

Integrated ERP and business intelligence platform extends enterprise-grade analysis and reporting downstream to smaller businesses.

"We have provided our distributors with the technical platform they need to compete against much larger businesses.

Dynamics and BI together can provide NAFDA distributors with an enormous strategic advantage."

Barry Hough, Chief Financial Officer, NAFDA

Managers at foodservices group NAFDA wanted to improve their accounting, warehousing and logistics systems so they could track stock more easily and negotiate better deals on behalf of their small and medium-sized distributors. However, NAFDA staff also wanted to make business data, analysis and reporting accessible to distributors.

IT professionals at NAFDA and Microsoft Gold Enterprise Resource Planning Competency partner Eclipse deployed an enterprise resource planning (ERP) platform using Microsoft Dynamics® NAV. Working together, they provided a template version of the ERP platform to distributors, enabling them to quickly deploy it onsite. Additionally, NAFDA created a hosted version that allowed distributors to access the platform remotely.

To leverage and analyse the data captured by the ERP system, NAFDA staff also deployed a business intelligence (BI) capability using a product based on Microsoft® SQL Server® technology. This solution allows data analysis cubes to be rapidly created for distributors who can then produce standard reports without technical assistance.

Distributors now have access to enterprise-grade business management tools and BI without having to make large capital investments or employ expensive technical support. Staff at NAFDA expect new revenue opportunities identified by their ERP and BI platform will recoup project costs within a year of full deployment.



Industry:
Logistics and Procurement

Location:
Australia

Organisation size:
950

Organisation Profile

NAFDA is an integrated service, marketing and buying group operating on behalf of a large number of independently owned foodservice distributors. NAFDA and its distributors have 60 distribution centres, a fleet of 425 delivery vehicles and a turnover that exceeds A\$750m per year.

Business Situation

NAFDA wanted an integrated accounting, warehousing and logistics system to improve management and develop closer supplier relationships. The group also wanted to make trading data available to distributors so they could develop business intelligence (BI) capabilities.

Solution

NAFDA created an Enterprise Resource Planning (ERP) platform on Microsoft Dynamics® NAV 2009, including a hosted version for distributors. Zap Business Intelligence, a specialist Microsoft® SQL Server® - based product, generates BI reports that include the ERP data.

Benefits

- Enterprise-grade ERP extended to small businesses
- Rapidly deployable BI
- Better business awareness
- Additional revenue



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Business Needs

NAFDA is a foodservice group that purchases frozen, chilled and dried groceries on behalf of independent food distribution companies. The group operates from 60 distribution centres across Australia who employ approximately 950 staff. The company is owned by distributors, who leverage their combined purchasing power to negotiate contracts with suppliers.

As NAFDA expanded, they found their existing accounting-based management package could not adapt to new technical and business demands.

“We wanted the ability to track all shipments electronically using an international bar-coding system, but our existing systems didn’t support it,” says Barry Hough, Chief Financial Officer, NAFDA.

“We also wanted tight integration between our accounting systems and our warehousing and logistics,” he adds. “And if we bought an enterprise resource planning system, it would need to be optimised specifically for the foodservices industry.”

However, in looking for a solution, NAFDA staff wanted to make sure that distributors could share many of the benefits.

“We wanted to be able to share our business data and give distributors the ability to interrogate the system to suit their own requirements,” says Hough. “If we could help them get the quality of data available to the big companies that dominate food distribution, then we could give them a huge strategic advantage.

“But we knew the system had to be easy to use and affordable, because our small and medium-sized distributors can’t afford large capital investments or specialist technical expertise.”

Solution

During 2006, technical and financial staff at NAFDA reviewed industry enterprise resource planning (ERP) solutions including a Pronto Software solution, SAP Business One, and Microsoft Dynamics® NAV.

“We looked at the core accounting, warehousing and logistics functions in each system,” says Hough. “But our evaluation also focussed on how easily the system could be customised, and whether there was a clear development path for the product.

“The Dynamics ERP solution was selected because its open development environment made it easy to customise, and it accommodated the barcode standard we wanted. It also had great analytics potential: most systems create a lot of data, but it’s often difficult to get that data out.”

From April 2007, NAFDA began a A\$3 million deployment that replaced its accounting system with a customised ERP system, with the help of ERP specialists Eclipse.

“NAFDA staff executed a gradual rollout to the distributors with the system already configured for the food services industry,” says Carsten Pedersen, Dynamics NAV Practice Director, Eclipse.

When Microsoft Dynamics® NAV 2009 was released, Eclipse supported NAFDA in developing a hosted version of its ERP system. With a terminal server, customers could log on to the NAFDA ERP platform and access their business data remotely.

“Central hosting means that we look after maintenance and security on behalf of distributors who haven’t deployed Dynamics onsite,” says Hough. “Their staff just have to open an icon on their screens, and they have access to all their data. It looks and feels as if they are working on their own systems.”

“With fully integrated logistics and stock control, our distributors can put in place the management and financial disciplines they need to ensure their business is well run.”

Barry Hough, Chief Financial Officer, NAFDA.

However, this still left Hough and his colleagues looking for a way to use the data gathered by the ERP system to develop sophisticated analysis and reporting capabilities. NAFDA investigated a business intelligence (BI) tool by the Australia-based BI software company, Zap, who had developed a packaged BI solution for Microsoft Dynamics based on Microsoft® SQL Server® technology.

Whereas typical BI projects require consultants to build data hierarchies for each business, the product from Zap includes a wizard that interrogates the Microsoft Dynamics database and helps non-technical users auto-generate the core data analysis cubes. Business users can create their own reports quickly and without technical assistance through a Web portal.

In addition, because the tool uses Microsoft® SQL Server® 2008 Integration Services, it is able to integrate data from non-Microsoft Dynamics NAV sources. As a result, individual distributors can create reports from a variety of data sources.

“The Zap product would be very easy to set up for individual distributors,” says Hough. “We could create a standard template of the application for everyone, with all the data fields correctly linked and compiled.”

“In addition, a non-IT person could easily be taught how to create new reports thanks to the drag-and-drop interface.”

Starting in December 2010, NAFDA and its members began rolling out the Zap business intelligence tool. By mid-2011, 250 business users at distributor sites were remotely accessing the ERP platform, and NAFDA was providing BI reports for 10 distributors.

The integrated ERP and BI tool has dramatically improved the ability of NAFDA distributors to compete with far larger foodservice organisations. Small distributors can interrogate their business data to identify commercial opportunities. And armed with this detailed distributor data, NAFDA can also negotiate better deals with suppliers.

Enterprise-grade ERP extended to small businesses

The onsite and hosted versions of the Microsoft Dynamics NAV ERP platform give all the group’s customers enterprise-grade finance and logistics management.

“With fully integrated logistics and stock control, our distributors can put in place the management and financial disciplines they need to ensure their business is well run,” says Hough. “For example, they can put credit controls in place, so customers do not exceed a pre-defined limit.”

For most distributors, the ability to access a hosted version of Microsoft Dynamics means they have access to top-quality business information without having to make large investments or hire additional technical staff.

“We have given our distributors the technical platform they need to compete against much larger businesses,” says Hough. “Dynamics and BI together give them an enormous strategic advantage.”

Rapidly deployable BI

By deploying the SQL Server-based Zap solution, NAFDA can extend powerful analytical and reporting capabilities to companies that could not normally afford it.

Benefits

"We focus on pushing out the critical reports that drive business success, such as dashboards indicating stock turns, debtor performance and bank balances."

Barry Hough, Chief Financial Officer, NAFDA.

"Lots of our distributors are rural-based businesses that generally don't have ready access to the sort of expertise or support needed to set up business intelligence," says Hough. "To them, the ability to quickly extract data and interrogate it means they don't have to hire additional staff."

Most importantly, BI deployment is also exceptionally fast.

"For each distributor, we can create the standard BI cube in an hour and standard reports in a day," adds Hough. "It means we have cut the usual business intelligence deployment times from weeks to days."

Better business awareness

NAFDA is now creating detailed business intelligence reports for its distributors.

"Business owners are time poor, but with the business intelligence platform, we can push business critical data out to them," says Hough. "We are currently working with distributors to provide them with a matrix of data, include KPIs, benchmarking and exception reporting."

"This is a great capability because the volume of business intelligence information can be overwhelming. We focus on pushing out the critical reports that drive business success, such as dashboards indicating stock turns, debtor performance and bank balances."

Additional revenue

For NAFDA itself, the ERP and BI platform will start to generate a return on investment, because it is tapping new sources of revenue.

"The ability to mine data and start using it is a very important business benefit," says Hough. "Knowing how and where certain products perform well means we can sit down with suppliers, identify opportunities and exploit them."

As a result, new business has already started to recoup the group's original investment.

"Our current priority is to provide more business intelligence capabilities online," says Hough.

"We are working with Microsoft on the next release of Dynamics to help ensure we can do this."

Technical Information

Software and Services

Microsoft Dynamics® NAV 2009
Zap Business Intelligence using
Microsoft® SQL Server® 2008 R2
Microsoft® SQL Server® 2008
Analysis Services
Microsoft® SQL Server® 2008
Reporting Services

Hardware

HP c7000 Blade System
HP EVA4400 SAN Array

IT Issues

Extending corporate ERP and BI capabilities to small and medium-sized businesses.

Microsoft product that was featured

Microsoft Dynamics® NAV is an enterprise resource planning (ERP) software solution for mid-sized organizations that is fast to implement, easy to configure and simple to use.

With Microsoft Dynamics NAV you can implement proven industry-specific functionality relevant to your needs—even for the most highly specialised industries and organisations. It is a cost-effective complete ERP software solution tailored precisely to your unique requirements—one that helps you better manage and improve your cash flow, increase efficiency, and impact the bottom line.

Partner Information



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For More Information

For more information about Microsoft products and services call the sales and information line on 1800 197 960 Monday to Friday 8am to 5pm AEST. To find a partner or solution, visit <http://pinpoint.microsoft.com/en-AU>.

For more information about Microsoft Dynamics, go to: www.microsoft.com/australia/dynamics.

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