



FLANCO

With Microsoft Dynamics NAV the retailer Flanco administers centralized 97 stores

Our client's situation

Its stores network, its transaction volume and its affiliation to the group Flamingo International make Flanco one of the leaders of the distribution sector for electronics and white goods in Romania. The company's turnover exceeded 150 million euro in 2006 and its distribution network consists of 97 specialized stores. Nowadays, the company Flanco is well known on the market for its outstanding productivity indicators at sales floor level and personnel.

The Flanco challenge

The constant development of the company based on a boom in the trade of white goods revealed the lack of an integrated information management system. The company was using several applications for different purposes, all in-house developments, requiring repeated synchronizations and frequent imports / exports of data. For this reason, there existed no centralized control over information, no on-time reports and no chance of an integrated approach to the business: strategy – processes – resources – technology. Furthermore, a part of the team that had developed the applications was no longer employed in the company.

"The main problem was that we were using many systems instead of an integrated solution and Flanco had already grown more than an in-house developed solution could ever sustain", considered Cristian Pielescu, IT Manager Flanco at the time of the implementation, nowadays Operations & IT Director at Flamingo International. This is how the decision was made to implement a unitary solution that would integrate all major economic processes and solve all problems specific to a retail business.

The solution

In order to achieve these objectives, Flanco started a selection process, evaluating a broad range of solutions, from the ones acknowledged on the international market to those developed by Romanian companies.

The company chose the solution Microsoft Dynamics NAV because it was so convenient for the size of the business, but most of all because of the requirements for flexibility and scalability that every company in the retail business has, and as implementation partner the company picked Novensys for having a relevant experience on the retail market.

Furthermore, the software platform installed by Novensys was customized with a

solution from one of its partners: the Icelandic company LS Retail – specialized in retail applications. The complete solution, designed by Novensys, consists of the ERP Dynamics NAV integrated with LS Retail, an application which extends the features of Microsoft Dynamics NAV with features specific to store management and with an application developed by Novensys for the automation of warehouse operations. *"For Flanco, the references also counted for a lot. Because there was no Navision - LS Retail implementation in Romania at that time, we went together with Novensys to Austria, to Promarkt, a chain of white goods stores. The Promarkt network was counting ten stores with a big sales floor and, even if some of the processes were different from the ones used by Flanco, to me this visit was a key factor in making the decision that the solution Dynamics NAV - LS Retail was the one we were looking for",* stated Cristian Pielescu.

The course of action of the project

The implementation of the project in the first 90 stores was completed sooner than three months from signing the contract for the migration of the main features, also under the pressure of the denomination of the national currency starting with July 2005. The next step consisted of the introduction of new features in every single module, based on better modeling of the business flows.

The system proposed by Novensys creates a link between the head office of the company Flanco and its stores and enables the unitary management of the entire activity. The central component of the solution consists of Microsoft Dynamics NAV, an integrated information management application, completely integrated with the other applications for retail-specific needs in the stores and warehouses throughout the country.

The Dynamics NAV modules automate the company's main operations: sales to customers, replenishment, goods transfers, management reports, accounting etc., improving operational efficiency on one hand, and the scalability required in the next years by a growing business, on the other hand.

Even though Dynamics NAV was greatly adjusted to suit Flanco's business processes, there were also a few modifications in workflows carried out. *"With the implementation of Dynamics NAV we changed a few processes because their efficiency needed to be improved and our old applications did not allow this. For example, we changed the purchasing process, to be more precise: its administrative part, so that actions like entering a new supplier, a new product, a new order or the confirmation of an invoice at the receipt of goods are now being carried out in the purchasing department and not in the logistics department as it used to be, separated from the interface with the suppliers. The benefit of this change is that the company gains a clear perspective on every single supplier, which actually means an increase in efficiency of the suppliers channel",* states Cristian Pielescu.

LS Retail is used for the administration of stores, due to its complete features for sales management and automation, based on Microsoft and Microsoft Business Solutions



technologies. LS Retail is an application developed by the Icelandic company LS Retail on a Microsoft platform, representing an extension of the Microsoft Dynamics NAV modules with retail-specific features that cover all business areas required by the daily activities of a store.

The LS Retail application operates in multi-store mode, having centralized reporting, control and administration capabilities for every store and for every point of sale. The application has its own countrywide replication module for data.

For the automation of warehousing operations the company implemented a solution developed by Novensys, an application which should be regarded as an extension or a management system, designed for the automation of all operations specific to a warehouse: receipt and shipping of goods, internal transfers and inventory.

Benefits

The integrated system implemented by Novensys ensures efficient control of resources and their allocation facilitates real time contact to the company's activities and enables the access to information concerning activities at the head office, in stores or at every single point of sale, at any moment in time.

The integration of the applications with Microsoft Dynamics NAV ensures real time data synchronization, providing the central database of Microsoft Dynamics NAV with all transactions carried out at the head office, in stores or warehouses at every moment in time, so the stores and warehouses, in return, can benefit from updated information from the head office, like updated price lists, for example.

In order to answer the request of offline operation in stores and warehouses in case of a failure in the communication channels, the specific solutions can function locally and after the restoration of the communication lines, the information will be synchronized with the central Microsoft Dynamics NAV database.

The implementation was carried out in many phases, the application modeling more and more of the Flanco processes, including quasi real time control and administration of home deliveries, of serviced products or of deliveries based on preorders, ensuring the support for a continuous improvement of service quality offered on the Romanian market and the openness to satisfy the more dynamic requests of customers.

Other benefits include:

- accuracy of the information stored in the system;
- better access to more structured information;
- a more rigorous systematization of processes;
- a decrease in human errors;
- elimination of downtime;
- traceability and management of activities;
- real time analysis and reporting of critical data;
- improved performance in data processing and decision making.