



## Microsoft Dynamics Customer Solution Case Study



## Toy Distributor Uses Technology to Speed Processes, Increase Efficiency by 60 Percent

### Overview

**Country or Region:** United States

**Industry:** Retail: wholesale and distribution

### Customer Profile

EJ Enterprises, based in City of Industry, California, is a distributor of toys and gifts, with 49 employees and more than 20,000 customers in the United States.

### Business Situation

EJ Enterprises used an out-of-date UNIX-based application for its accounting, inventory, and other business processes. The system had limited functionality and a support life cycle nearing its end.

### Solution

The company worked with Advanced Solutions & Consulting, a Microsoft® Certified Partner, to deploy a Microsoft Dynamics™ SL solution to handle its enterprise resource planning needs.

### Benefits

- Overall cost savings of 60 percent
- Enhanced efficiency through integration
- Improved accuracy
- Increased flexibility

“Our users’ initial intimidation gave way to gratitude once they realized how much the Microsoft Dynamics SL solution improves their lives.”

Marc Lazich, Chief Operating Officer, EJ Enterprises

An outdated enterprise resource planning system wasn’t doing toy distributor EJ Enterprises any favors. The system’s lack of data validation and integration forced the company’s users to physically search for information and to manually enter data into multiple systems, which resulted in order and shipping errors. EJ Enterprises chose to work with Advanced Solutions & Consulting Company, a Microsoft® Gold Certified Partner, to deploy Microsoft Dynamics™ SL, formerly known as Microsoft Business Solutions–Solomon®. The solution’s flexibility helped EJ Enterprises ease the transition for users, who now have the accurate information they need. The company has increased efficiency in nearly every business area. For instance, the billing process is now 75 percent faster, with more integrated information, and customer services representatives are responding 50 percent faster to customer inquiries, for an overall efficiency cost savings of 60 percent.



“Seeing that we were neither pushing the limits of the solution nor taking on more than we needed added to our conviction that Microsoft Dynamics SL was the right fit for us.”

Marc Lazich, Chief Operating Officer, EJ Enterprises

## Situation

Based in City of Industry, California, EJ Enterprises is a distributor and importer of toys, giftware, and accessories. The company’s more than 20,000 customers include independent retail stores as well as large regional chain stores. EJ Enterprises offers approximately 2,500 products and directly employs 49 people; its sales force is made up of 200 independent sales contractors working across the United States.

EJ Enterprises deals considerably with order placement, inventory, packing, and shipping, so having the right tools for enterprise resource planning (ERP) ranks high on its priority list. “An ERP system is mission-critical to our business,” says Marc Lazich, Chief Operating Officer for EJ Enterprises. “Without it, we aren’t able to successfully receive products or maintain and control inventory, nor can we easily take customer orders, process those orders accurately, or ship them quickly.”

The company’s old system for dealing with accounting, inventory, and other activities was a UNIX-based program that EJ Enterprises put in place in 1996. One of the problems with the system was that it had no automated information validation, so users could enter numbers into text fields and text into number fields without being alerted to the need to fix the error. As a result, the EJ Enterprises database did not contain fully usable information. “We struggled with significant data integrity issues,” recalls Lazich. “Because the old system couldn’t share information, our users had to type data multiple times into several systems, which always has a negative effect on accuracy.”

The cumulative cost of the company’s operational inefficiencies caused EJ Enterprises managers to decide to invest in a new ERP solution. “We were wasting an inordinate amount of time and resources,”

says Lazich. “People spent as much as half a day at a time running around the building trying to gather answers to customer questions because their software was insufficient.”

Additionally, support had not been available for the company’s existing system in four or five years. “Although our user population was accustomed to the system and willing to put up with its inadequacies, the lack of support made it too risky,” says Lazich. “We needed to substantially improve efficiency, so we began to evaluate our options.”

## Solution

The company looked at a range of solutions and narrowed the field to several Microsoft Dynamics™ solutions, formerly known as Microsoft® Business Solutions. “Nearly all of the available business solutions that made sense for a company of our size and initial budget constraints came from Microsoft,” says Lazich. “We were drawn to them because of the features they offered, our comfort level with their degree of complexity, and their pricing.”

EJ Enterprises released requests for proposals and invited three solution providers to conduct onsite product demonstrations and evaluations of the company’s business and technical requirements. It identified the pros and cons of the subsequent proposals, comparing the various combinations of features, benefits, and pricing.

The company wanted the new solution to be able to track each order’s status, not only while it was in the company’s building, but also once it was shipped. To fulfill that requirement, the solution had to be capable of incorporating additional applications that support integration with the United Parcel Service and FedEx systems for real-time tracking data. EJ Enterprises wanted to make the tracking data available to its customers

“Now, with Microsoft Dynamics SL, our employees are able to quickly provide customers with precise answers without leaving their desks to track down the information.”

Marc Lazich, Chief Operating Officer, EJ Enterprises

as well as its employees by posting it on the company Web site. It also sought a solution that could continue to meet its needs for at least five years and that also would easily accommodate additions or upgrades.

The company selected the Microsoft Dynamics SL solution presented by Advanced Solutions & Consulting Company, a Microsoft Certified Partner, because of its clean interfaces, intuitive navigation for users, and potential for straightforward integration with outside resources at a later date. The company's IT staff members also appreciated that the solution used a Microsoft SQL Server™ 2000 database, which would make customization easier for them because they already were familiar with SQL Server 2000.

To further its confidence in the solution, the company did a little research and discovered a large number of Microsoft Dynamics SL implementations in organizations larger and smaller than EJ Enterprises. “Seeing that we were neither pushing the limits of the solution nor taking on more than we needed added to our conviction that Microsoft Dynamics SL was the right fit for us,” says Lazich.

#### **Preparing for Launch**

EJ Enterprises decision makers knew that the idea of an ERP migration would be upsetting to the majority of the company's users. To help ease the transition, they chose to begin deploying the new solution on January 1, 2006, because that's the time of year in which the ERP change would have the least business impact. Explains Lazich, “We wanted to avoid our busiest times, and just after the December holidays made sense because we'd have the cleanest inventory at that point, not to mention the fact that January 1 marks the start of our fiscal year.”

The first challenge tackled by EJ Enterprises and Advanced Solutions & Consulting was to identify which data could immediately be

transferred to the new system, which needed to be cleaned up first, and which should be deleted. “Because of our previous lack of data validation, scrubbing our database was a huge task,” says Lazich. “Advanced Solutions & Consulting approached the problem with ideas and templates to help us, and together we spent two to three months extracting, cleaning, and transferring our data.”

Once they had resolved all the data issues, EJ Enterprises and Advanced Solutions & Consulting undertook a thorough evaluation of work processes, business rules, and how EJ Enterprises wanted the new software modules to work. Advanced Solutions & Consulting then customized the Microsoft Dynamics SL solution to adhere to the requirements that they had established.

Working with an experienced partner made a positive difference in the success of the project and in how well the solution matched up with the business needs of EJ Enterprises. “Advanced Solutions & Consulting is a very responsive, careful partner that works hard to really understand what we are trying to do and make sure that we've got the best answer for a particular situation,” says Lazich.

#### **Getting to Know the System**

Once the Microsoft Dynamics SL solution was ready from a technical standpoint, EJ Enterprises needed to acclimate users to a different set of tools. To help users get familiar with Microsoft Dynamics SL, EJ Enterprises conducted training sessions about two weeks before the deployment. IT staff walked users through the new work flow, explaining some of the architectural decisions that influenced the new system's design in an effort to help users understand it better. Next, they introduced users to the new navigation practices and rules about defined fields and restriction alerts.

Afterward, users were encouraged to spend half an hour exploring the solution in its test environment. “We wanted users to get a feel for the new system in a safe setting where they knew they could play around without worrying about harming it or accidentally deleting valuable data,” says Jim Carroll, President of Advanced Solutions & Consulting Company. “Encouraging them to practice navigating with the actual screens was more effective than giving users a manual or checklist to follow.”

Plus, the practice sessions generated useful feedback for the company and its partner; when users encountered a glitch or unanticipated need while test-driving the system, they reported it. The developers from EJ Enterprises and Advanced Solutions & Consulting responded by making quick customizations to meet the identified need, before the system went into production. For example, to help users improve the speed and ease with which they process the variety of sales order slips that they receive from different sources, the developers adjusted the entry screens. They removed several redundant steps and repositioned the remaining fields to be exactly where users would intuitively look for them.

## Benefits

Since implementing Microsoft Dynamics SL, EJ Enterprises has increased efficiency throughout the company for a cost savings of 60 percent. The company also has delivered better customer service, and it has achieved a faster billing process and greater productivity in the warehouse. In addition, orders that are now more complete because of better awareness of stock on hand. The solution also provided EJ Enterprises with visibility into its business processes and the opportunity to improve work flow so that employees can make smarter day-to-day business decisions.

## Enhanced Efficiency Through Integration

The manual processes that used to slow down operations at EJ Enterprises are gone. Now, rather than roam the building, employees look to their desktop computers to supply accurate information.

EJ Enterprises and Advanced Solutions & Consulting also configured the solution so that more information accompanies every order. For instance, they successfully integrated the billing and shipping modules of the system, which means that now the freight value field is automatically populated in both. The employees who handle billing are spared the step of confirming whether each item on a shipping order has indeed been shipped and determining if they can bill for it. “Checking a shipping order item-by-item was both time-consuming and frustrating,” says Lazich. “Today, we’re 75 percent more efficient in our billing process.”

In addition to billing, the company is able to respond to customer inquiries 50 percent faster. “We used to have to call back our customers because it was rare for us to have answers for them at our fingertips,” says Lazich. “Now, with Microsoft Dynamics SL, our employees are able to quickly provide customers with precise answers without leaving their desks to track down the information.” EJ Enterprises provides that faster, more complete service with a 40 percent smaller staff; as the company lost employees through attrition, it did not need to replace many of them because of the level of service that could be provided using the Microsoft Dynamics SL solution.

Efficiencies even extend to the warehouse, where pickers who fulfill orders and prepare them for shipping take advantage of the improved inventory information. “With 2,500 products to choose from, it was hard to keep track of which toys and gifts were available and which were back-ordered,” says Lazich.

“Today, our pickers are up to 40 percent more productive because they know in advance if a product is out of stock. They no longer have to traipse around the warehouse looking for a product that isn’t there.”

### **Improved Accuracy, Happier Customers**

Because employees no longer have to enter information more than once or manually transfer information from one system to another, EJ Enterprises is producing more accurate orders and invoices, and customers are getting consistent, up-to-date information that avoids confusion or contention.

One of the areas in which the company has seen improvement since its ERP deployment is its fill rate, which is the percentage of items on a given order that actually get shipped. The company has gone from shipping an average fill rate of 70 percent to consistently shipping in excess of an 85 percent fill rate.

With the implementation of Microsoft Dynamics SL, the shipping manager can quickly look at a Microsoft Dynamics SL screen that calculates fill rates to approve whether to print and dispatch an order for picking. “The shipper select screen allows me to look at all open orders in the system and skim the orders to determine whether to fulfill them or wait until there’s more stock on hand. It’s a great tool,” says Alfredo Vasquez, Shipping Manager for EJ Enterprises.

By having higher fill rates, the company can keep pace with orders and maintain high levels of customer satisfaction. Says Lazich, “We’ve not only been able to reduce our numbers of back orders and make better use of our pickers’ time and efforts, we’ve also made our customers happier because they have to pay freight and would rather have fuller orders shipped to them.”

Another plus for EJ Enterprises has been that the automation in Microsoft Dynamics SL

means that the company can achieve more real-time billing than ever before. “By getting billing data into the system more quickly, it’s easier for our customer service people to find up-to-date information to share with our customers. The system provides real-time information on shipping status and stock status, along with information about where in the process an order currently stands. This comprehensive information makes the customer service call experience quick and informative, which business-to-business customers demand,” says Lazich.

### **Increased Flexibility**

Using Microsoft Dynamics SL has helped EJ Enterprises support its business processes because the solution makes it so easy to accommodate different work flows, interfaces, and changing business needs. “The implementation itself forced us to sit down and think through our business processes and work flow, which is always good to do,” says Lazich. “Once we figured out our best practices, we could make the software work for us, instead of the other way around. We really appreciate the flexibility to change screens and adapt the Microsoft Dynamics SL solution to meet our business users’ processes rather than forcing them to completely overhaul their practices, although we did use the new system to help us change a few processes that were in need of it.

“We couldn’t adapt or simplify our old ERP system at all, but Microsoft Dynamics SL makes it easy to continue to make quick adjustments to the solution, based on feedback from our work force,” says Lazich. “Our users’ initial intimidation gave way to gratitude once they realized how much the Microsoft Dynamics SL solution improves their lives. They enjoy access to up-to-date, accurate information and no longer have to waste time running around. Now that answers can be found right on-screen, I doubt anyone misses the old system.”

## For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to: [www.microsoft.com](http://www.microsoft.com)

For more information about Advanced Solutions & Consulting products and services, call (858) 755-9200, or visit the Web site at: [www.solutionsco.com](http://www.solutionsco.com)

For more information about EJ Enterprises products and services, call (800) 279-8065, or visit the Web site at: [www.ej-enterprises.com](http://www.ej-enterprises.com)

## 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](http://www.microsoft.com/dynamics)

### Software and Services

- Microsoft Dynamics
  - Microsoft Dynamics SL
- Microsoft Server Product Portfolio
  - Microsoft SQL Server 2000

### Hardware

- Dell PowerEdge 2650 server computers
- Dell XPS desktop computers
- Dell Dimension desktop computers

### Partners

- Advanced Solutions & Consulting