

SECOND SYSTEMS

Solution Overview

Industry

Services – Office Furniture Dealer

Scenario

The software used in the past required that each of the sometimes thousands of components required to fulfill an order be entered individually and wasn't capable of fully describing inventory items.

Company Profile

Second Systems is an office furniture dealer, providing professional consultation services including design, project management, delivery and installation services making it possible to meet nearly all of its customers' needs from scratch.

Benefits

An investment in Dynamics has helped save 3,000 hours in order entry time and reduce inventory carrying costs by \$100,000 per year.

Software Used

Microsoft Great Plains Dynamics
Financial Series
Integration Manager
Inventory Control
Microsoft SQL Server 7.0
Microsoft Windows 2000

Demographic Information

Annual Revenue: \$5 million
Number of Employees: 16
Number of Users: 8
Migrated from: Platinum
Number of Sites: 1

Microsoft Business Solutions has helped Second Systems save 3,000 hours in order entry time and reduce order entry staff from 5 to 3 people. More accurately tracking inventory enables them to produce quotes in minutes and improve customer service.

Second Systems was founded 18 years ago with the recognition that there was a vast quantity of quality name-brand office and systems furniture available from large corporations that could be recycled and re-used economically. As the company grew, its customers asked them to begin offering new furniture as well so that the company could become their single source for office systems. Second Systems chose Dynamics from Microsoft Business Solutions to increase efficiency and to position them for future growth.

Limitations of Previous System

There were several limitations of the older financial system that increased the amount of time required to perform the order entry process. First of all, the older system had a closed architecture so even though the CAD system generated a file that contained every component required to complete the order, the information had to be manually re-entered into the accounting system. This took a large amount of time and sometimes resulted in errors.

Another limitation was that the older system limited the length of the code used to identify inventory items. This was a problem because of the complexity involved in tracking the tens of thousand of different components that Second Systems stocks and uses to build customers' office systems. The result of this limitation was that it was never possible to precisely identify the various items that the company had in inventory. The people setting up the quote would have to go back to the warehouse to check that the items that they were specifying were actually available. All in all, it took an average of 9 hours to set up each quote.

The Move to Dynamics

Sanders looked for a Windows-based product capable of accurately tracking their extensive inventory, which by this time had grown to some 6,000 SKUs and over 30,000 inventory records. "One major reason that I selected Dynamics was that it provides a 32-character item code which gives us the ability to fully describe all of our products. Second, Dynamics offers Integration Manager, a powerful tool that allows us to safely and easily integrate data at a low cost." Sanders selected Softbite Solutions, Downers Grove, Illinois, as the Microsoft Great Plains Partner to provide installation and training support, because of their experience both with software implementation and in helping companies address financial accounting issues.

"We have reduced the time needed to set up a typical quote from 9 hours to 15 minutes. At the same time, our ability to fully track our inventory has made it possible to reduce the amount we carry by 25% and improve our customer response and our delivery times."

Diane Sanders
President
Seconed Systems

Major Improvements in Order Entry

Implementation of Dynamics has helped to dramatically improve the order entry process. Now, once the designer has finished the office layout, they export the bill of materials in SIF format and present it to the order entry person. The order entry clerk then runs Integration Manager to bring the quote into Dynamics. The order clerk then checks the quote and runs the edit report mentioned above to identify any items that are out of stock and makes adjustments as necessary, usually by substituting a similar item. Dynamics accurately tracks every item Second Systems carries, eliminating the need to go back in the warehouse and check for availability.

With the quote validated, the clerk then prints out a quotation and faxes it to the customer. The new process takes only an average of 15 minutes to complete and has made it possible to reduce the number of clerks from 5 to 3. Another advantage is that the reduced time required to process a quotation helps the company improve customer service by delivering orders an average of one day faster. "Many of our customers call us in a critical moment, such as when they have just taken over a new facility and need furniture immediately," Sanders said. "Our ability to get back to them quickly with a detailed and accurate quotation is one of the reasons that they keep coming back to us besides the excellent quality and service we provide."

Once the customer gives the go-ahead, the clerk can convert the quote into an order simply by checking off a box. They can also automatically create purchase orders for any items in the new order that are not already in stock. Sanders said Dynamics made it possible to substantially reduce the amount of inventory that Second Systems carries without affecting customer service. Sanders said, "The ability to accurately track inventory has made it possible to reduce our average inventory by 25%. Our move to Dynamics has had a major impact on our bottom line," Sanders concluded.

For more information about
Microsoft Business Solutions, visit
www.greatplains.com

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