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Sage successfully slid into its software niche

Greasing the skids for a specific industry

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Special to the Business Journal

EXTON -- We love weird niches that make for good copy: Those odd corners of commerce that are big enough to generate a nice revenue for someone, but small enough to go unnoticed by the big-money competition.

As president of [Sage Microsystems](#), Bob Sampson has found just such a niche, and now that he has hit his stride, it looks like it's becoming a winning play.

Should we end the suspense? Think of the place where you get your oil changed in half an hour or less. That place needs a computer system to do some very specific things, like tracking your mileage and remembering your license plate number and recalling the date of your last filter change. Sampson makes that computer system.

Don't include the Jiffy Lube chain, which uses its own point-of-sale system. But that still leaves a potential market of some 20,000 quick-lube shops around the nation, half of which are using antiquated technology. Once those 10,000 stores get automated, Sampson stays in business, replacing and upgrading systems every six to seven years as new technology becomes available.

Sampson and his wife Joan and business partner Ron Weiser worked together in the past, and managed teams of high-tech developers. When they opened their own shop in 1988, they pursued point-of-sale systems under the reasoning that such basic tools would always be in demand.

"Businesses are going to need business products forever," Sampson said. "We wanted to do something conservative, something where we knew there was going to be a need for it for a long time to come."

Gary Packham will vouch for the need within the quick-lube world. As president of Packham Management, he owns five Grease Monkey stores in Idaho and uses Sage Microsystems to handle point-of-sale automation. The software also allows him to view activities at all his stores by means of the Web.

"I can't be in all my stores every day. That's a 360-mile round trip," he said. With the Sage system, "I can go onto the Internet and see what every single store did the day before."

While Sage has enjoyed steady growth since opening its doors, the past couple of years have seen the pace of growth increase, and Sampson said the company is poised to make a major leap in the coming year or two.

The recent growth is the result of a major technology initiative. Sage developers began six years ago to migrate their product from the old DOS system to the now-universal Windows platform. Now the updated Windows product is at last being rolled out, with a \$14,000 price tag per system.

"We are at the point now where we are confident in [that product], so this is a critical point for us. We are going to open the floodgates on the marketing front, and there is really nothing stopping us now," Sampson said.

Industry observers say this is more than just talk. With a solid reputation in its specialized area and virtually no competition, Sage could leverage its new technology to great advantage, according to Frank Fader. As a senior account executive at Seneca Data Inc., based in North Syracuse, N.Y., he provides the custom-made PCs used in the Sage system.

"You have to go where the industry is going. You have to offer your customers the latest and greatest technology, and their move to Windows will do that," Fader said.

It has not been easy to get to this point. "As with any software company, the real challenge is in staying with the state of the art," Sampson said.

To make it happen, he has spent some \$2 million on the development effort. In the meantime, he has put out annual program updates, based on a steady flow of requests that come in from customers seeking new features and functions.

On the plus side, this is an industry with deep pockets. Quick-lube shops typically don't pay for their own point-of-sale upgrades. Rather, the oil companies fund the upgrades in return for getting their products into use in the shop.

"It makes it a lot easier for our customers to purchase our systems when the money is coming to them from the oil companies," Sampson said. "The industry is very well-funded right now, and that means we get a lot more business than we would otherwise."

In fact, the quick-lube business is generating about \$8 billion a year, according to franchisor Express Oil Change. At the same time, only about half of all drivers change their oil at quick-lube shops, while most of the rest still do it in their driveways. That leaves a lot of room for growth.

As he looks to capitalize on the growth, Sampson talks about the fundamentals. A good product. Responsive service. And most important, a solid staff. He's a loose manager, leaving people largely on their own to do what is needed for the business. To play the game that way and still get the desired end result, Sampson is constantly on the lookout for people who are smart, self-motivated and ready to do the job.

"I could be at the lumber yard and I could see someone like that, and I will hire them right there. I actually have done that," he said. "We are always looking for the right people, and when we find them there is a always a place for those kinds of people."

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