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**Solution Overview**

**Organization Profile**

Headquartered in New Delhi, Relaxo Footwear Ltd. is one of the most quality conscious and progressive footwear companies in India. It ventured into retail in 2005 and has 125 retail outlets with plans for 35 more in the coming year.

**Business Situation**

The IT infrastructure at Relaxo did not support Point of Sales (PoS) and store management. Manual data consolidation of sales and inventory data from all the stores at head office was a time-consuming process. High operational cost led management to consider an integrated ERP-POS solution as an alternative.

**Solution**

With the help of Trisoft Systems, Microsoft® Gold Certified Partner, Relaxo deployed, LS Retail built on Microsoft® Dynamics NAV 2009 to streamline operations and ensure success of its retail operations. It collates data on a daily basis without deploying additional manpower, time or effort.

**Benefits**

* Simplifies sales and stock processing
* Allows control over stores
* Monitors gross sales profitability
* Facilitates instant business overview

**Partner(s)**
Trisoft Systems

**Software and Services**
Microsoft Dynamics NAV 2009

**Vertical Industries**
Manufacturing

**Country/Region**
India



## Relaxo Footwear

### Major Footwear Chain Sees Significant Reduction in Operational Costs, High Return on Investment

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| **Relaxo Footwear, an avant-garde footwear manufacturer is a leading brand in the country. It was primarily in wholesale distribution and exports. Planning the next spurt of high growth, it entered into company owned company operated (COCO) retail stores. Relaxo identified the need for enterprise resource planning (ERP) solution with an integrated Point of Sales (PoS) solution, to streamline and remotely manage and control retail operations. It partnered with Microsoft® Gold Certified Partner, Trisoft Systems to deploy LS Retail NAV, which is an end-to-end retail solution. The solution covers transactions from PoS to back office functions to consolidate business operations at the head office. After a successful deployment, the company saves significant person hours each month. In addition, it has seen a reduction in operational costs and high return on investment. Management control over stores has improved with efficient monitoring of sales and profitability data. This high degree of control gives the management confidence to open many more retail outlets.**

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| * | With 125 operational outlets and 35 stores in pipeline, the profitability analysis allows us to monitor performance of each store, and plan new store locations. Store management thus requires minimal effort and IT infrastructure for expansion. | * |
|  | Nitin DuaExecutive Vice President - RetailRelaxo Footwear Ltd. |  |

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Situation Headquartered in New Delhi, India, Relaxo Footwear is engaged in manufacturing and exporting of footwear products such as designer footwear, leather shoes along with casual and formal footwear for men, women and children. Established as a small enterprise in 1976, the company is a public listed company since 1995. It has grown into a large-scale entrepreneurship catering to the needs of the quintessential Indian. With a customer base of around 100 million people in India, it also exports footwear to United States, Europe and Middle East. It is an ISO 9001:2008 certified company.Relaxo manufactures over 100 million pairs per year with the help of more than 5,000 skilled employees working in 10 state-of-the-art manufacturing units in Northern India. From a modest sale of around INR 1 million in the year 1977-78, the annual revenues in financial year 2010-11 was a whopping INR 686 crore (U.S.$152.7 million). The company has experienced a record-breaking growth since inception. To manage wholesale and exports, it had deployed QAD MFG/PRO in 1999. In 2005, Relaxo ventured into retail business with aggressive expansion plans. However, the existing IT infrastructure did not support management of multiple retail outlets and complete control over point-of-sale (POS) terminals. The pilot retail store was using manual processes. Within the first month, a FoxPro based offline application was deployed at the retail store. Within next few months, many more stores opened. The store operations were tracked manually and recorded and at regular intervals, the data was consolidated at the head office. This was complex and time intensive process and was not ideal for a growing retail chain. When the number of retail outlets reached above 10 stores, the management recognized the need for a solution to manage inventory and invoicing of the stores to exert total control and simplify operations. Consolidation of data from all the stores and centralized backups were key requirements. Tracing inventory for all the stores from a centralized location was necessary for smooth functioning of multiple stores at different locations. Lack of an integrated solution means additional resources are required for inventory management, invoicing and consolidating financial information, thus increasing operational expenses. “Consolidating information from all the stores at head office took two days involving 12 person-hours,” recalls Kewal Dhar, Deputy General Manager - Retail Operations, Relaxo Footwear. “A clear need for data consolidation and automated processes was identified. Besides, the management also wanted detailed reports such as product-wise, store-wise, profit-wise etc. which were not available for analysis.”Solution In 2006, the IT team at Relaxo started evaluation of ERP–POS solutions for data consolidation. The management evaluated multiple solutions including Retail Pro, Logic soft, Retail Excel and LS Retail NAV for over a three-month period. After thorough market research, it shortlisted LS Retail based on Microsoft Dynamics NAV to carry out all its operations such as financials, stocks, inventory and point of sales operations. Implementation of LS Retail NAV started in July 2007 but the company faced several implementation issues with its partner and thus decided to change partners and restart deployment. In 2008, under the expert guidance of Microsoft® Gold Certified Partner, Trisoft Systems, Relaxo restarted its effort to deploy the integrated solution. By then, it had grown to 60 – 65 outlets. Trisoft deployed LS Retail 7.0 built on Microsoft Dynamics NAV and Microsoft SQL Server 2005. The solution was deployed for 13 Dynamics NAV users and 125 LS Retail users. Modules deployed include Finance, Sales and Marketing, Purchase, Inventory, Warehouse, LS Point of Sales. LS Data Director was deployed to synchronize and replicate data quickly. This technology increases the speed by up to 20 times using lower bandwidth. “High speed synchronization at lower bandwidth’s was important as many of our stores are in Tier 2 and Tier 3 cities, which require a resilient network, for unhindered scheduled data synchronization,” comments Ajay Tyagi, DGM-IT, Relaxo Footwear Ltd.In 2010, the solution was upgraded to Microsoft Dynamics NAV 2009 to be on latest update and eliminate issues that still existed. For example, LS Retail Data Director would occasionally create synchronization related issues. The solution would lock all the necessary tables if a user was processing some data. This prevented other users to use the system and transact. More importantly, inventory levels at head office and POS mismatched. Role Tailored Client (RTC) features in Microsoft Dynamics NAV 2009 allows creation of notifications and posts it to users. After deploying the upgraded version, these issues were eliminated. Data replication has become smooth, multiple users are able to transact and inventory level at multiple locations match. “With approximately 7,000 to 10,000 inter-company material transfer and postings (ICPs) on daily basis, the batch updates are scheduled at nights while the systems are not in use to avoid any disruption in running store operations,” states Ashutosh Shukla. Assistant Manager-Information Technology, Relaxo Footwear Ltd. Besides POS can make online enquires to centralized database or can work in offline mode for optimal resilience.

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|  | Nitin DuaExecutive Vice President - RetailRelaxo Footwear Ltd. |  |

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Benefits LS Retail NAV ensures data integrity as it allows tracking of individual transactions from POS to general ledger to head office. Besides, a single platform model has an advantage of simplicity and ease of working.Simplifies Sales and Stock Processing The new business solution processes the sales and stock data at all the outlets, consolidates it for management review at head office and replicates the same with 100 percent accuracy. 98 percent data is updated daily against monthly updates prior to LS Retail NAV that took two days and 12 person-hours. With daily updates, the management is equipped with all the necessary financial, business and accounts information to make informed business decisions with the help of data analysis.Allows Control over Stores The solution uses LS Data Director for high speed and integral replication of data between the databases. LS Retail NAV equips store managers to have total control of activities and simplifies the management. With information about fast moving products, in-demand products, inventory requirements, stock is quickly replenished to avoid stock-in or stock-out scenarios. “Using drill downs, we can compare any data. For example we can compare sales against last year (SALY) to analyze store performance, as well as other performance indicators, such as profitability, styles in demand etc,” explains Nitin Dua, Executive Vice President - Retail, Relaxo Footwear. Integrated communication module allows data transfer between head office, store and POS. The transaction entries are made at store level and then replicated at head office.Monitors Gross Sales Profitability The ERP solution monitors gross profit, sales, outlet information of all the stores on a daily basis. Hence, profitability and business by each outlet is conscientiously monitored. “With 125 operational outlets and 35 stores in pipeline, the profitability analysis allows us to monitor performance of each store, and plan new store locations. Store management thus requires minimal effort and IT infrastructure for expansion,” adds Nitin.Facilitates Instant Business Overview Along with business transparency, it offers multiple options to review and analyze sales data. It allows review of store performance over past or pre-defined periods with the help of long-term sales data. This information is available instantaneously for business analysis. Individual or group of stores at a particular by location is reviewed based on products or items, discounts or sales, categories, product group etc. Top selling items or non-moving items are easily identified and results can be derived based on sales, amount, quantity, discount amount, profit etc. “It enables us to extract valuable business information, and take decisions that would take us to next level. Now we have better control over sales and inventory. We are in the process of utilizing inventory data analysis capability of Dynamics NAV to achieve desired stock levels and improve significantly,” concludes Kewal Dhar, DGM-Retail Operations, Relaxo Footwear. Microsoft Dynamics Microsoft Dynamics is a line of integrated, adaptable business management solutions that enables you and your people to make business decisions with greater confidence. Microsoft Dynamics works like familiar Microsoft software such as Microsoft Office, which means less of a learning curve for your people, so they can get up and running quickly and focus on what’s most important. And because it is from Microsoft, it easily works with the systems that your company already has implemented. By automating and streamlining financial, customer relationship, and supply chain processes, Microsoft Dynamics brings together people, processes, and technologies, increasing the productivity and effectiveness of your business, and helping you drive business success. For more information about Microsoft Dynamics, go to:[www.microsoft.com/dynamics](http://www.microsoft.com/dynamics)About Trisoft Systems Founded in 1996, Trisoft Systems is a software services company that offersservices spanning the complete spectrum of Microsoft Technologies. With over 300 projects on Microsoft Technologies forcustomers worldwide, the team is backed by strong engineering and project management.For More Information For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. 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