



AT&T SUPPLIER PROFILE – APPLIED COMPUTER SOLUTIONS

Owner: Caucasian Female
Location: Huntington Beach, California
Website: <http://www.acsacs.com/>

Applied Computer Solutions (ACS) was founded by Sandy Davis in 1989. Ms. Davis was the sole employee of the company during the first years of its existence. Products and services that ACS provides to large corporations include media and tape supplies and consulting services for data center tape operations. The company's sales during its first year of business were approximately \$375,000.

As the computer industry became more of a service-oriented business, ACS developed its core competency as a systems integrator and hardware value-added reseller (VAR) for large technology companies. The early to mid 1990's was a period of introspection as ACS determined what kind of business it wanted to grow into. ACS decided to establish itself as the expert in technology-driven solutions and to become customer-oriented in its business approach. This decision resulted in accelerated growth – by 1997, its ninth year in business, ACS had 14 employees, 6,000 square feet of leased office/warehouse space, and revenues of \$35 million. Its largest customers at that time were in the banking and high-tech industries.

AT&T selected ACS as its mid-range VAR in 1999, after an extensive RFP process to supply data and network centers with mid-range computers. AT&T's sourcing team, with support from AT&T's Supplier Diversity team, mentored ACS throughout the IT ordering process and familiarized ACS personnel with key IT operations, personnel and processes. To support the AT&T account, ACS had already established strategic relationships with major hardware distributors, such as GE Access and Hallmark/Avnet, as well as reseller agreements with IBM, Cisco, Hewlett-Packard, Sun Microsystems, Veritas Software, and EMC Corporation.

Unlike many small businesses, ACS managed to survive the "telecom recession" of the early 2000s. The company has since steadily increased its revenue each year and earned \$247 million in 2007. This growth has been accomplished while increasing its workforce to 140 full-time employees. ACS operates out of seven California locations and also has facilities in St. Louis, Dallas, Chicago, Phoenix and Seattle.

ACS is ranked No. 156 in the recently published VARBusiness™ 500, and is the 2nd largest VAR in California.

In 1999, when ACS secured its master agreement with AT&T as a reseller of computer hardware, it brought its technical expertise and management acumen into AT&T's supply chain with a critical value proposition. ACS had secured high-level technical certifications with IBM, Sun, and Hewlett-Packard, and was able to provide AT&T's IT Asset Management and Network Services organizations with a single point of contact for all computer purchases. ACS streamlined the logistics for AT&T operations personnel and shortened standard ordering leadtimes from seven days to 48 hours.

ACS's business with AT&T nearly doubled during the first year of the master agreement, mirroring ACS's corporate growth rate of approximately 100 percent. Client organizations realized the value of having a company with technical sophistication across multiple platforms



that could handle all purchases and establish standard ordering and tracking processes. This eliminated multiple iterations of order revisions between both organizations.

Another area within the AT&T supply chain that contributed to ACS's growth was their provision of low and mid-level design engineering drawings that allowed AT&T's system planning personnel to track components within each computer configuration, and served as an audit tool for regulatory compliance. ACS took the initiative in proposing these cost saving services and reinforced its role as a vital contributor to a more efficient and effective supply chain.

Lastly, in the ongoing effort to use quality tools to manage the company's processes, ACS attained ISO9000 certification and TL9000 registration. While these attainments are not easily achieved, ACS understands that large corporations and strategically managed supply chains require repeatable processes, and the ability to understand and react to problem areas with consistent methods and procedures are essential.

AT&T has established supplier performance metrics which also include client feedback, and are monitored on a monthly basis. ACS, as a key AT&T supplier, meets or exceeds most of the eight top standards and has begun to use these metrics to enhance its performance for other customers.

By focusing on AT&T's strategic supply chain objectives and using quality processes to meet and exceed customer expectations, ACS is ensuring that it is well positioned to grow as a supplier that provides its customers with real competitive advantage.