



## Microsoft Dynamics Customer Solution Case Study



### Overview

**Country or Region:** United Kingdom

**Industry:** Retail

### Customer Profile

Diskos is a discount retailer selling everyday consumables such as food, household items, and toiletries. It has 10 stores on the north coast of Wales.

### Business Situation

The IT system Diskos used was slow and cumbersome. Users found it difficult to analyse sales figures or retrieve information needed for efficient stock replenishment and supply chain management.

### Solution

Microsoft® Partner RSS helped Diskos deploy the Microsoft Retail Management System.

### Benefits

- System enhances customer service.
- Solution can be tailored.
- Detailed information improves business decisions.
- Solution cuts administration hours.
- Solution readily supports expansion.

## Discount Retailer Streamlines Sales and Stock Processes with Management System

“This product makes a fundamental difference to the way I buy—not on numbers, but on profit to be made—which is what this business is all about.”

Chris Roberts, Director, Diskos

Discount retailer Diskos sells everyday consumables at its 10 stores in north Wales. Its previous IT system was unable to cope with the large quantities of data generated by its high-volume, low-cost sales, and meaningful sales information was difficult to extract. Microsoft® Partner RSS helped Diskos deploy the Microsoft Retail Management System to automate time-consuming tasks and manage a range of store operations. The solution accelerates and streamlines point-of-sale, inventory, pricing, and promotions and can be tailored to meet specific needs in individual stores. With more detailed information, managers in the head office can now make informed business decisions, while store managers can save a combined 80 hours of administration a week—time they now use for merchandising and serving customers.



## Situation

IT efficiency is critical for retailers. Businesses with multiple stores rely on technology systems to support everything from running tills to managing the supply chain. Family company Diskos is no exception. Diskos is a discount retailer selling everyday consumables such as food, household items, and toiletries. Its stores are situated along the north Wales coast.

The nature of a discount store is that high quantities of items are sold at low cost. This, however, increases demands on database systems and points of sale. Exceptional volumes of data are created, and this information needs to be analysed in detail to understand where sales are being made and where profits lie.

Chris Roberts, Director of Diskos, was dissatisfied with the previous IT system used to support his stores and head office. "It's important I be able to analyse sales figures in an easy-to-digest way," he says. "But I was finding it hard to manipulate the data to get the information I wanted. I need to know what quantity of products has been sold over a particular date range and from which shops, and how much money has been made over that time, taking into account any discounts or multi-buy savings."

Back-office processes were also affected by the inefficient solution. Shop managers had to spend more than an hour each day compiling and sending sales data to the head office. Customer service was also affected. Because the system was so poorly integrated and cumbersome, everyday tasks, such as printing receipts at the till, were painfully slow. And because crashes occurred when the system struggled to cope with such high levels of data, customers had to queue longer, while cashiers had to write out receipts or add up items manually.

"We really needed to solve these problems with a stable program that wouldn't crash," Roberts says. "System downtime is the last thing you need at your busiest time on a Saturday afternoon."

## Solution

Diskos examined several solutions on the market. "We felt they were too much of a leap and cost too much," Roberts says. At that time, he was unfamiliar with the Microsoft® Retail Management System (RMS), designed specifically to automate small and medium-sized retailers' stores. The technology manages a range of tasks—from operations, point-of-sale, and inventory to pricing and promotions—and customised store reports.

Microsoft Partner RSS showed the Diskos team the benefits of using Microsoft RMS. "The easy manipulation of data sold us on the product," Roberts says. "Our old system scanned products and calculated total costs, but couldn't provide anything more detailed. The management features of the Microsoft solution are exceptional—it's altogether better and easier to use. We had a number of problems that needed to be resolved. RSS came up with the answers straightaway and showed us how the system could accommodate our needs."

Diskos launched a pilot project in April 2006. By May, the solution was fully deployed across all eight stores. Diskos has since opened an additional two stores also running Microsoft RMS. The solution is supported by a Microsoft SQL Server™ 2000 database, which provides the scalability and reliability the organisation needs to handle large volumes of data. It also delivers the detailed analysis needed to help Roberts and the sales team extract useful information, and it compiles relevant data automatically, which can be seen in real time by management at the head office.

Using Microsoft RMS, the head office can centrally manage or set up new sales or multi-buy offers for selected stores or across all stores. The required discounts are automatically applied wherever necessary, without requiring manual intervention at each store.

RSS has customised the solution to provide a few additional functions. A warehouse pick-list now automatically converts units to pack sizes. Mat Alvi, Support Manager at RSS, says: "If the store needs to order 24 bottles of water, and they come in packs of 12, the program now automatically converts the order to two packs. RMS is flexible because it allows customisation for specific retailer's needs, but RMS satisfies most requirements off-the-shelf."

The RMS solution runs on the retailer's existing hardware, including its range of printers and wireless handheld devices, saving a re-investment in additional hardware. These devices, used to scan items on the shelves for stock take, pricing, and label printing, now capture data that is passed electronically into RMS. Integration with Microsoft products—such as Microsoft Office, Microsoft Dynamics™ GP, Microsoft Excel®, or other well-known accounting and reporting systems—makes it easy to use the information without having to re-enter it.

## Benefits

With the new solution, Diskos has accelerated all processes—everything from stock replenishment to data analysis. The organisation's 100 employees have adapted to the intuitive and familiar solution easily, ensuring the company sees immediate results. Most important, customer service has improved dramatically. Shorter queues reflect the speed and stability of the new system, which no longer crashes or slows down during busy periods. Microsoft RMS is a truly robust system.

## Information Tailored to Meet Stores' Needs

To assess and enhance profits, Roberts needs to analyse sales figures in detail. Previously, this kind of information was limited, but now, he can access all the figures he needs quickly and easily. "I use the system daily to view sales figures," he says. "They show me how much money I have made from a product. If I sell something at a lower price, but sell more items, I want to know if I've made more money out of it. I can do that with this system.

"What's more, I can enter a specific date range with varied prices or discounts or add in a multi-buy offer, and the solution will take that into consideration when calculating sales and profit margins. That's tremendous when you're analysing a vast amount of figures."

## More Strategic Decisions Boost Profits

More detailed analysis and inventory tracking provides the information the sales team needs to make more informed business decisions. Roberts has been surprised by the way this new visibility has changed the way he makes decisions about stock.

"When analysing profits, I used to focus purely on how many units had been sold," he says. "If I thought numbers weren't high enough, I'd stop selling that item. Now I look at the data and can see that, even though I've only sold so much, I bought the items at the right price, and we're making a surprising amount of money from selling just a few. Or, I might find I've sold 3,000 items, but actually made very little profit. This product makes a fundamental difference to the way I buy—not on numbers, but on profit to be made—which is what this business is all about."

The company has also refined its supply chain processes and stock replenishment, reducing overheads. In the past, it was difficult to differentiate stores in terms of the

products each needed to replenish. Now, each shop is individually tailored with different product ranges, which ensures stock is replenished at the right rate, minimising “out-of stock” situations or overstocking.

#### **Managers Save Nearly 80 Hours a Week**

There is now no need for the head office to retrieve the daily sales figures to be able to see stock levels and calculate the replenishment orders needed. This was a lengthy process that required store managers to dedicate an hour a day each.

Data is now passed back to the head office automatically, which means less administrative work for store managers.

“Managers aren’t tied to a computer, where they sometimes spent up to a third of their day,” Roberts says. “The head office can see and use the information automatically to generate orders, while store managers can spend more time on the shop floor with customers, doing what they do best.”

#### **Efficiency Paves Way for Easy Expansion**

Now head office can generate all orders centrally and more efficiently. Data is more meaningful, and these processes are faster and require less manual effort. “We no longer need a person in the office dedicated to basic administrative work,” Roberts says. “People are now free to analyse figures and find new ways to help boost revenue.”

Unproductive time, such as manually importing information in the morning, has been eliminated, helping head office employees manage stores in a more productive, smarter way. “Before, we were struggling to cope with the administration of eight shops,” Roberts says. “Now, we’ve gained two new shops, and another store is opening shortly. Yet there’s still plenty of time for the administration that needs to be done. We are confident that, with this solution, we can expand easily and add four or five more

shops without having to make significant changes or invest in new office employees.”

## For More Information

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## 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)

### Software and Services

- Microsoft Server Product Portfolio
  - Microsoft SQL Server 2000
- Microsoft Office
  - Microsoft Office Word 2003
  - Microsoft Office Excel 2003
- Microsoft Retail Management System