



Food retailer dramatically improves efficiency with a fresh approach to business management.

“Microsoft Dynamics NAV is helping us run our business more efficiently, and has given us greater control and visibility of our supply chain and company data. The system supports our strategy to be Australia’s favourite destination for fresh food retailing.”

Mark Hudson, Chief Information Officer, Harris Farm Markets

Harris Farm Markets is a family-owned and -run fruit and vegetable business, founded by David Harris in 1971. The company has more than 1,000 employees in 26 stores across New South Wales, and an annual turnover of A\$300 million.

To manage its business, Harris Farm Markets relied on a number of manual processes and ageing systems, including a 25-year-old inventory management application. As a result, the company’s stocktake and ordering processes were inefficient and sometimes inaccurate. The rapidly growing company needed to improve warehouse operations and accounting processes, and management wanted new data analysis and reporting capabilities.

From April 2009, Harris Farm Markets began implementing Microsoft Dynamics NAV across its business. The company also implemented Windows Mobile on its 80 in-store handheld scanners. Harris Farm Markets now has a cohesive, easily customisable system for managing its finances, stock movement and retail merchandising. It has automated labour-intensive ordering, allowing staff to focus on improving the customer experience, and fresh produce deliveries now leave the markets up to two hours earlier each morning, ensuring the stock in stores ready to sell by 8 AM.

Harris Farm Markets

Industry:
Food

Location:
Australia

Organisation size:
1,000+

Organisation Profile

Harris Farm Markets is a family-owned and -run fruit and vegetable business, founded by David Harris in 1971. The company has more than 1,000 employees in 26 stores across New South Wales, and an annual turnover of A\$300 million.

Business Situation

To manage stock movement, financials and retail merchandising, Harris Farm Markets relied on manual processes and ageing systems. It needed a new enterprise resource planning (ERP) system to streamline processes, reduce costs and improve cash flow.

Solution

Harris Farm Markets implemented Microsoft Dynamics NAV, running on Microsoft Windows Server 2008 R2 with a Microsoft SQL Server 2008 R2 database. The company could easily customise the system to reflect its requirements. Harris Farm Markets is also using Windows Mobile on 80 in-store handheld scanners.

Benefits

- Improves stock control
- Streamlines accounting, stocktake and ordering processes
- Can help improve customer experience and staff morale
- Provides new business intelligence capabilities

“Everything we buy from Sydney Markets in the morning goes through our warehouse and out to our shops the same day. However, trucks weren’t leaving the warehouse with their first load until 9 or 9.30 AM.”

Mark Hudson, Chief Information Officer, Harris Farm Markets

Business Needs

Harris Farm Markets is a family-owned and -run fruit and vegetable business, founded by David Harris in 1971. The company has more than 1,000 employees in 26 stores across New South Wales, and an annual turnover of A\$300 million.

In addition to locally grown fresh fruit and vegetables, its stores also stock meat, dairy, fresh bread, delicatessen items and fresh flowers.

The company was using a 25-year-old purchasing and inventory application. It was also using a small-business accounting application to manage financials in each store, and an outsourcing service for attendance and payroll management.

These systems did not sufficiently support Harris Farm Markets’ rapidly growing business. Financial and stock management processes were manual and inefficient, and this was hindering Harris Farm Markets’ productivity and profitability.

For example, staff processed invoices manually, which was time consuming and cost the company around A\$40 per invoice. The company also lacked a formal purchase order process.

According to Mark Hudson, Chief Information Officer at Harris Farm Markets, the company needed to automate and streamline its stocktake and ordering processes. Accurate inventory management is crucial for perishable foods, which make up the majority of Harris Farm Markets’ product range. The company’s buyers also need up-to-date information on sales and stock levels.

In-store staff used ad-hoc paper forms to perform a full-store stocktake every month. This required three to five employees and took a total of 55 hours over a weekend – the stores’ busiest

period. It cost Harris Farm Markets around A\$2,000 per store each month in wages alone.

Staff also counted fresh produce weekly, which took up to four hours, and did a daily stocktake of some fresh produce, which took almost an hour.

“This manual stocktaking was prone to error, impacted staff morale and meant staff were less available to serve customers,” says Hudson.

In addition, staff had to manually order around 4,000 grocery lines.

“With 23 different stores ordering at least weekly, we were getting 23 different versions of optimal order quantity,” says Hudson.

This system resulted in stores under ordering, and often running out of stock. According to Hudson, this was one of the top issues the company wanted to address.

Harris Farm Markets also wanted to streamline a number of other day-to-day procedures, including supplier credit claims and inter-store stock movements.

“Harris Farm Markets prioritises keeping our produce fresh and active,” says Hudson. “If a product is not selling in one location, we’ll transfer it to another store that day. We were using handwritten forms to manage this process, which took too long and sometimes resulted in errors and unreliable records of stock movement.”

Harris Farm Markets was looking to improve the way it ran its warehouse. Inefficient practices were causing bottlenecks in moving stock in and out, which could result in degradation or wastage of fresh produce.

“Harris Farm Markets is the only major fruit and vegetable retailer in Australia that operates a fully cross-dock produce warehouse,” says Hudson. “This means everything we buy from Sydney Markets in the morning goes into our warehouse and out to our shops the same day.

““With our warehouse running on Dynamics NAV, trucks now leave with their first load of produce by 7 AM each day and it’s in our shops by 8 AM,” says Hudson.”

Mark Hudson, Chief Information Officer, Harris Farm Markets

However, trucks weren’t leaving the warehouse with their first load until 9 or 9.30 AM.”

Finally, Harris Farm Markets wanted to improve its business intelligence capabilities, to analyse trends, provide detailed sales information to suppliers and make more informed business decisions.

“Our old system only held a summary of data on a weekly basis, and much of it was unreliable,” says Hudson.

Solution

In April 2009, Harris Farm Markets considered a number of enterprise resource planning (ERP) solutions, including Microsoft Dynamics NAV and SAP for Retail.

The company selected Microsoft Dynamics NAV due to its strong stock control and accounting capabilities. According to Hudson, Harris Farm Markets was also reassured by examples of similar businesses deploying Dynamics NAV.

With assistance from Microsoft Gold Certified Partner for Enterprise Resource Planning Hands-on Systems, Harris Farm Markets migrated its financials from MYOB to Dynamics NAV’s financial modules in June 2009. In September 2010, the company moved its warehouse operations to the new application, and in July 2011, the integrated platform went live. The company, which trades seven days a week, implemented Dynamics NAV with minimal disruption to its business.

Dynamics NAV runs on Microsoft Windows Server 2008 R2 with a Microsoft SQL Server 2008 R2 database. The company also implemented Windows Mobile on its 80 in-store handheld scanners.

“To ensure the system supported Harris Farm Markets’ unique processes, we made a number of customisations,” says Mark

Turnbull, Senior Account Manager, Hands-on Systems.

The company customised Dynamics NAV to synchronise product information across all stores and provide a single view of inventory. Each store’s point-of-sale system uploads sales data to Dynamics NAV every 20 minutes, giving the head office up-to-date and accurate stock information.

Hands-on Systems also helped Harris Farm Markets create workflows to support the company’s invoicing processes, and an auto-replenishment system, which alerts management when orders need to be placed, based on stock levels and sales history.

Using the Microsoft Dynamics NAV Advanced Warehousing module, Harris Farm Markets built systems for managing its warehouse operations, including automating and simplifying picking processes. The system generates a barcode for each new pallet of produce; when the pallet is later scanned, a pick list is printed listing how the pallet should be split.

“One of the most valuable things about Microsoft Dynamics NAV is that it allows for simple and rapid customisation,” says Hudson.

Harris Farm Markets also plans to take advantage of Dynamics NAV’s human resources and business intelligence modules.

Benefits

Microsoft Dynamics NAV has given Harris Farm Markets a cohesive, flexible system for managing its finances, stock movements and retail merchandising. The software was easily customisable, allowing Harris Farm Markets to build a system that managed the unique demands of the fresh produce industry and would support its business growth.

“We expect the shop experience to improve as staff will have more time to focus on customer service. Staff morale should also increase, because employees can spend less time on mundane tasks.”

Mark Hudson, Chief Information Officer, Harris Farm Markets

Improves stock control

Harris Farm Markets now has up-to-date information on sales, stock and ordering, enabling the business to understand and react to trends and changes.

Dynamics NAV has also helped the company improve many of its processes and gain clearer visibility of its supply chain.

“With our warehouse running on Dynamics NAV, trucks now leave with their first load of produce by 7 AM each day and it’s in our shops by 8 AM,” says Hudson.

Streamlines accounting, stocktake and ordering processes

Since migrating its financials from MYOB to Microsoft Dynamics NAV, Harris Farm Markets has halved the time and cost required to process supplier invoices.

The company has also streamlined its stocktaking. Staff now conduct cyclical stocktakes, where they only count part of the stock every month, using wireless scanners.

Stocktakes now occur less frequently, on quieter trading days with lower wage costs and less physical stock to count. According to Hudson, stocktakes are more accurate and staff can spend time on more valuable tasks, such as customer service and merchandising.

With its new auto-replenishment system, Harris Farm Markets has also improved the efficiency of ordering processes, ensuring stores always have sufficient stock.

Improves customer experience and staff morale

According to Hudson, Harris Farm Markets’ customers expect personalised service and high-quality produce that doesn’t cost more than in major supermarkets.

“As a result of having more efficient processes, we can now focus on improving the customer experience and increasing sales,” says Hudson.

“We expect the shop experience to improve as staff will have more time to focus on customer service. Staff morale should also increase, because employees can spend less time on mundane tasks. For example, one employee no longer has to spend 12 hours on a Monday balancing physical stock with the system; that’s life-changing.”

Provides new business intelligence capabilities

Having centralised, reliable financial and inventory data has paved the way for Harris Farm Markets to increase its business intelligence activities.

Harris Farm Markets now uses Microsoft Dynamics NAV and Microsoft Excel to produce a variety of sales reports, enabling it to compare historical data. The company plans to analyse sales trends to identify top-selling stock and products that customers commonly buy together. This insight will allow the company to create personalised promotions, and will guide its marketing strategy and loyalty program.

Improved business intelligence capabilities will also allow Harris Farm Markets to make more informed business decisions.

“Microsoft Dynamics NAV is helping us run our business more efficiently, and has given us greater control and visibility of our supply chain and company data,” says Hudson. “The system supports our strategy to be Australia’s favourite destination for fresh food retailing.”

Technical Information

Software and Services

Microsoft Dynamics NAV
Microsoft SQL Server 2008 R2
Microsoft Windows 2008 R2
Microsoft Office 2010
Microsoft Windows Mobile

IT Issues

Harris Farm Markets used a 25-year-old purchasing and inventory system, and a small-business accounting application to manage its financials. It needed an enterprise resource planning system to improve cash flow and stock management, and streamline accounting, warehouse and ordering processes.

Microsoft Product that was featured

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.

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.



Partner Information

Hands-on Systems

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For More Information

For more information about Microsoft products and services call a Microsoft Dynamics Sales Consultant on 1800 197 960 Monday to Friday 9am to 6pm AEST. To find a partner or solution, visit <http://www.microsoft.com/en-au/dynamics/>

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