Microsoft Dynamics GP Implementation
Customer Solution Case Study

Publicly Traded On Line Auctioneer Expedites SOX Compliance and Gains Financial Controls

Overview
Country or Region: United States
Industry: Internet Sales

Customer Profile
Bidz.com, Inc. is an online auctioneer specializing in jewelry, art and collectibles.

Business Situation
Bidz.com was using Quick Books accounting software which was inadequate to meet SOX compliance. The company needed to migrate their back end system to Microsoft Dynamics GP platform in time to meet the SEC deadline.

Solution
Bidz.com selected Microsoft Gold Certified Partner, Ignify to implement Microsoft Dynamics GP and integrate it with their web ordering system. Ignify helped Bidz.com meet SOX compliance while implementing a more scalable solution.

Benefits
- Credibility and Accountability
- Better Financial Control
- True Bi-directional integration
- Scalability and Profitability

“Ignify has been instrumental at ensuring our infrastructure and systems are in place and operational for the impending SOX deadline.”

Lawrence Kong, Chief Financial Officer, Bidz.com

Bidz.com is a publicly held online auctioneer specializing in jewelry, fine art, and collectibles. Bidz.com offers outstanding value for its products through a highly entertaining interactive auction format. The company brings together the fragmented supply and demand of excess products in a single online location selling to both consumers and resellers, who intend to resell goods in secondary markets such as eBay and local auctions as well as through retail channels. Bidz offers live auctions on its website 24 hours a day, seven days a week. In order to meet Sarbanese-Oxley (SOX) section 404 compliance deadline, required by the SEC, Bidz needed to update its back office operations. Bidz identified Microsoft Dynamics GP as the ERP platform and selected Ignify, Microsoft Gold Certified Partner to help them meet the impending SEC deadline. In less than six months, Ignify migrated their back end system from QuickBooks to Microsoft Dynamics GP, integrated it with their front end web ordering system, and helped Bidz achieve SOX compliance.
Situation
Bidz.com based in Los Angeles, CA. was launched in February 1998 as an internet based jewelry auction site. Bidz brings together the fragmented supply and demand of excess jewelry products in a single online location. It sells to consumers looking for a reliable source of bargain jewelry. Due to its low purchase cost, Bidz is able to give its customers control of the price they pay for products through a $1 minimum opening bid. Bidz purchases and retains its entire inventory on site so customers can rely on timely delivery of their purchases.

Bidz also sells to resellers, who intend to resell their goods in secondary markets such as eBay and local auctions as well as through retail channels. These resellers have the opportunity to purchase products at lower prices than they would receive from manufacturers or other distributors.

Today, Bidz.com ranks #2 in the online jewelry category with a 17% market share. The company’s increasing profitability and strong growth is backed by an experienced management team, knowledgeable buyers who purchase products that sell, and an entertaining website that lets buyers determine prices and provides short auction times for immediate gratification.

Bidz.com has a unique corporate structure in that it is publicly held but not publicly listed, which requires them to meet both SEC reporting and Sarbanese-Oxley (SOX) section 404 compliance. The company was challenged to meet an impending deadline set by the SEC to achieve SOX compliance by July 15th, 2006.

Bidz had less than six months to migrate from Quick Books to a more robust ERP system. Quick Books lacked key features to meet compliance such audit trails, role based security, reporting, was not scalable to match Bidz fast paced growth.

Solution
“Microsoft Dynamics GP was selected based on the platform’s rich features and enterprise strength reliability allowing us to seamlessly integrate with other critical systems including ERP and shipping,” said Lawrence Kong, Bidz, CFO. Choosing the right IT partner with a proven track record in implementing Microsoft Dynamics GP was paramount to meeting such an aggressive deadline.

After an extensive evaluation, Bidz selected Microsoft Gold Certified Partner Ignify, Inc. to replace Quick Books with Microsoft Dynamics GP. Ignify implemented Microsoft Dynamics GP financial modules including: Payables Management, Bank Reconciliation, Fixed Asset Management, Great Plains Reporting and Purchase Order Processing.

Benefits
Credibility and Accountability
Ignify’s seamless implementation of Microsoft Dynamics GP allowed Bidz.com to achieve Sarbanes-Oxley (SOX) section 404 compliance within the July 15, 2006 deadline imposed by the SEC.

Achieving SOX compliance gives the company credibility and accountability in the investor community and to its customers. Today, Bidz.com management keeps in constant touch with SEC counsel and plays an active role in setting governance standards.

“Ignify has been instrumental at ensuring our infrastructure and systems are in place and operational for the impending SOX deadline,” said Lawrence Kong, CFO of Bidz.com.
“Bidz.com like many other publicly traded companies is gearing up for the looming summer deadline. As a Microsoft Gold Partner, Ignify’s support of SOX compliant platforms is crucial for helping customers adhere to the new standards while future-proofing core investments.”

Sandeep Walia, CEO & President, Ignify

**Better Financial Control**

Microsoft Dynamics GP gives Bidz tighter internal accounting control and audit trail tracking.

Majority of Bidz sales are done through auction and payments are made online by credit cards. These amounts are transferred directly to the bank. Microsoft Dynamics GP bank reconciliation feature allows Bidz to download the bank statement directly from the bank website on a daily basis and immediately reconcile any differences.

Previously, Bidz had no visibility of changes being made during the accounting transaction process. Microsoft Dynamics GP audit trail system allows them to have role based security, field level security, activity tracking, business alerts, smart lists, and drill down capabilities. Users entering bills are separated from users printing checks. At anytime accounting can drill down into the transaction process and create an audit trail. Having such granular financial controls at their fingertips is crucial to meet SEC regulations and gives Bidz more financial control.

**True Bi-directional Integration**

Microsoft Dynamics GP integration with Bidz.com front end web sales ordering system allows for true bi directional integration. A better tie between the front end and back end systems allows them to track gross profits by order and customer and allocate overhead items and operating expenditures accurately to item costs.

**Scalability and Profitability**

Access to intelligent reports such P&L Cash Flow, Bank reconciliation, Payables Management Aging, and Key performance indicators give upper management access to intelligent data to drive business decisions for continued scalability and profitability.

In 2007, Bidz had 55,000 new buyers, 248,000 average orders, and 810,000 average items sold in Q3 of 2007.

**For More Information**

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. To access information using the World Wide Web, go to: [www.microsoft.com](http://www.microsoft.com)

For more information about Bidz.com products and services, call 1-800-444-8124 or visit the Web site at: [www.bidz.com](http://www.bidz.com)

For more information about Ignify products and services, call (562)860-5900 or 1 (888) IGNIFY5 or visit the Web site at: [www.ignify.com](http://www.ignify.com)