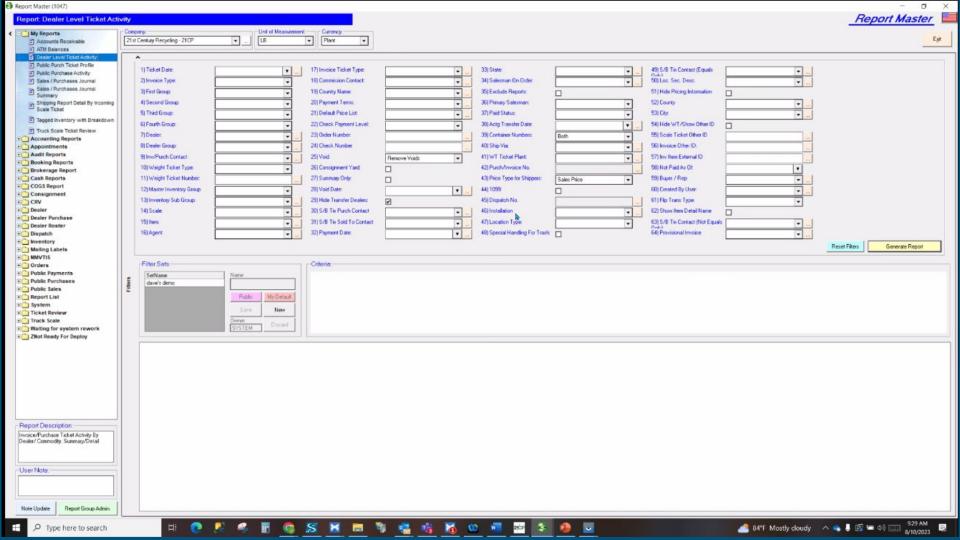


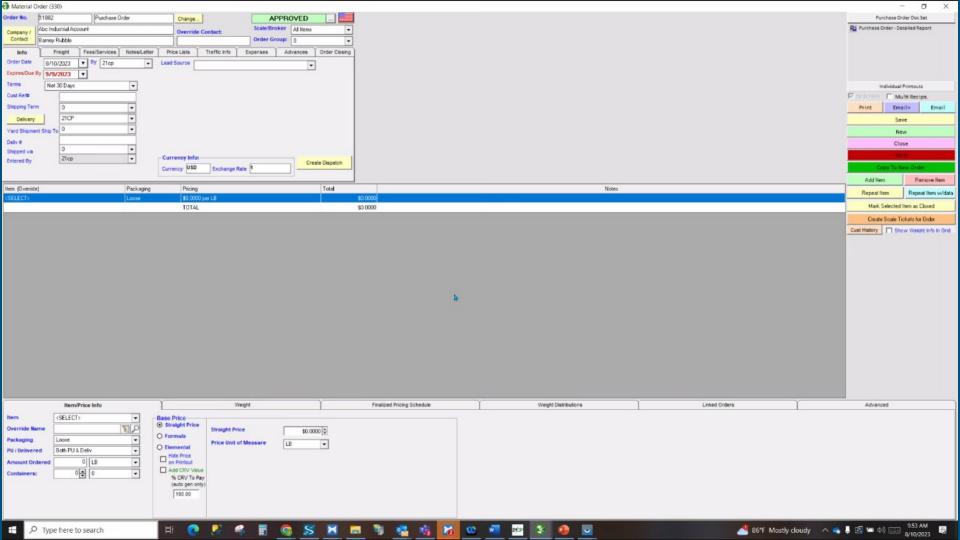










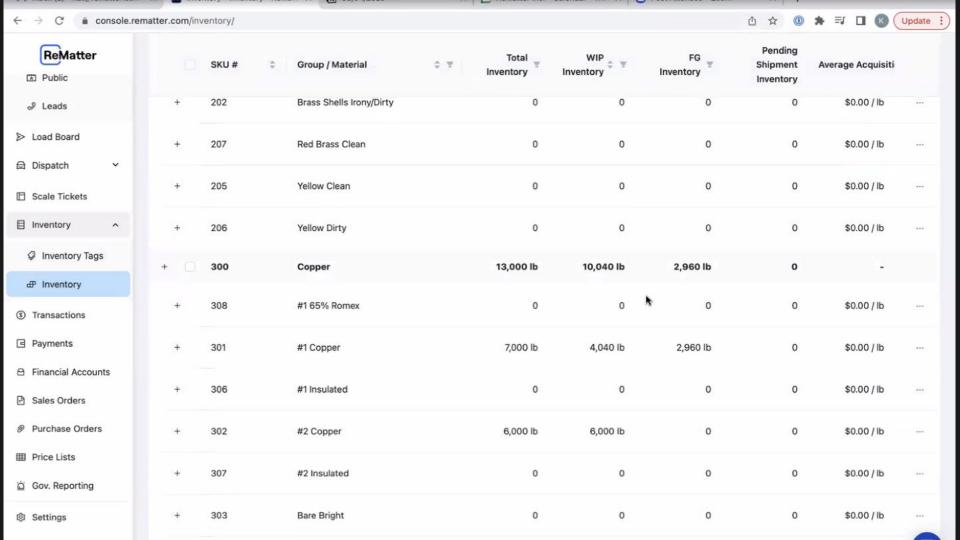


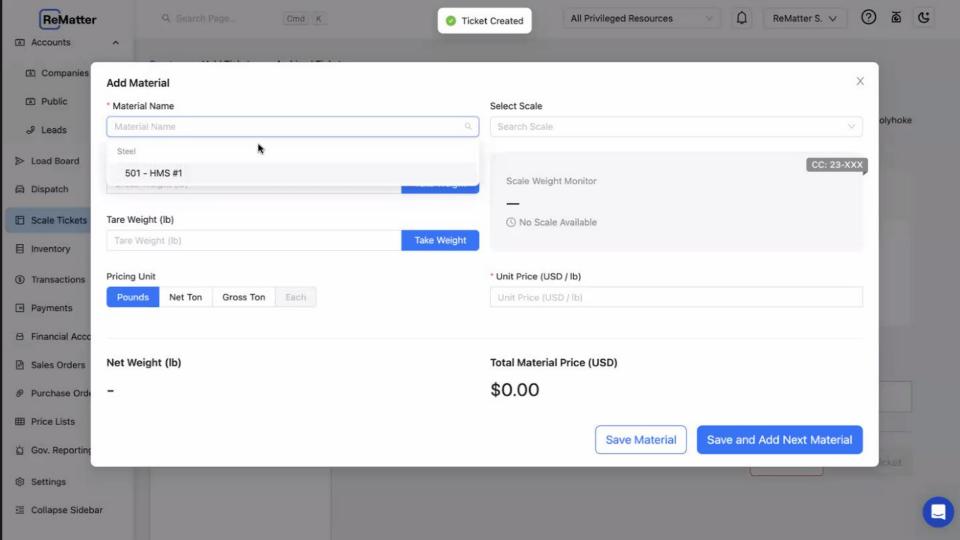


- Sleek, simple design (Apple-based), web-based

- ACH payments, cash and check accounts also available, integrates with TranAct
- Developed in-house, directly by staff, reports actually work
- Touch screen options are available but not smooth

- CRM options not elaborated but promised

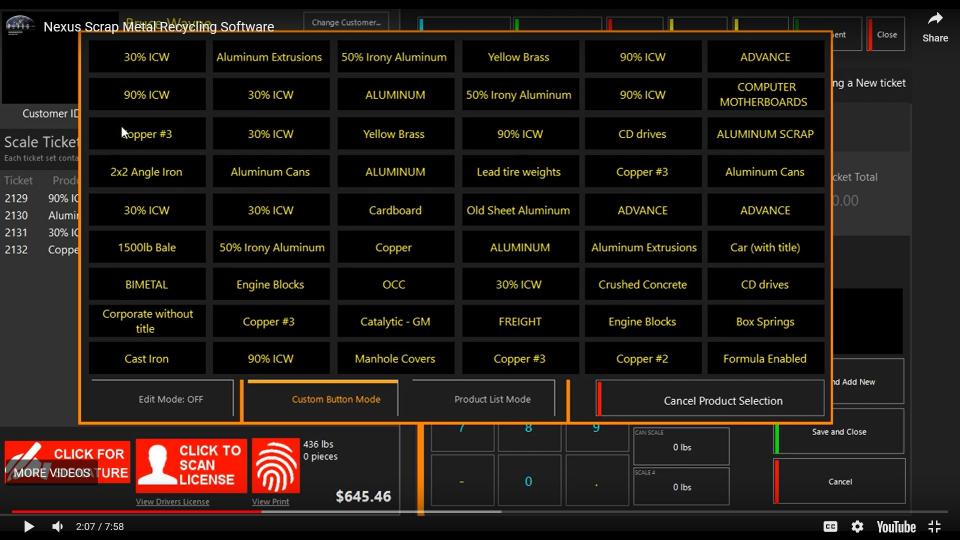


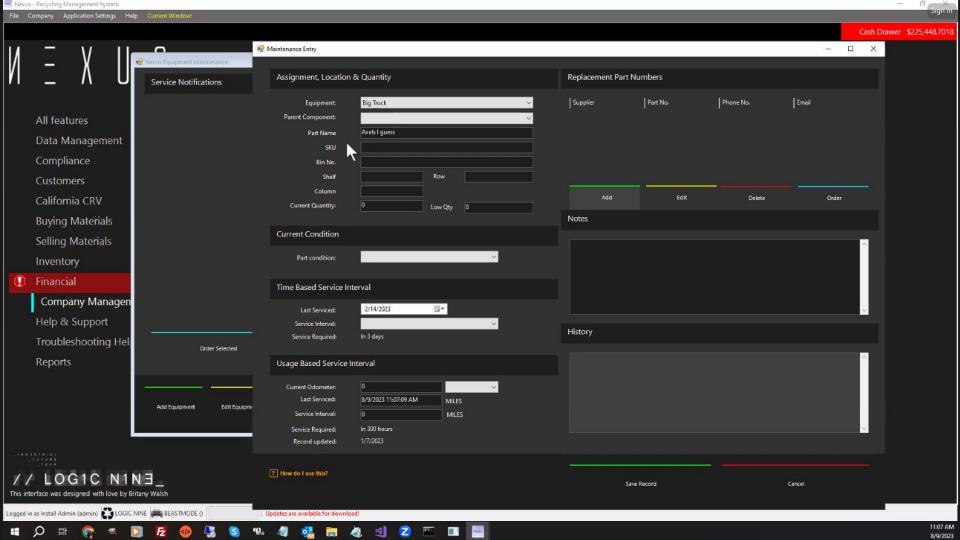


#### Nexus

- Developed directly by staff (one programmer)
- Intuitive, touch screen layout, with options to switch to a list mode
- Dispatch system functions similarly to ScrapDragon
- Option to purchase outright for about 15k a yard + 1000 an additional PC
- Customer Web Portal







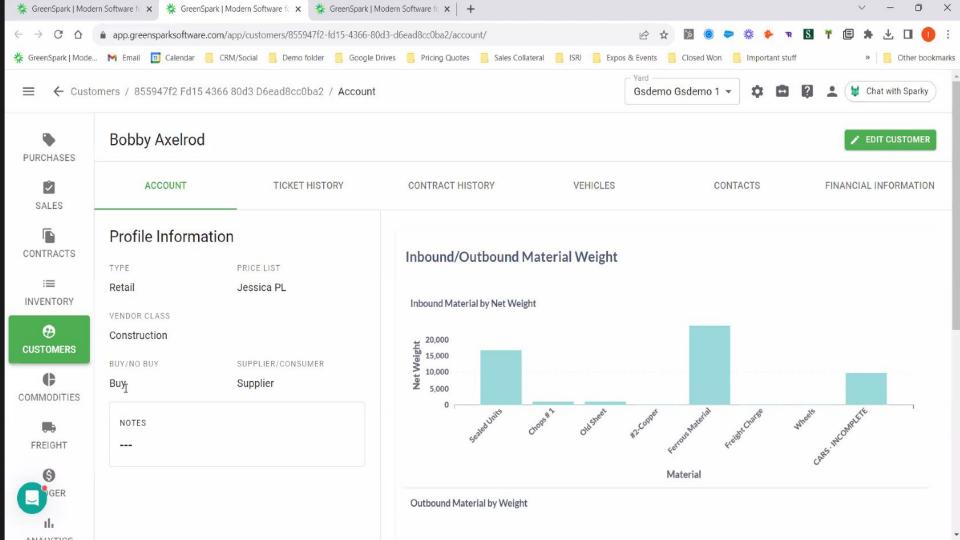


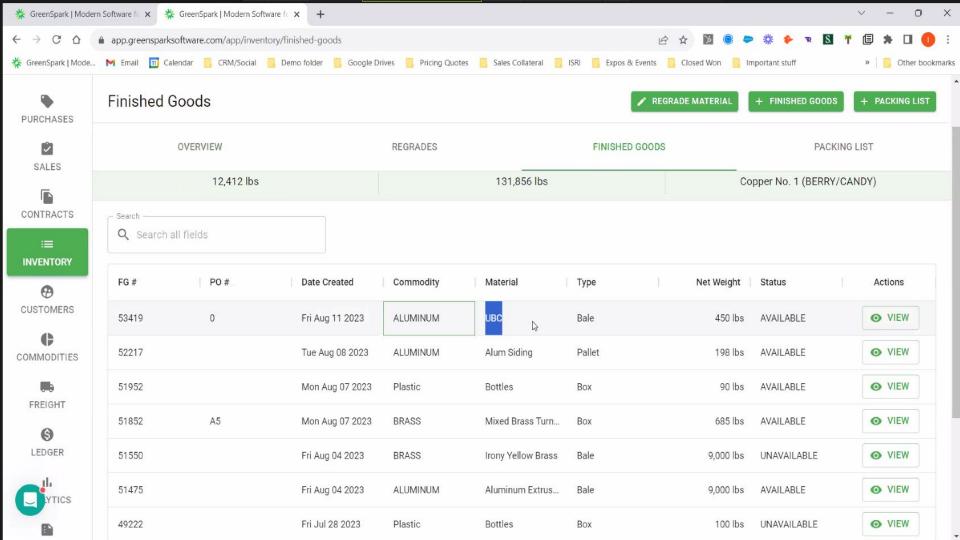
- Web-based simple design like ReMatter's

Touch screen friendly buy screen, easy to edit/manage inventory

Customer page, which can track customers and their history

Built-in visual and detailed reports





# Other options

-Many other software options exist, but wouldn't be a good match for Sullivans

-Many desired features missing, yet still nearly as costly as ScrapDragon

- Despite this, each have a considerable amount of yards that use them

### In-house Software Development

Multiple options for who to work with

- -Brian mentioned he knew individuals that could contribute
- -Dignitas Digital is an established company that would ensure we keep IP rights
- -Precision Systems is industrial focused and located in Hatboro
- -Freelance Developers

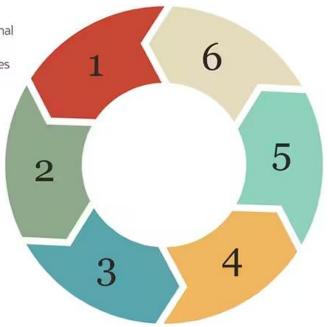
### At a glance: Software Development

- -Considerable startup cost
- Would be about a year long process to have something comparable to the best market options and be fully customized to what Sullivan's needs
- -If plan is to export to other scrapyards, would need to ensure we have rights to the software directly, and that it is thoroughly tested and vetted (Nexus)
- -Idea would be to integrate all features we need and functionality of top line software with an easy and touchable layout, for a good price

1. Discovery and planning. A cross-functional project team gathers input about different business groups' requirements and the issues that the ERP system needs to solve.

2. Design. Analyze existing workflows, how you'll customize the software and how to migrate data to the new system.

3. Development. Configure the software to business requirements performance, prepare training materials and documentation, and begin to import data.



6. Support. The project team ensures that users have the support they need, and continues to upgrade the system and fix problems as needed.

 Deployment. After completing configuration, data migration and testing, go live!

**4. Testing.** Progressively test the functions of the system and fine-tune development to address any problems that emerge.

# Team requirements (if we self-assemble)

- Lead software developer + any collaborators

- Database developer + manager

Testing/QA developers

Others, but can be filled by current staff

#### Server consideration

Cloud servers: Application would store data and be run off of the cloud.

- Advantage of less upfront cost for servers, less maintenance cost, but if cloud is inaccessible, software can not function

- Local servers: Application would store data and run off of a local server

- Advantage of quickly accessible and configurable data, but will have higher costs

# Main competitors: Everyone mentioned

- Also in-house developed systems, with extensive options and features

- Sell for a competitive price

Very established in the market, Nexus is most widely used system in USA.

# Integration versus Direct Implementation

- Common issue in developing management software for business

Quickbooks, Verizon Work+Reveal, Wrap-around

- Jack of all trades vs master of few

- Integration is oftentimes cheaper, but sometimes can prove difficult

#### CRM

- Need something that is able to reach out to current customers and new ones

- Email campaign integration is an easy start

- Relatively uncommon from scrap management software

Salesforce offers a standalone CRM solution

# Costs of software development

Brian's estimate: ~80k and 9 months

- From online: 75-100/hr for 6-12 months, 150-200k project size

Will likely need an additional member on team to bugfix, if sold on market,
will likely need a team

# Things to keep in mind during development

- Usability and convenience of a front-end system can end up most important

- Unexpected hiccups are bound to occur, likely due to implementation requirements

- Going to market will require ensuring lots of implementation ability and technical support

- For market success, will need to fill a niche

# Case Study: Nexus' development

- Started out as a project for one yard in 2009

- Gained traction and upheaved the market giants via its price

- Has since grown to a multi-member staff, 1m+ lines of code

- Took years of work to have a product that didn't require constant maintenance

#### Software as a service

- ScrapRight and Greenspark

- Cloud based, develop based on functions our yard does

Offer year subscriptions for the service

- Users use browsers to access

#### Overall: A considerable investment

- Potential to outclass a substantial amount of competitors

 Substantial risk in usability of deliverable and cost efficiency compared to purchasing software

- SaaS option has potential to be best "bang for your buck"

- Consider developing a project that will go to market like opening another business

### My recommendation: Greenspark

- All options shown would be a good choice depending on priorities

Lacking a customer web portal and dispatch

- Comprehensive implementation of nearly all features we need

New company that is open to our inputs and feedback (new = pro?)