



The shoe fits for Ecco & ProStrategy

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About Ecco:

M. Drummy is the Irish wholesaler and retailer for ECCO, the footwear brand. The family-run company has 12 shops and three concession-run department stores, in locations such as Arnotts in Dublin. Over the past year M. Drummy has expanded its operations with the addition of new outlets in Dublin, Cork and its first shop in Northern Ireland, located in Belfast. The operation also sells to a further 200 stockists throughout the country. With an ambitious expansion plan looming, M. Drummy found itself with a problem common to many companies: legacy technology had been supporting the business until then but it would no longer be fit for purpose as the firm grew in size. Previously it had a bespoke system that was running the warehouse, the debtors and the point of sales systems, with a separate system that helped the financial controller to run all of the accounts such as profit and loss.

“From a finance perspective, a sale transaction that happens in the till has about fifteen knock-on effects,” explains operations director Paul Lyons. “If you do a transaction in a sale, that affects all of the bank balances, right down to the P&L, so from the finance perspective, once that transaction happens at the till, there’s an immediate effect on all the accounts that relate to that store. That would have all been done manually, transferring information from one system to the other.” It all added up to difficulties in getting accurate business information to help manage the company. “It took time to get reports together, you could never get real-time information from the one system. We always had to go to two or three different places to see it all. There was a tendency that they might be conflicting when we produced the figures,” says Lyons. “With the opening of three new stores we were quite concerned about the scope and the visibility of the old system. You couldn’t go to one system and tell how much was in stock.”

So, the company went to market to source, in Lyons’ words, “a reliable, robust, internationally known system”. Another problem with bespoke software was the time and cost involved in making changes, so M. Drummy wanted a complete package with all of the functions it would need.

The Solution:

The company took close to nine months to review the available packages with the help of an external consultant, to decide on the most suitable and then undergo a review of its processes to make the software project fit hand in glove with the business. In February 2008, M. Drummy chose ProStrategy and its partner, the point of sales specialist provider Store Computer Technology, as its preferred suppliers to supply and implement Microsoft Dynamics NAV and Microsoft Dynamics RMS. “In the end Microsoft had the complete package from our perspective, mixing retail, wholesaling and finance into one,” says Lyons. There was some work required to make sure Drummy’s business processes aligned closely to the functions in Dynamics NAV, as this would make any future changes to the software much easier to accommodate in the business. “We didn’t take the decision lightly and we were fully confident; we knew what needed to be done within the company to achieve our goal,” Lyons declares.

This was far from a routine installation, according to Joe Kelly, ERP Director with ProStrategy. “It wasn’t a standard implementation as such because the scope of the project was much more than ERP,” he relates. Dynamics NAV was fully integrated with several complementary solutions as part of the same initiative. The ERP package works with Dynamics RMS located in each store, allowing transfer to and from head office of information such as sales, stock issues, transfer orders, receipts, voucher payments and daily totals. Microsoft Dynamics NAV also integrates with a radio frequency-based handheld system for sales picking and stocktaking; ProStrategy’s 3G-enabled laptop-based sales force automation system enabling order taking, printing, stock and customer lookup facilities and a business intelligence system based on Microsoft ProClarity and Microsoft SQL Server.

“The implementation took four and a half months which was exceptionally quick given the number of solution components which had to be implemented,” adds Kelly. “The solution had to be delivered on time to meet the opening dates of the new stores in Dublin, Cork and Belfast and the ordering requirement of the 2009 range of new products.” He believes the Microsoft technology is very well suited for what ECCO Ireland wanted to do. “They were already familiar with Microsoft Office. Microsoft’s business applications have a similar look and feel, which helped to significantly reduce implementation and training costs,” he notes. The flexibility of the software is another important selling point. The applications come with the source code, which meant that ProStrategy and Store Computer Technology were able to customize the applications to meet ECCO’s specific requirements.



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Lastly, scalability was essential for a company that had been in expansion mode – far too many companies outgrow their legacy business software but that’s not an issue with the Dynamics product set. “ECCO also wanted a solution that could grow with the business. Microsoft’s business applications are very scalable, offering companies an opportunity to start with a handful of users and then scale this up over time as the business grows.”

The Project Benefits:

Better business decisions

Lyons points to the real-time availability of data as a key element of the system. “ProClarity sits on top of Dynamics NAV and tracks all the movement we want within the company. That is a reporting tool that allows you to pluck pretty much any piece of information that you want out of the system. The information was always in the system but we always struggled to get our hands on the information we wanted. Once we know what information you need, this tool allows us to get it. It gives us unlimited access in reporting.”

Tighter control of purchasing

“We used to refer to the ‘black hole’ with what we purchase versus what ended up at the door but now every purchase has to have a purchase order so we know exactly what’s been ordered and what’s outstanding,” Lyons states. “Dynamics NAV closes that loop. Now we can see the outstanding balances on goods in transfer.”

Accurate inventory

Before Dynamics NAV was implemented, the lack of accurate stock information meant reordering products was a frequent – and unnecessary – occurrence; not so now. “It’s more systematic and the software checks if we have the product in the building before we order it again,” says Lyons. “We used to find it difficult to prove whether something had been shipped to us and then maybe just thrown in the pile. And Dynamics NAV also allows us to catch late deliveries or even early deliveries because we can tell from the PO.”

Improved cashflow management

Two knock-on benefits from the greater control within Dynamics NAV are a saving on warehouse space and more importantly cashflow. “Before, we may have bought a product that we didn’t need to purchase. This becomes an issue that affects our margin if you’re left with excess stock that you didn’t need and didn’t want,” says Lyons.

Ease of use

The familiar interface means that M. Drummy’s employees don’t have to grapple with complex screens or commands. This also helped to reduce the staff training time on the system. “It’s one of the main benefits,” agrees Lyons. “The package itself is very Microsoft Office-friendly. It’s easy to use: if you open Dynamics NAV, it looks exactly like Outlook and all of our company use Outlook so it wasn’t a big thing.” The compatibility with Microsoft’s Office productivity suite means that exporting data into Excel is another welcome function, he adds.

Summary:

M. Drummy has made a significant jump forward from where it had been from an IT and business applications standpoint. “Not many companies of their size have implemented all the systems they have in such a short timeframe – ERP, POS, RF-based handheld, sales force automation and business intelligence – all fully integrated with real-time updates to a single database,” Kelly points out. What’s more, the ability to analyse this database using the ProClarity business intelligence tool will improve M. Drummy’s decision making. “Many companies of their size – and bigger – strive to implement a single database to drive better decision-making but not that many companies actually achieve it,” Kelly adds. Paul Lyons is in no doubt that the money spent on Dynamics NAV was a good investment. “Before, there used to be an issue where the system may not have been right or accurate. Now that’s not an issue so we can get on with business. We don’t have to second-guess what it’s doing and that is key,” he says. Having a more efficient business model supported by IT is crucial in the current economic climate, he adds. “I think in the environment we’re in at the moment we would have been under a lot more pressure if we did not have the package we have today, that’s for sure.”