

Fossil

Watch Retailer Cuts Order Backlog By More Than U.S.\$328,000 With Mobile Sales Solution

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Fossil Australia (Fossil) designs, develops, and distributes fashion watches, sunglasses, jewelry, and other accessories. Following strong sales growth, the company found its manual sales and product delivery processes were hindering operations. This led to a significant backlog of orders and low staff productivity. To streamline the sales process, Fossil extended its Microsoft Dynamics™ NAV Enterprise Resource Planning (ERP) system onto a mobile environment. With the help of partner Spectra Interface, Fossil ported its ERP process onto the Spectrax™ solution, which runs on Windows Mobile® version 5.0. Now its mobile sales personnel can quickly and easily fulfil customer orders using real-time access to stock information and customer data. This has led to a significant cut in backorder costs and a three to five day reduction in order fulfilment.

Situation



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**Markus Stanger,
Manager, Navision
Regional
Competence
Centre, Fossil**



Fossil Australia (Fossil) develops and distributes fashion watches, sunglasses, and other accessories. Founded in 1984 and with 140 stores worldwide and six outlets in Australia, the company has built a name for its line of fashion watches. It has achieved large-scale ongoing growth with more than 50,000 sales transactions in 2006.

As a result of this growth, Fossil had problems with increasing customer orders and started to experience a lag in its sales and product delivery process. Customers became frustrated at slow delivery times, with a backlog of orders reaching AUD500,000 (U.S.\$411,000), and staff productivity decreased due to unwieldy sales operations.



The company decided to conduct a system-wide audit. The results showed the manual data input system used by field sales teams was causing a bottle-neck in the sales process, leading to delayed order updates to the sales system. This lag in the manual sales process made it difficult for the company to respond promptly to market conditions.

At one point, the time between retail customers placing an order with a field representative and the time it reached the company ERP system was as much as three to five business days. This delay was unacceptable given the time-sensitive nature of Fossil's customers' businesses. Mobile sales staff also had inaccurate stock figures and limited customer information while out in the field.

Often, field staff found themselves engaging customers without access to vital, up-to-date sales information such as inventory and customer preference history. As a result, the company experienced unnecessary delays in its supply chain operations and often had outdated information in its ERP system.

Fossil realized it needed to get accurate information from the company's ERP system to its sales team, preferably using a sales automation plug-in to their existing Microsoft Dynamics NAV environment. This system had to be cost-effective and secure, and suitable for its mobile sales workforce to use outside the head office.

Solution

Fossil decided to deploy Windows Mobile® 5.0 as a connection to its existing Microsoft Dynamics NAV ERP system. This extended the real-time capabilities of Microsoft Dynamics NAV to company mobile and remote staff without compromising the performance, security, or integrity of the system. Moreover, it could be rolled out quickly to ensure a streamlined transition to the new environment, and the user interface was simple, intuitive and easy to learn.

Fossil worked closely with Spectra Interface (Spectra), a Microsoft® Certified partner with a track record for mobilizing ERP systems. Spectra's Spectrax™ solution features a sales automation plug-in for Microsoft® Business Solutions ERP products. This provided Fossil with the tools it needed to quickly and cost-effectively deploy a secure mobile solution to field representatives outside the corporate network.

Following a successful initial implementation, the company plans to extend the solution across six additional subsidiaries, for use by an additional 300 users. The extended solution will manage more than one million transactions per year.

"Implementing new software in the ERP space can be tough, but our mobile solution minimizes the impact on business process and the return on investment quickly replaces any doubts," says Anthony Julien, CEO, Spectra Interface. "By deploying this solution, Fossil got the results it needed and based on the experience, they are planning to extend the system across the Asia Pacific region," he adds.

Fossil deployed the latest version of the Spectrax software solution onto Symbol MC70 handheld devices. The solution includes Microsoft® Mobile Application Framework (MAF) compliant NAV interfaces, which will provide Fossil with improved interoperability and an assurance that the application will continue to work smoothly when their systems and environments are changed or upgraded. MAF compliance also ensures the mobile client cannot corrupt or degrade the performance of the ERP system, thus ensuring fail-safe data synchronization.

The Spectrax solution on Windows Mobile 5.0 completely replaces outdated manual processes for product order and fulfillment, and streamlines operations across Fossil's sales and distribution divisions with a real-time mobile solution for the field sales force.

Benefits

The new Spectrax system, running on Windows Mobile 5.0 operating system, gives the Fossil sales team up-to-the-minute inventory information across multiple warehouses, as well as customer histories. Using handheld devices equipped with digital signature recognition, the mobile sales team can also place and confirm orders remotely to speed up order processing. This has led to a large clearing of order backlogs and a rapid return on investment (ROI).

Improve Bottomline

"With this new system, the benefits to our bottom line have also been dramatic," says Markus Stanger, Manager, Navision Regional Competence Centre, Fossil. A more streamlined sales and distribution system has helped Fossil improve its bottom line by 20 percent, and backorders have been brought under control with an increase in data accuracy and less errors. Fossil's AUD500,000 (U.S.\$411,000) order backlog has been reduced by AUD400,000 (U.S.\$328,800) to AUD100,000 (U.S.\$82,200) in one-year thanks to improved data flow.

Speed Up Order Processing

With the deployment of its Spectrax solution on Windows Mobile 5.0, Fossil has eliminated its chronic three to five day lag in order fulfillment. By replacing its previous manual order-taking process with a mobile solution that feeds information to its internal ERP systems from remote locations, Fossil has decreased sales reaction times by up to five days, and accelerated the "order-to-cash" cycle.

Streamline Operations

Fossil has streamlined its operations across sales and distribution divisions, with better integration of ERP systems with the mobile sales operation. "We're now able to provide greater efficiencies to our customers including personalized service, accurate inventory information, fewer order changes, and shortened delivery cycles. This has led to greater customer satisfaction," says Stanger.

Deliver Real-time Information

"We're extremely pleased with the success of our newly deployed Windows Mobile solution," says Stanger. "The new system has truly empowered our sales staff by giving them real-time access to accurate, current, and relevant stock data, when and where it's needed most. Both on the road and in our customers' offices, it has helped to significantly decrease our backorders."

Accelerate Return on Investment

Fossil experienced a positive ROI on the new system within six months of full implementation. This was achieved by the seamless rollout, good integration with the company Microsoft Dynamics NAV system, and its ease of use. This led to the sales team rapidly adopting the tool.

Now, the company expects future roll outs in other international subsidiaries to offer a reduced ROI of as little as three months, based on key lessons learned from the Australian experience.

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For more information about Spectra Interface products and services, visit the Web site at:

www.spectrainterface.com

For more information about Fossil products and services, visit the Web site at: www.fossil.com

Windows Mobile

Windows Mobile brings the power of the Windows® operating system to mobile devices, helping businesses and their mobile employees stay connected while on the go. Windows Mobile runs mobile versions of Microsoft programs, including Microsoft Office Outlook® Mobile, Internet Explorer® Mobile, Pocket MSN®, Windows Media® Player Mobile, and Microsoft Office Word Mobile, PowerPoint® Mobile, and Excel® Mobile. With Windows Mobile, information workers get powerful software combined with the familiarity of Windows. Combined with available service plans and connectivity options, Windows Mobile-based devices, available from 48 device makers and 125 mobile operators in 55 countries, can be used to make calls, send e-mail and instant messages, surf the Web, and access critical business information even when users are away from the office.

More information about Windows Mobile can be found at:

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