Fashion Accessory Company Gains Insight and Control with Microsoft Dynamics NAV 2013



Microsoft Dynamics Results Case Study

Information that’s hard to access and a limited overview of stock-on-hand aren’t good for any business, especially a fashion company whose main differentiator is speedy delivery. Fortunately, the Dixie fashion accessory company found a solution and a partner that spoke their language and understood their industry. Dixie deployed Microsoft Dynamics NAV to automate and streamline numerous business processes and provide visibility into performance that helps them respond to trends in the fast-moving fashion industry.

Results

* Streamline stock-picking processes
* Reduce order-handling resources
* Reduce time required to update price lists by 460 hours per year
* Reduce time associated with handling price tags by four full workdays per year

Industry

Manufacturing

Country or Region

Denmark

Customer Size

25 employees

Connect with Dixie

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Flemming Warrer Jensen, Managing Director, Dixie

# A System That Couldn’t Keep Up with Change

Dixie began as a home-based startup built around the promising idea of designing quality accessories—bolstered by the added value of fast delivery. Today, more than 10 years later, Dixie is successful, still growing, and now focusing on an international market.

## Market Responsiveness Is Critical

For Dixie, which makes to stock, the ability to forecast demand and respond quickly to changes in the market is critical. Visibility into current inventory levels, in addition to what products are selling at what time and to whom, is the lifeblood of the company. However, with sales handled by a large number of international agents and numerous exhibitions every year, the company’s manual processes didn’t provide the timely insights that would allow them to respond to trends in the fashion market.

## The Old Systems Fell Behind

When the dust settled after the company’s growth spurt, it was clear that they needed much more detailed control and greater transparency with regard to transactions and daily processes. In this respect, the old business system had fallen behind—it couldn’t keep up with the company’s real needs.

”It could only handle basic account management and a very limited form of inventory control,” says Managing Director and partner, Flemming Warrer Jensen. “We needed to control the business on many more levels and in a much more integrated and automated way. We were missing a complete overview of finances, inventory, sales, and purchasing.”

## Executives Had Insufficient Insight

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Flemming Warrer Jensen,
Managing Director, Dixie

There were a number of problems with the old system, which, according to Jensen, all had to do with the gap between Dixie’s business needs and the shortcomings of the old system. There was an insufficient overview of inventory, of profitable customers, and of purchasing requirements. On top of that, Jensen was looking for more options for managing variables, statistics, invoicing, balance lists, and credit notes all in one system.

## Staff Had to Work Twice As Hard

“The staff was doing the work that the system should have been taking care of,” says Jensen. “It was cumbersome. And it made us vulnerable when employees took sick days or left the company, because all the processes required special knowledge. That’s why we were looking for a system that could collect all that knowledge and automate processes in a way that was relevant to the special needs of the fashion branch.”

# Microsoft Dynamics NAV and TRIMIT

After carefully researching available options, Dixie deployed Microsoft Dynamics NAV 2009. The 2009 version has since been upgraded to Microsoft Dynamics NAV 2013. The company now uses Microsoft Dynamics NAV 2013 integrated tools for finance, sales, purchasing, and inventory. In addition, Dixie has integrated TRIMIT Fashion, an industry solution for the fashion business from Danish IT consultancy CORNATOR A/S.

## A Cost-Effective Solution Backed by Deep Industry Insight

“We chose the Microsoft Dynamics NAV platform because I saw that it could meet our challenges in a much easier and cost-efficient way than the other solutions that were in the running,” Jensen says.

“The other solution providers didn’t know our industry. That much was obvious,” he says. “But then CORNATOR called, and I could immediately hear that there was finally someone who could both document and demonstrate deep industry insight. At the same time, CORNATOR could offer a Microsoft Dynamics NAV solution that was easy to implement and use. That reassured me.”

The implementation of the 2009 version was carried out from October 2010 through January 2011, and the subsequent upgrade to Microsoft Dynamics NAV 2013 in July of 2012 was a breeze, Jensen recalls. “We needed to be ready for a show a week after the upgrade started. We told the salespeople how to use the system on Tuesday, and on Thursday they were going at it full blast at the exhibition.”

# Benefits: Gains of 20 Percent in Efficiency

*“All in all, our inventory management has become 20 percent more efficient. And even with significantly less inventory staff, we’ve just set a new turnover record.”*

Flemming Warrer Jensen,
Managing Director, Dixie

Dixie has enjoyed a number of efficiency improvements that have made it easier for the company to survive the recent economic crisis. For example:

* Inventory staff has been reduced from six to two as a result of streamlined stock-picking processes.
* Order-handling resources have been reduced by one full-time equivalent.
* Time required to update price lists has been reduced by 460 hours per year.
* Time associated with handling price tags has been cut by four full workdays per year.

“All in all, our inventory management has become 20 percent more efficient,” says Jensen. “And even with significantly less inventory staff, we’ve just set a new turnover record.”

## In the End, It’s All About the Customer

Jensen emphasizes, however, that the intention is not to cut staff. “It’s all about cutting the processes—and using the time gained on customers. And from that point of view, Microsoft Dynamics NAV has been optimal. With the new flow, we can actually triple turnover using existing resources,” he says. The company has already increased turnover in Germany, Sweden, and Norway by as much as 56 percent.

## Everything Has Become Easier

Jensen offers a couple examples of how things have become easier. “After the prices are entered into the system, they are automatically printed out with the order. And Dixie has long since said goodbye to order sheets for items that aren’t in stock anyway, difficult inventory checks, and sluggish item picking. In all these areas, Microsoft Dynamics NAV 2013 has eliminated things that really used to eat up time,” he says.

## Better Business Overview

The system has improved the visibility into business performance significantly—not least due to Microsoft Dynamics NAV 2013 Role Centers. This function presents the right information to the right workers—without making them search for it. Through the Role Centers, management, salespeople, purchasers, and inventory staff see the information that’s pertinent to their own everyday tasks.

“A quick glance at the screen is enough for me as managing director to keep abreast of key figures and everything important,” says Jensen. “From orders, purchasing patterns, slow-moving individual items, the actual inventory value, cost prices, turnover lists, and so on—and pretty soon this will also include complaints and reason codes.”

“Another example is that the system shows where the customer is in relation to the budget,” Jensen continues. “I can use this as the basis for a constructive discussion with the salespeople about how to prioritize their efforts. The customer numbers are simply registered in the system at the start of the year—without having to update a spreadsheet like before. On top of that, I can see the orders and when payment is expected. That’s really important for an express-delivery business.”

## All in One Place

Whereas in the past, Jensen had to open multiple systems to find relevant information, now Microsoft Dynamics NAV gathers it all in one place. And only Jensen’s imagination sets the limits of the analysis possibilities.

He sees this as a huge boost, and he also points to the specially developed electronic sales folder in Microsoft Dynamics NAV 2013, which only shows available items. This ensures that the salespeople don’t promise the customer an item that’s either sold out or no longer offered. They can also see what’s hot and what’s not and when new items will be in stock. Finally, it’s made it easy to handle item variables, such as color and size.

## Helps Them Differentiate Their Offering

“All of these possibilities are clearly important for a company like ours that differentiates itself in terms of extra fast delivery,” Jensen says. He also points out that it has become easier for purchasers to get the right productions started, which ultimately minimizes stock-on-hand.

In the design department, Microsoft Dynamics NAV 2013 has made it much easier to see what is selling well, just by bringing up a list of sales statistics. And in terms of finance, the system’s electronic invoicing tool has saved the accounting department shipping and postage costs—while at the same time giving them an overview of the customers’ credit limits. In this way, they don’t risk sending new orders to customers who have outstanding bills.

## More Good Things to Come

Dixie plans to integrate customers in the Microsoft Dynamics NAV 2013 inventory area. They also plan to expand the solution with tools for managing complaints and combined invoicing of orders that span multiple posts.

“Uncertainty about numbers and results has been replaced with facts from Microsoft Dynamics NAV 2013. It puts us at ease and helps us make better decisions. In the long run, it can have a positive effect on our profits, liquidity, and growth potential,” Jensen concludes.

# Next Steps

* [Connect with Microsoft Dynamics](http://www.microsoft.com/en-us/dynamics/contact-us.aspx)
* [Become a Dynamic Business](http://www.microsoft.com/en-us/dynamics/about.aspx)
* [Learn about partner solutions available in the Microsoft Dynamics Marketplace](http://dynamics.pinpoint.microsoft.com/en-US/home)

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