

FERROLI

The implementation of Microsoft Dynamics NAV sustained the growth of 25% of the Ferroli business

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About the company

Ferroli Italy entered the Romanian market in 1998 in association with a local company. In 2004 Ferroli Italy became single shareholder of Ferroli Romania. Nowadays, Ferroli Romania is one of the main local players on the heating and air conditioning equipment market. The company extended its activity countrywide through a network of business partners and by the creation of new warehouses and service centers throughout the country, having national coverage in 2008. The company's main business is the sale of air conditioning and heating equipment for industrial and domestic use through a network of business partners.

Our client's situation

Being present on the Romanian market since 1998, and starting with 2004 as subsidiary of the Italian group Ferroli, the company Ferroli Romania had a rapid evolution and growth of business volume. The increasing number of customers and the countrywide expansion, together with the increasing level of competition on the market, made the company management to feel the need of a an information system for the management of the company's resources, that would address the company's specific business requirements. An integrated solution to replace the financial and accounting application the company was using previously seemed no longer adequate, due to the company's evolution and the more complex requests of the company's management. The main disadvantage of the previous solution was the lack of real control over remote activities, which resulted in issues with stock management and in late deliveries, causing a decrease in customer satisfaction. At the same time, the inefficient support provided by the supplier of the solution and the too long waiting times for answering the beneficiary's requests were creating expensive blockages for the Ferroli business.

„The previous applications had reached their limits, a problem that caused the management to lose control by providing only insufficient reports, only in hardcopy, without any access to the old accounting application. The managers were lacking the

reporting and communication capabilities, they could not gain access to real time information about what was actually happening –sales evolution, the growth of certain customers, the demand for certain products, stock variations, etc. The different aspects of our activity need to be tracked from more than just one perspective, the financial one – the purchasing and marketing department have their specific needs “, explained Ioana Cristina Osnaga, Financial-Administrative Director at Ferroli Romania.

The solution

The decision to change the information system for financial management and accounting with a superior solution was made in July 2006, in a time where the company's business was growing rapidly and it was pointing out the acute limitations of the old application. The solution was quickly identified and, by the end of the month, the decision in favour of the ERP Microsoft Dynamics NAV was already made, based on the references from the Ferroli subsidiary in Holland that had implemented such an application. The Microsoft solution was optimally covering the need for consolidated data and superior Business Analytics tools of the Ferroli management, allowing for the continuous optimization of strategic business processes. The scalability and flexibility of the solution enabling fast and efficient particularization and developments through add-on modules were also very important reasons for this decision.

A major reason for the Ferroli management to make this decision was the development of the specific Business Analytics development the company had requested. „ *Business Analytics component was the winning criterion of Microsoft Dynamics NAV. The company management needed deep insight into the business and the remote operations, to obtain very fast reports“*, stated Ioana Cristina Osnaga, Financial-Administrative Director at Ferroli.

All these requests have benefited from the advantages of the Microsoft solutions – an user-friendly interface that enables easy access to information and a high rate of user acceptance already in the first days of use. Because Microsoft Dynamics NAV naturally works together with other Microsoft applications, the acceptance rate amongst new users was very good. At the same time, the training of key users from the customer-company went fine and later training sessions for new users of the increasing Ferroli team were carried out by the company's own resources after purchasing more licenses.

„One of the secrets of this successful implementation, and we can speak of a real success considering the implementation time of less than two months – in September the ERP had completely replaced the old solution, but also the period during which the implementation was completed – the end of the year is a peak period for Ferroli, was the harmonization of the efforts of the implementation teams, respectively in the active support provided by Ferroli, whose representatives were greatly involved in the implementation process together with the Novensys consultants and specialists.“, stated Alina Ardeleanu, Area Sales Manager Novensys.

Novensys was first option for the management of Ferroli Romania, both from the superior competences and complete software offer point of view and because of the portfolio of own solutions and of the specialized hardware offer. In addition to all these advantages came the superior level of know-how that enables the Novensys specialists to make the specific developments requested by the customer. *„We wanted a guarantee that the system would be connected and would function efficiently right from the start. The fact, that the Novensys offer actually consisted of a mix between the actual application and the required equipment (Symbol mobile computers and Zebra printers), represented a major reason for choosing Novensys. At the same time, the fact, that the Novensys team seemed to understand our business-specific requirements right from the first meetings, the response speed and the promptitude shown in the way they were answering our requests, counted for a lot“*, explained Ioana Cristina Osnaga.

Amongst the Novensys references on which this decision was based, were:

- Over 30 implementations of ERP solutions carried out by Novensys for top companies in Romania;
- Novensys' position as favourite partner of industry leaders (Microsoft, Motorola, Zebra, LS Retail), enabling access to the best technologies and offering the best pricing, delivery, implementation and maintenance terms;
- The complete range of information management solutions offered by Novensys for Management: from hardware systems, consumables and hardware infrastructure to software solutions for Enterprise Resource Planning, Supply Chain Management and Customer Relationship Management;
- Novensys support lines (by phone and online) at the customers' disposal 24 hours a day, with guaranteed response times and the possibility to extend the support period.

Benefits

The benefits of the implementation were soon to be seen. Both at company management level, enabling superior control over operations, and countrywide, making it possible for agents to track customers and orders more carefully, but also at customer level, shown in an increase in customer satisfaction.

In fact, by implementing Microsoft Dynamics NAV the company gained:

- consolidated data, received in real time
- advanced analysis capabilities of profit centers
- close tracking of payment terms
- traceability of operations
- identification of risk factors that can cause blockages
- superior order and stock evidence and control
- superior control over the financial situation
- the ability to trace profitability at customer level.

The specific development of the Business Intelligence module enabled the management to quickly access the data provided by Dynamics NAV and to obtain

personalized reports and also to create a specific system of alerts and notifications. A clear image of the company's operations was achieved by integrating the data from all departments which offers good-quality support for the decision making process. The information is available to every user, the response speed to customer requests and to market changes has greatly increased, and the accuracy of decisions at both operational and strategic level has significantly improved.

The benefits obtained already in the first phase, after an initial implementation that consisted of the sales, finances and accounting and purchasing modules, determined the company to start a new phase is less than two months, at the end of November, when the implementation process of a Warehouse Management application started, as well as the specific Business Intelligence developments – customized reports (such as: truck workload, weight per order, transportation routes, credit limits etc.). Later, at the end of 2007, a third phase started which will be completed in the first quarter of 2008 and consists of the implementation of the service module (also containing a particularization, because this activity is carried out through distributors and / or service centers) and of the offering module (through which detailed offers can be posted, allowing for a better control of the discount policy, but also for the automated transformation of offers into sales orders).

„The implementation of the Microsoft Dynamics NAV solution sustained and fastened the growth of our company. The Ferroli business in 2007 compared to 2006 grew with 25% on a niche market where profit margins are constantly decreasing. It is a market with numerous actors and a broad offer, in which, although it hasn't reached saturation yet, an increase of 25% can only result from the market share of the competition because the market itself has not grown by a that big percentage“, explains Ioana Cristina Osnaga.

According to the Financial Manager of Ferroli, the implementation has sustained the growth recorded by Ferroli through superior control of the management over the business. The significant risk reduction (unfulfilled orders, unpaid invoices, latencies in payments etc.) resulted not only in financial and operational benefits, but also in the level of customer satisfaction. The countrywide control of the network that keeps expanding has greatly improved, which allows for a much closer adaptation of the supply to the demand on the market.

And the growth generated from the implementation by Novensys continues, the company's staff having great expectations of the service and support module.