



Clothing Company Saves Time and Money by Switching Business Management Software

Overview

Country or Region: United States

Industry: Manufacturing and Retail

Customer Profile

Tanner Companies is a North Carolina-based company that designs and sells high-quality clothing for women. It engages more than 2,000 consultants, who sell the products through private showings in each of the 50 United States.

Business Situation

The company's JD Edwards business management software was too inflexible to grow with the company and very expensive to maintain and operate. Tanner wanted to replace the system.

Solution

Microsoft® Certified Partner Sunrise Technologies worked with Tanner and installed Microsoft Business Solutions–Axapta®. The easily customizable solution was adapted to fit the company's needs.

Benefits

- Simple customization
- Real-time processing
- Quick deployment and easy adjustment
- Expected rapid return on investment
- Reallocated resources

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North Carolina-based Tanner Companies designs upscale women's clothing. It sells its products through a network of “wardrobe consultants” who host private showings of the clothing line for their customers across the country. This unique business model requires a flexible business management solution. However, the software the company was using was not adaptable enough and was expensive to maintain. Working with Microsoft® Certified Partner Sunrise Technologies, Tanner customized Microsoft Business Solutions–Axapta® to exactly fit its needs. The solution was installed over a weekend and deployed over six weeks. The company now has real-time order processing, a customized commissions system, and was able to re-allocate resources. The return on investment for the entire project, including consulting and training, is expected within 24 months.



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Situation

Since 1931, Tanner Companies has been creating quality women’s clothing. The North Carolina–based design and distribution company offers its products through a network of more than 2,000 “wardrobe consultants” across the United States. The consultants hold special showings of the clothing line for their customers in private settings and place orders by calling the company call center or using the Internet. The only retail storefronts the company operates directly are liquidation stores. In house, the company employs 200 people to handle clothing design, merchandizing, sourcing, order placement, and distribution of the clothing.

To help manage the company, Tanner was using JD Edwards enterprise resource planning software and i2 supply chain management software. However, these solutions were very expensive to maintain and too inflexible to be completely customized for the company’s specific business model. Moreover, Tanner was beginning to outgrow these solutions and was coming to a point where it needed to either upgrade or replace them.

Another concern for Tanner was time. The fashion and apparel industry is one of the most competitive, time-sensitive consumer goods markets. The JD Edwards solution was running in the AS/400 environment, which required that orders be processed only in batches, generally run at night. This delayed the entire shipping and delivery cycle, something the company found increasingly unacceptable.

Ultimately, Tanner Companies decided what it really wanted to do was find a completely different business management and supply chain management architecture. “We were looking for a systems architecture to grow with, something to provide us certainly with a

solution now, but also flexible enough to handle our needs for the next several years,” says Randy Reavis, Chief Information Officer, Tanner Companies.

The top priority for this new architecture and solution was that it be highly customizable. “My experience has been that when you buy a business management system, you might get 85 percent of what you’re looking for. The remaining 15 percent is really tough to get, and it’s painful eking out that,” says Reavis. “Whatever we did, we knew we wanted flexibility in a development and object-oriented environment, so we could do some customization on our own.”

Solution

Tanner Companies had worked with Microsoft® Certified Partner Sunrise Technologies several years ago on a supply chain solution. The two companies continued to work together and were discussing different options for the new environment. “I told the rep from Sunrise that I’m not interested in upgrading—I wanted to do something different,” says Reavis. He described the new architecture he wanted to the Sunrise sales representative. The rep came back immediately with a suggestion: Microsoft® Business Solutions–Axapta® 3.0.

Microsoft Axapta is an easily customizable and highly scalable business management solution. The solution includes applications for financial management, customer relationship management, supply chain management, human resource management, project management, and analytics. “I was skeptical, but the more we talked and the more I saw, the more I liked [Microsoft] Axapta,” says Reavis. “It fit what we needed perfectly.”

Tanner Companies made the decision to move to Microsoft Axapta in February 2004. The company began preliminary planning with

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Sunrise Technologies and started the groundwork for the project in April of that year.

Tanner was facing licensing renewal fees for its existing software in January 2005 and wanted to avoid having to pay for something it was planning on replacing. This created a tight timeline for the new solution to be ready for installation.

The first step in creating the customized solution was training the development staff at Tanner Companies. The staff was very adept at developing in the RPG computer language, because it had been using it for the JD Edwards and AS/400 solution, but needed different skills for the new Microsoft solution. In July 2004, Sunrise Technologies conducted a two-week training course for the developers and continued the training on a mentoring basis while the solution was being customized and implemented.

The weekend of January 1, 2005, Tanner installed the Microsoft Axapta solution and began the process to systematically roll out different components. To minimize business disruption, the customer service component was active from day one. This section includes the order placement tools for the call center and helped smooth the sales flow. Two weeks later, Tanner deployed the financial and distribution sections, including tools for accounting, inventory, warehouse management, and order handling.

In February of 2005, Tanner deployed the last major piece of the solution. This section is a customized system for tracking the commissions for the wardrobe consultants. With the solution, the commissions are tied in with the order entry system, and when an order is placed, the commission is figured automatically.

Within four months from the installation, the entire Microsoft Axapta solution was in place and running smoothly. Currently, the company has 60 employees using the solution but expects that number to grow. As the company moves forward, Tanner has more plans for the Microsoft Axapta solution. “We want to expand into our supply chain system, and we’re going to move from i2 to Microsoft Axapta,” says Reavis. “We’re also going to expand Microsoft Axapta to our liquidation stores.”

Benefits

Microsoft Axapta and Sunrise Technologies have not only provided Tanner Companies a solution that addressed its unique business needs but also lowered its total cost of ownership significantly. Today, Tanner has more functionality and flexibility to grow its business. “We’ve seen gains in almost every department,” says Reavis.

Simple Customization

Tanner’s key criteria for a new business management solution were that it be functional as is, highly customizable, and easily adaptable to the company’s specialized needs. Microsoft Axapta filled those criteria, and in just a few months, the Sunrise Technologies/Tanner Companies team created a customized solution that neatly fit Tanner’s business needs. “We wanted something to handle our back-office needs and provide enough flexibility for us to customize a unique offering for our business. I think [Microsoft] Axapta did this very well,” says Reavis.

Real-Time Processing

Microsoft Axapta replaced the slow batch-processing done by the former software with real-time processing. The increased speed means that orders that would have sat overnight until the batch completed are now picked and ready to ship as they are processed. As a result, Tanner delivers

products to buyers more quickly and provides better customer service. “When we think of benefits, we think about, first and foremost, the customer,” says Reavis. “We are shipping 100 percent of the orders received by three o'clock in the afternoon on that day, something that was not possible with the previous system.”

Quick Deployment and Easy Adjustment

The entire project from initial discussions to deployment took nine months, with the actual installation happening over a weekend. And not only was the deployment swift, the adjustment took far less time than it had with previous solutions. When Tanner deployed the JD Edwards solution in November of 1998, it took them quite a while to smooth out the system. “It was a little over a year before we got the implementation settled down and we were doing business in a way that we felt comfortable,” says Reavis. In contrast, Microsoft Axapta took less than six months to go from implementation to ironing out any remaining issues. “In just a few months, we were operating in an environment with confidence in our processes and the [Microsoft] Axapta solution,” says Reavis.

Expected Rapid Return on Investment

Tanner Companies anticipates that it will quickly recoup its project costs for replacing its business management software. The company projects that the costs of the entire project will be recovered within two years. And that is simply the direct monetary savings, which don't include savings and revenue increases from added value or customer service improvements. “In our initial planning process, we looked at what it will cost to run a year versus our legacy system. We reach our breakeven point for all the costs in about 24 months in hard-dollars only—dollars that I don't have to write a check for,” says Reavis.

Reallocated Resources

The new streamlined business management solution has helped the company in some unexpected ways. Since the deployment, Tanner has been able to reallocate some of its resources, saving thousands of staff hours. “Some processes and procedures are simply no longer needed,” says Reavis.

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