

# CASE STUDY **Origo Distribution**

## **MICROSOFT DYNAMICS™ NAV**



### BACKGROUND

Established in 1960, Dublin-based Origo Distribution (formerly Beaver Distribution) is the Bosch/Stihl distributor in the Republic of Ireland, selling power tools, automotive products, domestic appliances, car radios and mobile phones from prestige brands such as Skil, Qualcast, Dremel and Viking, to various outlets. Origo Distribution is privately owned by major Irish company, John Sisk & Sons Ltd and employs over 90 people.



*Origo's purpose-built state-of-the-art distribution facility in Magna Business Park, City West, Dublin*

### WHY MICROSOFT DYNAMICS™ NAV

In the highly competitive distribution sector where margins are squeezed, cost control is vital. "We wanted to control our selling costs and needed a system that could also cope with telesales," says Philip Galligan, Financial Controller at Origo Distribution. "Because it would have been too expensive for the supplier to adapt our existing open VMS-based system, we decided to look for another solution.

"After researching the marketplace for a year, we found nothing that would give us any advantage or offer dramatic change from the run-of-the-mill structured package approach. I then received a mailshot from Sysco, a Microsoft Gold Certified partner in Dublin, giving details of Windows-based Microsoft Dynamics™ NAV.

**"The key selling point of Microsoft Dynamics™ NAV is that it is not a system, but a solution that can easily be adapted to your requirements because it has its own object-based development environment. After a demonstration by Sysco, we certainly grasped the ideas and the central thinking behind Microsoft Dynamics™ NAV and thought this was definitely the solution we wanted to move forward with. The package matched our thinking and offered flexibility rather than a pre-structured solution."**  
Philip Galligan, Financial Controller

Galligan liked Microsoft Dynamics™ NAV's Microsoft compatibility, modern look and feel, flexibility and the ease of data transfer to Excel.

Origo signed a contract in mid-1998 for Microsoft Dynamics™ NAV integrated applications covering Ledgers, Inventory, Jobs and Contact Management. Sysco was also contracted to develop a single screen order entry application to integrate with the system. This would enable a telesales person to process an order interactively whilst talking to a customer.

### IMPLEMENTATION

During 1998 Origo took the time to train all relevant staff in Microsoft products, which many were unfamiliar with, to prepare them for Microsoft Dynamics™ NAV. They set up a mini network, using a third party training company to run the courses. This resulted in 30 staff receiving their European computer driving licence. This was followed by Sysco training on Microsoft Dynamics™ NAV, utilising the mini network, which had been pre-configured with Origo's own data. In addition, Sysco and Origo jointly refined the system to Origo's specific requirements.

"Implementation was hard work and time-consuming, but we are now reaping the benefits," says Galligan who was also the project manager. Originally scheduled to go live in September, this was put back because of staff illness, and the system went live on 1 February 1999.

"We switched off the old system on the last Friday of January and went live on Monday, February 1st." All the accounting applications together with Inventory and Jobs are running on an NT server for 32 users. Contact Management will be implemented later. Sysco consultants were on site for the first five days to deal with a few teething problems, which were soon resolved.

"There was no interruption to the business when we changed over to Microsoft Dynamics™ NAV and everything continued as normal. Users throughout the company are now up to speed with the system, but it was a very different learning curve for them because previously they did not have access to as much information. Microsoft Dynamics™ NAV has provided them with far more independence, giving them responsibility for their own business area."

Galligan also points out there has been a huge saving in time and effort in producing reports. "The department managers depend very much on day-to-day retrieval of data relating to sales and margins. Previously they had to run a report that might run to 300 or 400 pages, extract the relevant information which might be three or four pages and re-key it into Excel. With Microsoft Dynamics™ NAV, they can now extract just the information they require and put it straight into Excel. Also, the system has given us much more control over elements of the business we didn't previously have control over, such as deliveries and their confirmation."

The single screen order entry application is a great improvement on the old procedures, as Galligan explains: "Previously, whilst taking an order from a customer, the member of staff would be writing it out on a daily sheet. Having completed the conversation with the customer they would then process the order and then may be discover that the goods are not in stock or the customer's account is on hold. They would then have to call back the customer. The new system enables them to work interactively with the customer which is far more efficient."



*The Origo Distribution warehouse*



*The reception area of Origo Distribution*

*"The users' general comment is that everything is much quicker and they now have total confidence in the system. From a personal point of view, I think it's fantastic."*

*Philip Galligan, Financial Controller.*

## BUSINESS BENEFITS

- Huge savings in time and effort in producing reports
- Origo has more control over areas of the business such as deliveries and their confirmation
- Single screen order entry application enables employees to work interactively with the customer
- An ISDN phone system will enable reps to place orders directly into the system, and enable them to give the customer up-to-date information on stock availability
- Development costs are significantly lower

## THE FUTURE

Origo is still seeing the business benefits of using Microsoft Dynamics™ NAV, but over the next two years plans are in hand to get the most out of the system. The company is currently installing an ISDN phone system and when that is operating, it intends supplying all its reps with laptop computers. This will enable them to have direct access to Microsoft Dynamics™ NAV so they can place their orders directly into the system. It will cut out one stage in the order process and enable the rep to give the customer up-to-date information on stock availability. At this stage, Origo will start using the Contact Management application.

The company also intends to set up links with its Bosch suppliers. "Currently, purchase orders are input into Microsoft Dynamics™ NAV and then again into a separate PC system linked to Germany," says Galligan. "Sysco will be developing an interface between the two so an order only has to be input once. We also want to receive invoices back electronically into Microsoft Dynamics™ NAV. In addition, bar coding in the stores is planned (radio frequency technology), so that our goods will be received far more promptly. And finally, we want to step into the electronic commerce world, providing our top 100 customers with a link directly into the system to enable them to place orders and give them access to their accounts and stock. Within the next 18 months to two years we intend to achieve all this."

*"Because Microsoft Dynamics™ NAV is such a modern solution, it can be expanded to take us into the future. We know that when we need any additional modifications, we won't have to pay a fortune, as Sysco can do the work at a reasonable cost. So another important factor with Microsoft Dynamics™ NAV is that development costs are significantly lower than with any other system we've used. Sysco has given us excellent service and will be providing us with on-going support to help us achieve our targets."*  
*Philip Galligan, Financial Controller*

For more information about Microsoft Dynamics™ NAV and Sysco Software Solutions, visit [www.sysco.ie](http://www.sysco.ie)