



Microsoft Business Solutions Customer Solution Case Study



Lifting Products Manufacturer Improves Efficiency and Customer Service with New Management System

Overview

Country or Region: Denmark

Industry: Manufacturing

Customer Profile

Certex is a world leader in the distribution of lifting products and services. It manufactures and supplies more than 50,000 products from 120 locations in 22 countries around the world.

Business Situation

The company wanted to improve customer service and enhance operational efficiency by reforming its internal processes, optimising internal logistics, and establishing electronic product traceability.

Solution

Certex implemented Microsoft® Business Solutions–Navision® Warehouse Management Systems, using Microsoft Production Management, Capacity Planning and Automated Data Capture Systems (ADCS) modules. This is supported by a Microsoft Windows NT® operating system with Microsoft Business Solutions–Navision.

Benefits

- On average, customers receive goods a week earlier
- Inventory requires only one day instead of three
- Improved product traceability, which ensures customer peace of mind
- More streamlined warehouse operation

“Certex has secured a competitive advantage by being one of the first companies to employ a Microsoft Business Solutions software solution together with Intermec’s hardware for a cost-effective and highly successful integrated solution.”

Stuart Scott, Director of Marketing and Business Development, Intermec

Certex, the world’s leading distributor of lifting products and services, implemented Microsoft® Business Solutions–Navision® Warehouse Management Systems to improve customer service and enhance operational efficiency by reforming its internal processes, optimising internal logistics, and establishing electronic traceability of its products. The company now has a transparent, accurate inventory of products, which is resulting in faster, better customer service: Customers are receiving products a week earlier, on average, and the new system tracks products for greater consumer peace of mind.



“Relying on individual knowledge is a risky strategy, and meant it was very difficult for new staff to know where to find products in the warehouse.”

Jesper Faurkov, Strategic Business Manager,
Certex

Situation

For wholesale and distribution businesses, keeping track of products is essential. To provide customers with the products they need, when they need them, companies need access to reliable, up-to-date information about stock movement. But for large organisations, achieving this is a considerable challenge, especially for those companies using traditional paper-based systems.

Certex, the world's leading distributor of lifting products and services, faced this challenge. Certex Denmark manufactures a wide range of lifting products and imports many others from around the world for sale to customers throughout the country. It was using a complex paper-based system to manage the flow of goods in and out of its warehouse. The company believed it could improve customer service and enhance operational efficiency by reforming its internal processes, optimising internal logistics, and establishing electronic traceability of its products.

It was not uncommon for products received at the Certex warehouse in Vojens to sit in the inbound zone for several days before being recorded and put away. This meant that if the sales department received a customer order or enquiry, they could not tell that the goods were available for sale and dispatch. Valuable time and resources were devoted to trying to establish whether a particular product was in stock, or when it would be available for delivery and orders were unnecessarily delayed because of poor inventory visibility.

Jesper Faurkov, Strategic Business Manager, Certex, says: “We were reliant on the deep knowledge certain key employees had of our warehouse—they knew where to look for thousands of different product lines. Relying on individual knowledge is a risky

strategy, and meant it was very difficult for new staff to know where to find products in the warehouse. The quality of information in the inventory was also inconsistent. For example, if our records showed that we had 1,000 metres of a certain type of cable in the warehouse, we couldn't tell if that was one reel of 1000 metres, or two of 500 metres, without going to have a look on the shelves. All the information we had was the total amount in stock, which wasn't that helping when dealing with time-sensitive customer queries.”

Solution

Certex decided to implement an information technology (IT) solution to improve its management of stock information. The company already had the Microsoft® Windows NT® operating system in place with Microsoft Business Solutions–Navision® for its enterprise resource planning (ERP) system. After creating a requirement specification in the summer of 2002 and researching the market, Certex discovered that it could combine Microsoft Business Solutions–Navision Warehouse Management Systems with Intermec bar code scanning and printing hardware to create a cost effective, paperless management system.

The Production Management, Capacity Planning, and Automated Data Capture Systems (ADCS) modules within the solution gives organisations like Certex greater visibility of products, all the way from production through to inventory.

The company chose the Intermec 2415 wireless handheld keypad computer and scanner and Intermec EasyCoder E4 label printer as hardware to support this solution. Both are designed to handle the unpredictable conditions that can exist within a warehouse environment, giving years of easy-to-use operation. The 2415 terminal

“Now as soon as goods arrive at the warehouse they are registered on the system before being unpacked and put away.”

Jesper Faurkov, Strategic Business Manager, Certex

uses Wi-Fi connectivity, so staff can scan items anywhere in the warehouse. Certex receives around 50 orders a day, delivered from the warehouse, translating into 150 sales transactions, and about 100-150 inventory transactions per day. This means the new system is processing around 300 transactions per day.

Benefits

A Transparent and Accurate Inventory

The new warehouse management system has improved the accuracy of the goods inventory as well as guaranteeing real-time information. The Certex sales team can now tell at any time exactly which products are available, and in what quantities.

Faurkov says: “Now as soon as goods arrive at the warehouse they are registered on the system before being unpacked and put away. This ensures that all stock is accurately recorded without delay and avoids reentry of data. Our sales staff can now find out whether a product is available instantly.”

More Streamlined Warehouse Operation

Employees now use the wireless handheld terminals to assemble customer orders more efficiently than in the past. Instead of having to rely on their knowledge of which product is stored where, they are directed from location to location as they move through the on-screen menu. Whereas before staff would only select one order at a time, it is now possible to pick four or five smaller orders simultaneously, saving time and effort.

Faurkov says: “Introducing automated identification and data capture by means of bar code printing and scanning makes life much easier for our warehouse staff and gives them the tools they need to do their jobs more efficiently.”

Improving Product Traceability

Before implementing the solution, product traceability was achieved by writing product numbers on order notes. Now all the required information is simply scanned, or sometimes keyed, into the system. Should a component failure ever be reported, it is a very quick and simple process to trace all customers who have bought the same product so that they can be informed quickly and easily.

“Safety is of paramount importance in the lifting industry, and product traceability is a legal requirement for some of our lines, so our customers need to know that we have a full and accurate system in place. This system gives us and our customer’s peace of mind,” says Faurkov.

Three-Fold Increase in Inventory Processes

Certex has slashed the time required to carry out inventory—this process typically took three days to complete and involved up to 60 people before deployment of the new solution. Today, the whole process can be completed in under a day and uses much less manpower.

Customers Receive Goods More Quickly

In reviewing the success of the whole project, Carl-Marten Thams, Financial Controller at Certex, points to the combination of improvements in internal efficiency and the service given to customers.

He says: “Internally, the most obvious saving has been in the time spent trying to establish whether a customer order could be met from warehouse stock. Overall, we have improved stock availability and been able to alter the product mix in the warehouse after having identified slower moving products. This means goods are now being delivered to customers more quickly and, crucially, at the time delivery was promised. Typically

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customers are receiving orders one week earlier.”

Benefits Throughout the Organisation

Certex is now firmly established in a virtuous circle of reduced inventory, enhanced stock availability, and improved customer service that can only help to boost sales and profitability.

Stuart Scott, Director of Marketing and Business Development, Intermec, says: “Using automated identification and data capture in warehouse management applications is commonplace in today’s large wholesale and distribution businesses. In fact, most regard it as essential.

“Certex has secured a competitive advantage by being one of the first companies to employ a Microsoft Business Solutions software solution together with Intermec’s hardware for a cost-effective and highly successful integrated solution. We expect more and more small to medium-sized enterprises to follow its successful lead.”

Extending the Use of ADCS Technology

Following the successful implementation of Microsoft Business Solutions and Intermec system for warehouse management, Certex is now looking at ways in which it can extend the use of automated data capture system technology within its business. One of the most likely avenues for further investment is the automation of its field service operation to use handheld computers to manage the supply of spare part.

Microsoft Business Solutions

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Software and Services

- Products
 - Microsoft Windows NT Server 4.0
- Solutions
 - Microsoft Business Solutions–Navision

Hardware

- Intermec 2415 RF Keypad Handheld computer
- Intermec EasyCoder E4 label printer

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