



Microsoft Dynamics Customer Solution Case Study



Overview

Country or Region:

Industry: Manufacturing-Industrial equipment

Customer Profile

Established in 1969 in Singapore, Central Mercantile Corporation (S) Ltd (CMCS) produces and sells adhesive tapes and packaging products for a range of applications, and employs 31 staff.

Business Situation

CMCS previously used a manual system for its data processing and storage. It wanted an integrated financial management solution to increase efficiency and support future business growth.

Solution

CMCS chose to replace its legacy system with integrated financial management solution Microsoft Dynamics™ NAV to accelerate the growth of the company.

Benefits

- Increased Sales.
- Substantial Cost Savings.
- Improved Employee Productivity.
- Superior Customer Service Delivery.
- Enhanced Management Decision-Making.

Packaging Company Migrates to Integrated Financial Management, Saves U.S.\$288,000

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Mrs. Connie Lim, Executive Director, Central Mercantile Corporation (S) Ltd

Central Mercantile Corporation (S) Ltd (CMCS) is headquartered in Singapore and develops, produces, and sells a wide range of adhesive tapes and packaging products. The company was running a legacy system that required substantial manual record-keeping and repetitive data entry. CMCS wanted to migrate to an integrated financial management solution to improve its business efficiency and to enable online management of customer orders. In March 2006, CMCS partnered with Microsoft Certified Partner Aevitas Consulting, to implement Microsoft Dynamics™ NAV. The solution enables CMCS to process and view its orders, inventory, sales, and financial data instantly, providing information to support future business planning. CMCS projects that Microsoft technology will save them S\$445,000 (U.S.\$288,000) over three years, and the company has already achieved a six percent increase in sales.

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Situation

Central Mercantile Corporation (S) Ltd (CMCS) is a Singapore based company established in 1969. It specialises in the development, production, and sales of a wide range of adhesive tapes and packaging materials, including self-adhesive labels, pressure sensitive tapes, silicone sealants, aluminum wrapping foils, and protective tapes and materials. CMCS has approximately 3,000 customers. The company employs 31 people in Singapore and has factories in Penang and Taiping, Malaysia.

CMCS operates in a highly competitive price-sensitive industry that focuses on small margin high-volume items. On-demand information on stock inventory, customer orders, and pricing is essential for retaining customers. “Customers are our rice bowl, so we are a very customer focused organization. Our ability to quickly respond to customers is critical to our success. Our customers don’t want to keep excess stock, so the faster we can deliver goods, the happier they are, and the more business we can generate,” explains Mrs. Connie Lim, Executive Director, Central Mercantile Corporation (S) Ltd.

CMCS adopted a customized legacy ERP system in 1990 that required substantial manual processing and printing of hard copy records of customers’ orders. The system was unable to retain data history, and the workflow procedures included a number of repetitive steps.

“Because of the products and quantities involved, our customers will always go for the cheapest price. Our business success depends on the accuracy of our customer data. Our customers sometimes forget what they ordered and the price of previous invoices. We need to know our customer’s buying power so we can offer competitive pricing. Our legacy system only retained the

latest order and price, so we needed to print and then refer to manual records, which was incredibly time consuming for our staff. As well as this, we had to have the space to store the records,” says Mrs. Lim.

The company was unable to predict when certain stock would be required and in what quantities. This meant business planning and future growth forecasting was difficult to achieve. “We had poor visibility and predictability in our business because we had to wait hours for the system to be updated, and the information available wasn’t presented in ways that helped us plan for business growth,” Mrs. Lim recalls.

CMCS wanted an integrated financial management solution that would improve business efficiency, support business forecasting, and enable its staff to acquire updated information online as quickly as possible, to ensure that customers’ orders are processed within the shortest timeframe.

Solution

CMCS evaluated several enterprise systems before choosing a Microsoft solution. CMCS partnered with Microsoft Certified Partner Aevitas Consulting to migrate from its existing environment to Microsoft Dynamics™ NAV 4.0. The project started in March 2006 and went live in just four months. Aevitas Consulting trained 10 key users from CMCS on Microsoft Dynamics in just six days over a one month period.

“Microsoft Dynamics was not substantially cheaper compared to the other products, but most importantly, it offered a completely integrated solution that would support the long-term growth of our company,” explains Mrs. Lim. “We told Aevitas Consulting what our requirements were, and purchased the appropriate modules. Eighty percent of the module content fulfilled our requirements,

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Microsoft Dynamics delivers a complete solution for financial management and customer relationship management and is used by CMCS for purchasing, sales administration, accounting, and managing fixed assets. The solution enables CMCS to view instantly its orders, inventory, sales, and financial data, providing immediate information for management and future business planning. “We simply key in the customer’s name and we can instantly track customers, products, and get information on prices,” says Mrs. Lim. “We used to have to print out hard copies, and for instance the stock ageing report was up to 400 pages in length. Now those reports are only a few pages because all the information can be viewed on screen.”

The solution has made a substantial impact on the workflow of the company. “It used to take six people a combined total of 42 hours to complete our twice yearly stocktaking. With Microsoft Dynamics NAV, it now takes only six hours for a single person to complete the same assignment, and saves us about S\$15,000 (U.S.\$9,730) a year. With our old system, it used to take us three hours simply to view the updated data. Our customers would complain about the delays, which wasn’t good for our business. Now after updating we can instantly see invoices and customer information,” says Mrs. Lim.

Microsoft Dynamics enables the company to view its top 20 customers and suppliers within a summarized report. “We can view sales statistics by customer, product, and salesperson. This is very useful for forecasting sales because we can track the best times to push particular products. It also helps with employee performance because we can get immediate feedback on each salesperson’s performance, enabling us to

troubleshoot any problems through support and training,” notes Mrs. Lim.

Previously, CMCS employees were re-keying data multiple times, resulting in data errors that needed to be identified and corrected. Mrs. Lim explains, “Like most people, our staff resisted moving to a new system after having used the legacy system for so long. However, with the strong support from management, it was easy for them to learn the new system because many of the processes between modules are similar, and now they are very happy. Before, there was a lot of duplication in their day-to-day work. Now the processes are very simple and require fewer keystrokes. Microsoft Dynamics NAV has enabled us to eliminate four steps in our workflow process when ordering and receiving goods.”

Benefits

Moving from a legacy system to an online integrated solution using Microsoft Dynamics has enabled CMCS to increase its sales revenue and improve efficiencies throughout its company operations. The Microsoft technology environment has helped CMCS to streamline its workflow processes, improving customer service and employee productivity, reduce operational costs, and enhance the ability of management to make timely business decisions.

Increased Sales

Using Microsoft Dynamics, CMCS has grown its sales revenue. Thanks to its powerful features, maximizing business opportunities is much easier. Mrs. Lim says, “When comparing the ten month periods up to April 2006, and up to April 2007, we found that deploying Microsoft Dynamics NAV helped increase our sales by almost six per cent.”

Substantial Cost Savings

CMCS estimates that Microsoft Dynamics will save the company S\$445,000

(U.S.\$288,000) over the next three years. Due to faster response time and instant access to up-to-date information on stock levels, CMCS can forecast when they need to carry particular stock and to what quantities. Consequently, the company has been able to reduce the amount of stock it needs to keep on hand, which has reduced the overall cost of operations. Mrs. Lim says, "Since implementing Microsoft Dynamics NAV, we have been able to decrease our stock balance by an estimated 17 percent. Now, we can better predict in advance the stock we require and still manage to carry over 1,000 items to enable immediate response to customers' orders."

Improved Employee Productivity

Microsoft Dynamics is easy for employees to use, and enables CMCS to closely monitor employee performance, and reduce inefficiencies. "Under the old legacy system we needed to hire two more staff. After implementing Microsoft Dynamics NAV, our sales have increased, without hiring additional manpower," says Mrs. Lim. "We can also monitor the performance of our salespeople closely to ensure that they are meeting their targets."

Superior Customer Service Delivery

"For fast moving products, it is easy to check stock levels and re-order quickly so that we don't run out of stock. This in turn gives us a much faster response time with customers—which in our industry can make all the difference," says Mrs. Lim. She notes the company now has greater visibility over its entire accounting process, and better management of the whole system.

Enhanced Management Decision-Making

CMCS is using Microsoft Dynamics NAV to forecast future business growth. Customized reports can be easily generated to enable management to make important business decisions. "Previously I needed to wait some

time for the system to update or check the hard copy records, but now at a glance I can view sales statistics and other key data I need to make confident decisions. This is a well-proven system, and it has made a difference for us," says Mrs. Lim.

For More Information

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For more information about Aevitas Consulting Pte Ltd products and services, call (65) 6536 8990 or visit the Web site at: www.aevitasconsulting.com

For more information about Central Mercantile Corporation (S) Ltd products and services, call (65) 6459 5477 or visit the Web site at: www.cmcs.com.sg

Microsoft Dynamics

Microsoft Dynamics is a line of integrated, adaptable business management solutions that enables you and your people to make business decisions with greater confidence. Microsoft Dynamics works like familiar Microsoft software such as Microsoft Office, which means less of a learning curve for your people, so they can get up and running quickly and focus on what's most important. And because it is from Microsoft, it easily works with the systems that your company already has implemented. By automating and streamlining financial, customer relationship, and supply chain processes, Microsoft Dynamics brings together people, processes, and technologies, increasing the productivity and effectiveness of your business, and helping you drive business success.

For more information about Microsoft Dynamics, go to: www.microsoft.com/dynamics

Software and Services

– Windows Server 2003

- Products
 - Microsoft Dynamics NAV 4.0