



FRETTE

1860



A Tradition of Quality

Since 1860, Frette (fret - TAH) has crafted luxury textiles of unparalleled quality. Known for their "chic, original design and inimitable look and feel" Frette linens can be found everywhere from the altar of St. Peter's Basilica to the bedrooms of European royalty to the world's most prestigious hotels. Frette also caters to those who wish to experience this luxury at home, with more than 100 global boutiques, online retail, and bespoke services.

Given the caliber of Frette's typical clientele, it has always been essential for the company to offer first class customer experiences. This included presenting shoppers with omni-channel services and functionality. The only problem was Frette's legacy systems weren't at all equipped to handle those demands. It was clear that to honor its heritage, to offer the same standard of service, to continue for another 150 years...the company would have to undergo a complete digital transformation.

Fast Facts

- **Name:** Frette
- **Founded:** 1860
- **Locations:** Monza, Italy | New York, New York | Paris, France | Hong Kong
- **Website:** www.frette.com
- **Products Implemented:** Dynamics 365 for Finance, Sunrise 365 Supply Chain, Sunrise 365 Quick Start
- **Sunrise Customer Since:** 2017



Selection

How do you support a heritage of unsurpassed quality and a spirit for innovation? By picking an industry leading solution implemented by a world-class partner.

Frette initially evaluated Microsoft Dynamics 365 for its built-in point of sale (POS) solution. However, Frette also needed a solution to replace over a dozen outdated legacy systems, unite the European and North American divisions of the company, and the different lines of business. The brand tried to present an omni-channel retail experience to its customers but struggled behind the scenes with inventory and supply chain challenges like overstocking, visibility, and returns. As it became clear that Dynamics 365 could easily handle both the over-arching business challenges and the need for a new POS, the conversation shifted.

"We started just by looking for a solution for our stores," said Paolo Fabiocchi, Finance Director and Treasurer of Frette "but once we learned about Dynamics 365 our vision became having true omni-channel capabilities to better serve our customers. That the solution [Dynamics 365] has global, Tier 1 capabilities but is still so much less complex and costly to maintain was what really put it over the top for us."

While other partners presented themselves as having retail experience, only Sunrise Technologies had the proven track record of successful implementations to back up those claims. According to Fabiocchi, "During the partner selection process, we got the sense that most of the potential partners were just mentioning 'retail experience' to check off a requirement – but they were really just finance or CRM implementations. Not true end-to-end implementations." Frette was looking for a partner who could "anticipate our needs and propose best practices." Sunrise was the clear winner with not only the right experience but retail and supply chain extensions for Dynamics 365 that solved some of Frette's more pressing challenges as well.

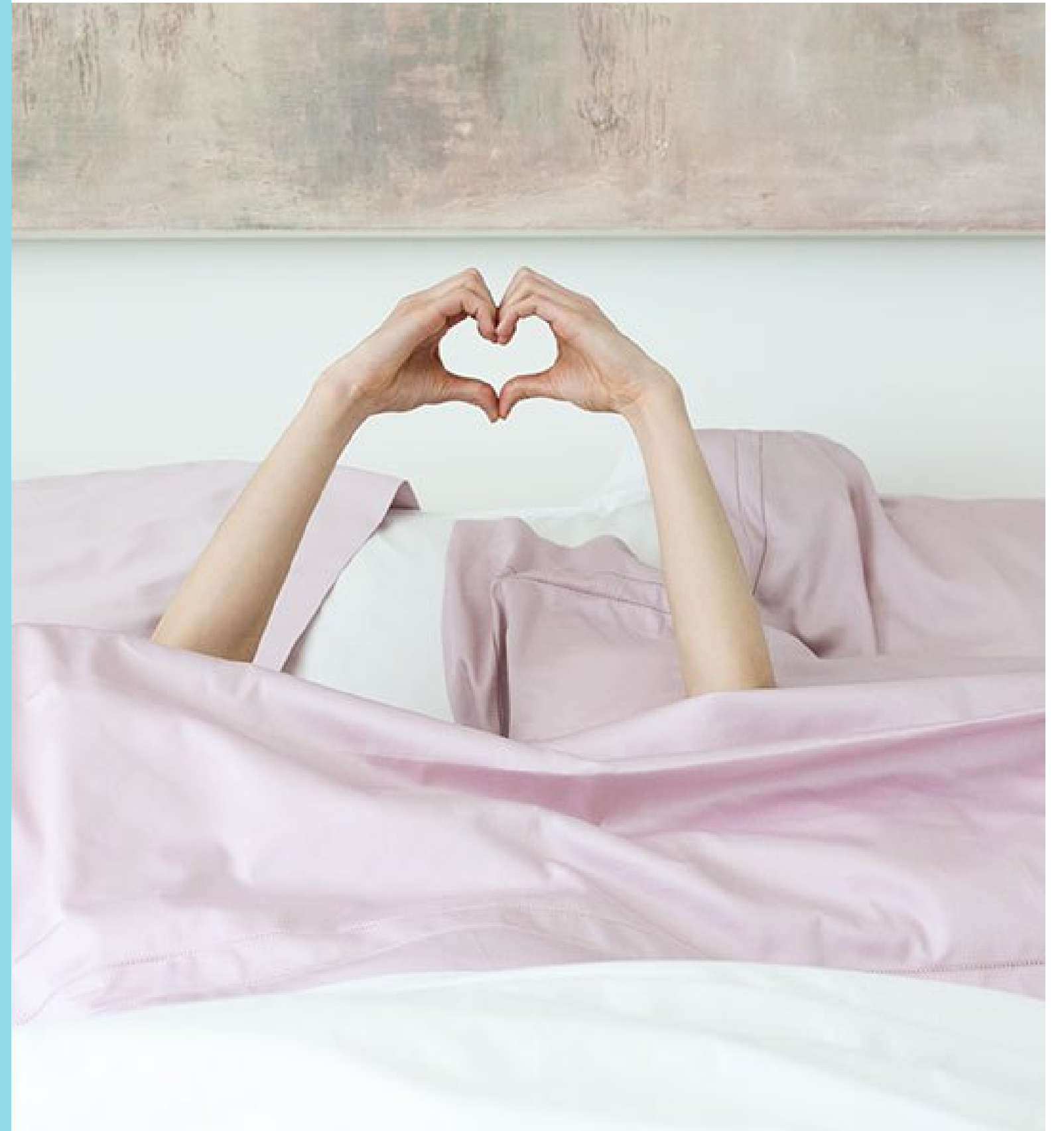
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Retailers have completely different needs from other industries...and we were looking for a partner who could anticipate our needs and propose best practices. Only a partner who knows the processes and drivers behind the business could do this. Sunrise, with its proven experience with similar brands and industry specific extensions was the clear, logical choice.

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- *Paolo Fabiocchi*

Finance Director and Treasurer | Frette





Challenges & Goals

Unification and Modernization



Unification and Modernization

For someone who isn't familiar with the textile or international retail industries, Frette appears to have a relatively simple business structure. However, that isn't the case at all. The company has multiple divisions to handle their hospitality, wholesale, bespoke, and retail businesses. These divisions are also segmented by geographic region across Europe, North America, and Asia. For years, Frette had operated by stringing together a variety of systems to manage their B2C and B2B entities, vendors, retail, and manufacturing operations. "We were probably using more than a dozen different systems to try and make the business run," said Fabiocchi. "It meant that even performing simple tasks was incredibly painful."

The disjointed nature of the brand's IT infrastructure impacted every level of the organization. Because inventory was held in different systems, customer service representatives had limited visibility to true inventory levels. Orders would sometimes appear in one system, but not another. eCommerce orders were kept in the POS system, but had to be manually relayed to the DC. These challenges, in turn, negatively impacted the customer experience with increased order processing times and potentially long waits to find out the status of an order.

Unification and Modernization (con.)

When Fabiocchi joined the company, he quickly realized that significant investments needed to be made in Frette's business systems if the company had any hopes of achieving its growth goals. "As an organization, we want to grow into more markets, to offer our clients new products as part of the 'Frette experience' and provide a great shopping experience. With our old systems, it was never going to happen." Dynamics 365 offers Frette a way to unify its international operations, modernize processes, and presents a roadmap to the future. "By selecting Dynamics 365 and Sunrise, I think we've found exactly what meets our needs. I expect that we'll consider our infrastructure 'modern' for the next ten years, at least!"

On Dynamics 365, Frette's vision of being able to follow an order from production in Italy to a boutique in New York City can be a reality. Additionally, taking advantage of the Microsoft Intelligent Cloud opens a world of possibilities for the organization. According to Fabiocchi, "We're definitely interested in exploring how things like IoT and machine learning would help our business. There are infinite possibilities with the cloud."

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————— *Paolo Fabiocchi* —————



Challenges & Goals

Gaining Visibility and Eliminating Manual Processes



Visibility and Automation

Part of Frette's digital transformation was gaining visibility at every level of the organization and eliminating time consuming, error prone manual processes – both direct results of the fragmented systems behind the scenes.

Because of the disparate locations of the data, everyone from the call center to the C-Suite struggled with visibility. Overstocking of particularly popular items was a regular occurrence to have inventory on hand at a moment's notice. Managing custom orders, a significant portion of Frette's business, also meant flying blind. "It's going to be a huge value to be able to see an order from end-to-end and having the [Power BI] workspaces embedded in the solution is great." said Fabiocchi.

Frette is also implementing Sunrise 365 Supply Chain Solution, which is exclusive to Sunrise. With this in place, Frette will be able to simulate soft allocation scenarios, see the impact on inventory levels and orders, and release or hold orders from a single screen. This is especially useful for a luxury retailer like Frette where the inventory volume may be relative low, but the margin is extremely high.

This is just one area where Frette sees a benefit to increased automation and visibility. Automating highly manual processes was another key concern for the team. A particular area of pain was the B2B hospitality portion of the business in North America, which serves over 2,000 hotels along with independent resorts, and even hospitals.

Visibility and Automation (con.)

"Without Dynamics 365, we would have to manually enter orders from our hospitality portal. In three years we had to increase our customer service staff by more than 30% just to keep up with order entry. Our spend on staff was eating away at our margins and was clearly not sustainable. Nor was the opportunity for error that manual entry creates."

Manual processes weren't confined to the B2B portion of the business either. Ecommerce orders created duplicate entries that would need to be addressed one-by-one and could not be automatically released to Frette's distribution center. Returns were also causing problems, "We pride ourselves on our customer service. So, if a customer wanted to return an item they purchased online in a store, or one that they purchased in one store at another, we would make it happen. But everything on the backend had to be done manually."

Thanks to Dynamics 365 and Sunrise, Frette will now be able to realize significant savings across the organization in everything from reduced personnel spend, to accurate inventory production, to better vendor management. In turn, this allows the company to focus on what really matters – their customers.



Conclusion

After implementing Dynamics 365, Frette's customers will still experience the same superior level of customer service they are accustomed to. However, Frette's frontline employees will know how much everything has changed for the better. "Luckily we did not experience some of the challenges of getting users on board with a new solution like some other companies do," said Fabiocchi. "I think everyone realized how much better and easier Dynamics 365 will make our processes and that it will ultimately help provide the omni-channel experience we've been simulating for so long."

Fabiocchi jokes that Frette may have approached the selection of Dynamics 365 backwards, "We started with a clear goal of what we wanted – a system that would allow us to offer a true omni-channel experience with a unified IT infrastructure that would be as simple as possible to maintain. Then we worked our way back to find the solution that would let us do that. Dynamics 365, with the help of Sunrise, was the only one we found that fit the bill."

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