

ABC Computers, Inc. Microsoft Dynamics Case Study



Single Source Has Created a “No Touch” Business Environment

Customer: Single Source, Inc.

Web Site: www.singlesource.com

Customer Size: 22 employees

Industry: Distribution: Wholesale –
Food Service Distribution

Customer Profile

The mission at Single Source is to provide a full line of Dry, Refrigerated, Frozen, Grocery, Paper and Chemical products in large volume to institutional commissaries, primarily correctional institutions, using state of the art, web-enabled order templates based upon market baskets and nutritional requirements developed by Single Source.

Single Source processes and ships orders for approximately 250 million pounds of food a year nationwide with a total of merely 22 employees company wide. Single Source also operates a total of eight Third Party Logistics (3PL) warehouses.

Inventory is orchestrated in such a way that it is truly minimal, in an environment where shelf life, expiration, FIFO management and lot tracking are critical for food products that will be transformed into meals and consumed usually within 24-40 hours upon receipt.

Software and Services

Microsoft Dynamics NAV
Lanham
Microsoft SQL Server 2005
Windows Server 2003

“What NAV has done for us is bring all the pieces of the business together and automate...automation is the key to our future...lots of tasks were eliminated.”

- **Rob Newhart**
VP/CIO Single Source Inc.

Business Needs

Single Source needed to remove several barriers, including reduction in the manual reliance on paper, to leverage its existing human resources over rapidly increasing sales.

Purchasing had to subjectively purchase products and make daily decisions on quantities to order based on experience and a very limited capacity to simulate and optimize order quantities and delivery dates. It was very difficult to spot changes in demand patterns and therefore lean out inventories.

Sales order processing

required significant manual intervention. For Single Source to rise above their competition they needed to eliminate manual, repetitive non-value added activities and automate the “exception capture” and rectification process.

Variants

Certain products may have several different characteristics, purchased under different item numbers and received in different lots which are ordered and shipped under a single item

number to the customer. Oftentimes several stocked items are consolidated to comprise an order. In addition, lot tracking must be maintained. This very significant business issue was accomplished through a unique feature in NAV known as variants.

Landed Costs

Landed costs of each item must be tracked and essentially attached to the item upon receipt and remain with the items post shipment to meet auditing requirements of customers, which requires that reports be submitted electronically on a monthly basis containing detailed lot and landed cost information.

Business Analytics

After accumulating a significant number of transactions to analyze, Single Source was able to leverage the TargIT Business Intelligence software.

This NAV software add-on provided Single Source an integrated dashboard to show costs and profitability in few clicks with analyses and reports. TargIT is the full scale edition of the Dynamics NAV Business Analytics granule.

Solution

Automated Procurement

Single Source's Purchasing Department now uses procurement formulas contained within Lanham's Advanced Forecasting module, which was pre-integrated with NAV, allowing them to automate procurement by building rules to mirror their customers buying patterns, and apply buying rules to remove any subjective inventory purchases.

This served to optimize the in-flow of inventory, reduced inventory levels, and tightened the window between expected receipts and deliveries,

Optimized Sales Order Process

Single Source automated the approval of inbound sales orders by utilizing a series of rules to optimize the order process so efficiently that of the 2,500 imported monthly orders, less than 2% of the orders require manual intervention from customer service. Order confirmations are now sent automatically to the customer, thus saving up to 24 hours of time over the old manual method.

Once the orders are picked and shipped from the warehouses, all pick documents are automatically imported and analyzed to validate that the orders were properly shipped before being invoiced. The customers' invoices are automatically sent which has resulted in the automation of 98% of customer invoice processing.

Results Achieved

The true ROI is measured by reduced inventory levels, eliminated waste and expiration, improved customer service, and a much higher volume of sales and purchases per employee, one of Single Source's top key performance indicators.

Single Source has created a "No Touch" business environment. They have removed all barriers to allow the automatic flow of all transactions and leveraged human resources to the point where only exceptions require intervention.

TargIT Business Intelligence provided significant results: showing costs by indices such as items, customers, vendors, quantities shipped and major categories. The KPIs are shown with a few clicks on dashboards and ad-hoc user generated reports.

This project was driven by the vision to automate and eliminate waste. The automation allows employees to concentrate on adding value to the business without being distracted by mundane and repetitive tasks. It allows for customer and sales growth with no added employees.

Single Source's business requirements drove the company to select and implement Dynamics NAV. The results have proved a significant success as additional customers and products have increased sales – without an increase in staff.

The following is only a shorted list of the many business benefits that have been achieved:

1. Automated purchasing of inventory
2. Automating the approval of inbound sales orders
3. Developed business rules for processing and fulfillment orders
4. Created Advanced Forecasting to trend customers purchase requirements.
5. Developed rules to remove any subjective inventory purchases.
6. Order confirmation are sent automatically
7. Created rules to validate orders properly shipped before being invoiced.
8. Sending invoices by fax or email automatically
9. Using financial analysis by NAV dimensions
10. Automate pricing models to each customer
11. Automated delivery route schedules, filling the truck by delivery route
12. Automated Purchase Order receiving
13. Overall - Created a "No Touch" business environment
14. KPI's showing costs by indices such as items, customers, vendors, quantities shipped by major categories
15. User generated ad-hoc reports from TargIT reporting tool.