Crocodile

International Clothing Brand Sharpens Competitive Edge with Proactive Merchandizing Capabilities

Solution Overview
Country: Singapore
Industry: Retail

Customer Profile
Founded in 1947, Crocodile is a leading men's wear retailer in the Asia region.

Business Situation
Crocodile needed better inventory management to remain competitive. It also wanted to fully integrate its point-of-sale (POS), inventory and financial systems to improve efficiency and visibility.

Solution
Crocodile switched from a highly customized package to Microsoft Dynamics™ NAV to ensure seamless integration between POS, inventory and financial, improve stock tracking and enable timely reporting.

Benefits
- Seamless financial integration
- Proactive merchandizing
- Simplified inventory management
- 10-fold increase in system performance
- Timely management reporting

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>
> -- Ms Jaslyn Koh, Assistant General Manager, Singapore Crocodile (1968) Pte Ltd

Crocodile is an international clothing brand that is synonymous with style, quality, comfort and value for money. Established in 1947, Crocodile is a Singapore-based success, with its apparels available extensively across major cities in Asia.

Following a successful re-branding exercise, Crocodile wanted to sharpen its competitive edge by investing in a scalable, flexible enterprise resource planning (ERP) system that will fully integrate its point-of-sale (POS), inventory and financial systems, improve business efficiencies and enhance management visibility. Inventory management and financial reporting also need to be streamlined.

With Microsoft Dynamics, Crocodile has gained in-depth insights into customer buying patterns and become more proactive in its merchandizing strategies. Besides simplifying inventory management, Crocodile also benefits from enhanced management visibility with timely financial reporting.

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Ms Jenny Ng
Accountant
Singapore Crocodile (1968) Pte Ltd

Situation

A pioneer label for affordable quality wear, Singapore-based Crocodile is synonymous with quality men's wear since 1947. Known for its reasonably priced apparel, the company has evolved into a lifestyle brand providing total wardrobe solution to the modern family. Its diversified portfolio, which includes women's wear, accessories, footwear, children's wear and household products, has attained an extensive footprint across Asia.

To sustain its growth in the fast-changing fashion industry, Crocodile embarked on a re-branding exercise in 2004 to rejuvenate the brand. With a vision to be the leading fashion lifestyle provider in Asia, the company invigorated its product and marketing strategy with a renewed focus on product design.

"Perpetuating our long-standing reputation for contemporary designs, our designers draw their inspiration from international fashion shows and events to conceive our collection. In fact, due to production lead times, we usually work one year ahead and are currently designing and planning our Spring and Summer 2009 launch," said Jaslyn Koh, Assistant General Manager, Singapore Crocodile (1968) Pte Ltd.

However, riding the tumultuous waves of change in the cut-throat industry requires more than creative deftness. According to Jaslyn, in-depth knowledge of the customers' buying patterns, the ability to track its inventory efficiently and timely management visibility into business operations, are key success factors for a fashion brand's survival.

A review of its previous system revealed much inefficiency caused by disparate point-of-sale, financial and inventory systems that were not fully integrated. Inventory transaction postings were time-consuming, with 20 to 30 minutes required for one transaction. In the event of system failure or power outage, precious data was often lost. Valuable IT resources were often bogged down to troubleshoot the unstable system. Delayed transaction postings, which did not account for stocks in transition, also resulted in outdated stock information. Month-end closings were tedious and frustrating, with much time and effort spent manually verifying inventory figures against sales orders.

Recognizing the need for an integrated front-end and back-end system, the Crocodile management evaluated several marketing offerings in their search for a flexible and scalable Enterprise Resource Planning (ERP) solution that is easily customizable to their unique business requirements.

Solution

"We require an integrated POS, financial and inventory solution that can cater to the needs of our varied sales channel comprising of wholesale, retail and consignment. It should deliver a minimum of 70 to 80 percent of the capabilities we
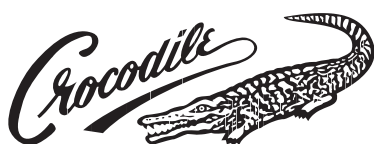
Microsoft

> "With Microsoft Dynamics, we have gained heightened insights into our customers buying patterns... Crocodile also experienced enhanced customer service, as our retail staff can now conveniently check on the stock availability at other outlets through our integrated POS system .."

Ms Jaslyn Koh
Assistant General Manager
Singapore Crocodile (1968) Pte Ltd

need, with only minimal customization required. The ability to track detailed stock attributes by color, size, fit etc. is also important," explained Jaslyn.

According to Jaslyn, Microsoft Dynamics is a natural choice for Crocodile due to several reasons. "Microsoft Dynamics fully supports Crocodile's wholesale, retail and consignment sales modes with minimum customization. This eases a lot of pain in the implementation process," she said. The reputable Microsoft brand, its standards-based technology and proven track record, also give the Crocodile management the assurance they are looking for.

"To effectively support our business growth, we do not want to be tied down to any proprietary technology. Microsoft Dynamics gives us a scalable platform that will grow with our business, while delivering seamless front- and back-end integration," said Jaslyn.

Enlisting the expertise of R Systems, formerly aka. IBIZCS, a 2007 Micro-soft Dynamics™ President's Club Member, Crocodile implemented the Financial, Inventory and Cash Management Modules of Microsoft Dynamics™ NAV, together with Landsteiner LS Retail (LS Retail), an end-to-end retail solution built on the Microsoft Dynamics platform. R Systems also value-added with its stock take solution. Other Microsoft product

implemented included Microsoft® SQL Server® 2005.

"Due to our year-end closing, the new system needed to be up and running in less than three months, instead of the usual four. We want to commend the R Systems consultants who impressed us with their dedica-tion. In order to meet our deadline, they often worked into the early hours of the morning, even during the year-end holidays. With their in-depth expertise, they were able to solve the issues that arose during the implementation," commended Jaslyn. The implementation took three months and went live in January 2007.

Benefits
Microsoft Dynamics allows Crocodile to seamlessly integrate its POS, inventory and financial, systems. It also enables proactive merchandizing, simplifies inventory management and enhances management reporting. Its reliability and performance also delivered a 10-fold increase in system performance, which in turn enhanced staff productivity.

Seamless Financial Integration
With an integrated financial system on Microsoft Dynamics, Crocodile staff no longer needs to access another system to post its transactions. This has reduced the amount of manual work and relieved the accounts staff who were previously working overtime up to six days a week. Streamlined

financial processes also cut accounts receivables cycles, enabling better cash flow planning.

"With Microsoft Dynamics, we have cut month-end closing by more than 50 percent from three to four weeks to within two weeks. By reducing the amount of manual work, our staff now spends more time on other financial aspects." said Jenny, the accountant.

Indeed, financial analysis is now made simpler. With the integration between Microsoft Dynamics inventory, financial and LS Retail POS system, sales information is "pushed" to the back-end in real-time, once receipts are printed at the Crocodile retail stores. Any queries on figures can be done easily using the system's filtering and drill-down functionalities, which eliminates the need to manually search through physical files and multiple systems.

Proactive Merchandizing
According to Jaslyn, one of the key benefits Crocodile has gained from Microsoft Dynamics, is the ability to manage inventory and track detailed stock attributes. This is made possible by the customized matrix system developed by the R Systems team, which allows detailed inventory tracking by season, color, size, item category and product range.

By implementing both LS Retail and Microsoft Dynamics, Crocodile enjoys seamless POS integration with its back-end sales, marketing and inventory system. This in turn makes it possible to track individual transactions from the POS to the

General Ledger, enabling real-time visibility into the sales figures from any of its eight boutiques and 15 consignment stores.

Jaslyn said, "Microsoft Dynamics has provided valuable real-time visibility which enables our sales managers to gain daily visibility into the performance of each product category at each retail outlet." Instead of waiting for monthly reports like before, Crocodile sales managers have been empowered to make quicker and more informed decisions regarding sales targets for each outlet and salesperson.

The ability to track and capture sales information goes a long way in helping Crocodile plan its merchandizing strategies for its future collections. By knowing the stock movements across each retail outlet, Crocodile is able to proactively stock its retail stores with specific product ranges that cater to the profiles of the customers served by each store. With fast access to advanced multi-dimensional analysis and drill-down functionalities, merchandizing and replenishment is also a breeze for retail managers.

"Microsoft Dynamics has enabled our managers to make quick decisions. This ranges from procurement, inventory to even marketing decisions on which promotions to run, in order to clear a certain stock type. It has made us more proactive," said Jaslyn.

She added, "With Microsoft Dynamics, we have gained heightened insights into our

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customers' buying patterns. The more precise the information we capture, the better we know our customers. We have also enhanced our customer service, as our retail staff can now conveniently check on the stock availability at other outlets through our integrated POS system. Stock reservation services can now be offered as a value-added service. These enhanced capabilities have helped to improve sales and customer satisfaction."

Better insights into customer behaviour have also helped Crocodile to introduce new product ranges that cater to the working executives. For example, the latest Crocodile collection features new "slim fit" silhouettes, where fitted shirts are matched with neat slim trousers that are cut straighter with a low waist.

Simplified Inventory Management

Inventory planning and management is also a breeze, thanks to the easy filtering capabilities of Microsoft Dynamics. "The system is now able to "freeze" inventory figures for a certain month of the year, a feature not supported on the previous system, which used to change the inventory figures whenever new data were entered. Our staff now gains easy access to accurate inventory figures for any point in time," said Jenny.

Microsoft Dynamics is also flexible in allowing for delayed posting and

the setting of automated posting at a later date.

The enhanced security controls within Microsoft Dynamics also provides better control, as different access rights can be set for different employee functions. "This helps to reduce erroneous data manipulation, enhance traceability and increase the sense of accountability amongst the staff," said Jaslyn.

10-Fold Increase in System Performance

According to Mark Magesen, the System Officer, who is one of the members of the new system project team, Microsoft Dynamics has indeed delivered on its promise of being reliable and fast. Posting of each line item, which used to take 20 to 30 minutes, now takes only two to three minutes, delivering a 10-fold increase in system performance.

In addition, the seamless integration between Microsoft Dynamics and Microsoft Office, also allows for easy retrieval of reports in html. "With Microsoft Dynamics, we are able to see and print out exactly what we previewed on the screen," said Mark.

The user-friendly and familiar interface of Microsoft Dynamics makes it so simple to use the system. According to Mark, the users have "suffered for too long" under the previous system and are enthusiastic

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About Microsoft Dynamics™

Microsoft Dynamics™ is a line of financial, customer relationship and supply chain management solutions that help businesses work more effectively. Delivered through a network of channel partners providing specialised services, these integrated, adaptable business management solutions work like and with familiar Microsoft software to streamline processes across an entire business.

For More Information

For more information on Microsoft Dynamics, visit Microsoft www.microsoft.com/asia/dynamics or email: mbsasia@microsoft.com

For more information
about R Systems
call 65 6423 9258, email: apac@rsystems.com
or visit www.rsystems.com/apac

For more information
about the Singapore Crocodile (1968) Pte Ltd,
call 65 6741 3822 or visit
www.crocodilehouse.com

about learning a new system that will help to ease their work load through enhanced capabilities and streamlined processes.

Timely Management Reporting
Pulling together the information for ad-hoc management reporting used to be a big challenge, as the accounts staff had to approach the lean IT team for support in creating new fields and column headers. Depending on the bandwidth and work load of the IT team, this often took up to two days.

"With the easy-to-use filtering function within Microsoft Dynamics, our accounts staff can "help themselves" by filtering down to the data required. With the seamless integration between Microsoft Dynamics and Microsoft® Office, they can also easily copy and paste this information onto Microsoft® Office Excel for further manipulation," said Jenny.

The drill-down functionalities of Microsoft Dynamics also provides the Crocodile management with powerful and informative insights into financial data. "For example, if an executive wants to find out what makes up a certain sales figure in

a financial report he is reviewing, he just needs to click on that field to drill-down to the details. By helping themselves with the information, the Crocodile management is now empowered to make quicker decisions," explained Jenny.

Extending Business Success Across the Globe
"Over the years, our business has grown tremendously as we continue to focus our efforts on design, marketing and merchandizing. Having a scalable and flexible system like Microsoft Dynamics builds a strong foundation and enables us to be more focused on our business, rather than on teething operational issues. This is a key asset to us as we continue to extend our footprint across the globe," said Jaslyn.

Confident in the Microsoft Dynamics solution they have put in place, plans are underway to integrate mobile hand held systems with Microsoft Dynamics.

Document published 04/08

Software and Services
- Microsoft Dynamics
  – Microsoft Dynamics NAV

- Microsoft Windows Server System
  – Microsoft SQL Server 2005 Enterprise Edition

- Microsoft Office
  - Microsoft Office Small Business Edition

Hardware
- R Systems server

Partner
- R Systems