



GRAND BANKS®

BUSINESS PROFILE

GRAND BANKS IS A LEADING MANUFACTURER OF WORLD-CLASS MOTOR YACHTS.

BUSINESS/IT CHALLENGE

THE COMPANY NEEDED TO MOVE OFF AN UNSUPPORTED, HIGHLY CUSTOMIZED LEGACY SYSTEM. THEY WERE LOOKING FOR A SCALABLE SOLUTION THAT WOULD HELP THEM EFFECTIVELY GROW THEIR MANUFACTURING BUSINESS, IMPROVE OPERATIONAL EFFICIENCIES AND DRIVE DOWN COSTS TO ENABLE THEM TO REMAIN COMPETITIVE IN A DYNAMIC, CHANGING MARKET.

SOLUTION

- MICROSOFT DYNAMICS AX

BENEFITS

- ONE INTEGRATED SOLUTION
- FASTER, BETTER DECISION MAKING
- ABILITY TO MEET CUSTOMER DEMANDS

THE CLIENT

Grand Banks Yachts Ltd. is one of the most highly regarded manufacturers of luxury motor yachts. Founded in 1956, the company's legacy for quality, reliability and craftsmanship was built on a succession of iconic designs that continue to garner acclaim and awards around the world.

With its headquarters in Singapore and main production facility in Johor, Malaysia, Grand Banks Yachts sells and distributes its yachts through a global dealer network that includes over 40 sales offices in nearly 20 countries. Despite economic challenges that have hit the boatbuilding industry as hard as any other, the Company remains financially sound, strong and well positioned to succeed in the face of such adversity.

THE CHALLENGE

Beyond its sound fiscal policies, Grand Banks has remained competitive through the continual improvement of its manufacturing practices. The result has been gains in productivity, product quality and cost efficiency.

Grand Banks has been equally intent on improving its business practices. Recently, it became plainly evident such advancements could only progress so far without addressing the shortcomings of its legacy enterprise system. A UNIX-based accounting system had served Grand Banks well for nearly twenty years, with increasing customisation and add-ons along the way; however, it could not keep up with the company's demand for increased speed, performance, and flexibility as various business units grew more agile and advanced.

Costing, pricing, supply management, process optimization, operations analysis – these were a host of functions that various business teams were looking to streamline or enhance. Yet, Grand Banks was without the systems and technologies to make it all happen. Business as usual was not an option: without a new system, Grand Banks could not continue to grow business at such a steady pace.

THE SOLUTION

Grand Banks pulled together a multi-disciplinary task team that was given the responsibility of evaluating, and ultimately selecting, a new business solution after a fairly extensive and lengthy initiative. In the midst of this endeavour, Grand Banks named a new President of the Company, Rob Livingston, and hired Peter Poli to become its Chief Financial Officer. Prior to Mr. Livingston's promotion and Mr. Poli joining the company, the task team had made the decision to move forward with Microsoft Dynamics® AX.

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Peter Poli
Chief Financial Officer
Grand Banks



Knowing that the new President, as well as Mr. Poli and his team would be key stakeholders and adopters of a new ERP solution, Grand Banks' Board of Directors asked both Mr. Livingston and Mr. Poli to weigh in with their opinions regarding the decision to move forward with implementing Microsoft Dynamics AX. The evaluation was then re-opened and this time, the task team worked together with two new members, Mr. Poli and another consultant (previously a Microsoft employee) who was currently working with Grand Banks to set up a more reliable and scalable IT network for their business.

The task team started fresh. In addition to keeping Microsoft Dynamics AX on the list, the team also looked at SAP and another vertical solution specifically designed for the boating industry. And although in many cases, vertical solutions developed to support a specific industry are particularly successful, Grand Banks was unable to locate one industry peer using this particular vertical solution willing to give it a high recommendation. As a result, Grand Banks narrowed their vendors down to a shortlist of two candidates: Microsoft Dynamics and SAP. A first step was to narrow their focus down to Microsoft Dynamics AX over the other Microsoft Dynamics ERP products. The main reason for this was that Grand Banks believed Microsoft Dynamics AX provided the most flexibility and options in order to meet Grand Banks' business requirements.

The second step was to compare Microsoft Dynamics AX to SAP. One of the key business drivers was the level of support and cost of support Grand Banks would incur with their business solution. SAP was the more expensive software solution, but even more so, carried a much higher total cost of ownership. The mere cost to support Grand Banks operations in Malaysia and Singapore alone with an SAP solution would be tremendous. In addition, the company's task team lacked confidence that SAP really understood their needs, and could truly adapt their ERP solution to adequately suit them as a mid-market customer. Grand Banks currently employs approximately 450 people in five countries. With the team questioning whether SAP was well equipped for a company of their size, and having concerns of how that would translate into additional costs to their business over time, the task team selected Microsoft over SAP. Once the product decision was made, Grand Banks moved forward with a process to select the right partner to help with their implementation of Microsoft Dynamics AX.

After receiving a few partner referrals from Microsoft, Grand Banks was introduced to Tectura. The other partners referred by Microsoft were quite small and the Grand Banks team was concerned that the smaller groups might not be able to provide the level of support that their multi-national business required. Grand Banks was quite

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impressed with Tectura’s size, breadth of resources and their depth of skills and support offerings. Grand Banks felt confident that Tectura would be able to provide the service and support which their business required both today and into the future. In addition, Tectura proposed a well thought out, realistic approach to support the overall project, including directly supporting a portion of the implementation from a fairly remote Grand Banks manufacturing plant in Malaysia, then responsible for 75% of Grand Banks manufacturing efforts (now responsible for 100%). Although Tectura now has a local presence in Malaysia, at the commencement of this project, Tectura did not have personnel in Malaysia. However, Tectura proposed supporting that part of the implementation by putting up team members originally based in Singapore in a local apartment in Malaysia so that they would be onsite at the plant throughout the duration of the implementation. In comparison, another one of the partners Grand Banks was evaluating suggested managing that part of the implementation from Singapore, which obviously translated to higher risk and increased cost. Grand Banks took Tectura up on their offer and began a phased implementation of the Microsoft Dynamics ERP solution.

THE BENEFITS

Grand Banks and Tectura continue to work together today in realizing the full potential of their Microsoft Dynamics business solution. Initially, the priority was to focus

on deploying the financial and inventory management components of the solution. Soon thereafter, the team deployed the plant and shop floor management modules along with finalizing BOM structures and routing processes for every Grand Banks yacht model. Through each phase, Grand Banks felt that they received informed and timely support from Tectura, and today professionals from both organizations continue to discuss ways to uncover even more efficiencies from the company’s investment in Microsoft Dynamics. The solution is presently supporting the Grand Banks business quite well. The company manufactures less than 100 yachts a year, however, every one of those yachts includes a number of options and custom features selected by each client such that virtually every vessel has a unique identity. It wasn’t a simple feat to support highly customized products utilizing a ‘vanilla’ solution deployment, but the Tectura and Grand Banks teams were able to make it work. They were also able to migrate a significant amount of data and business methodology – previously contained manually – into their Microsoft Dynamics solution. This improved business processes along with data integrity, consistency and quality. The finance team at Grand Banks is very satisfied with their business solution and can finally say that there is, without a doubt, one single source of data within the company. Prior to their Microsoft solution, data could have been found anywhere among Excel spreadsheets, file cabinets, human brains, hard drives, etc.

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What benefits lie ahead for Grand Banks as they continue to leverage their business solution?

The manufacturing team at Grand Banks is very optimistic that they will start seeing results soon after getting the purchasing and costing capabilities up and running across their operations. They expect to be able to drive down their total production costs as well as to make faster and better decisions about their manufacturing plant operations. Regardless, Grand Banks' new business solution has already been able to accommodate the demands of their discerning customers as well as the initial set of Grand Banks business requirements, providing the flexibility the company needs to sustain its reputation for delivering some of the finest yachts exploring all corners of the world's vast oceans.

While reflecting on his experiences in working with Tectura, Mr. Poli reinforced the importance of establishing strong 'project ownership' on both sides. He emphasised how critical it is that both the partner and the client establish clear 'project leaders' at the forefront. Complex projects like these require a common driving force behind them in order to be successful and to ensure the project remains on track. Without strong project leadership and accountability, decisions take too long which often leads to wasted time, energy and money. Project leaders are also key influencers in maintaining

project momentum and the morale of the working group which also contributes to a project's success.

As far as the benefits of working with Tectura, Grand Banks believes that working with a partner that has a fundamental understanding of your core business is a huge asset and competitive advantage. "It's great to work with a partner who knows our business," stated Mr. Poli. "Tectura can intelligently advise us on what can be done, and they are also able to advise us on what should be done. We rely on them to guide us towards the optimal solution." Partners who possess such industry expertise are better able to help clients apply best practices to their businesses, enabling them to be even more innovative – and push the envelope – in improving profitability and capturing new markets. "Established service professionals like Tectura also become long-term partners for their clients as they are there not only for the initial solution implementation, but equally as important, they are also there for future upgrades and ongoing solution support."

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