



Overview

Country or Region: Australia

Industry: Manufacturing

Customer Profile

Britax Childcare is a local manufacturer and distributor of a range of child safety products.

Business Situation

A costly outage of the company's highly customised IT systems jeopardised the company's operations. Britax needed a new platform and wanted information systems that could capture business data across all parts of the business and help it expand.

Solution

After a global search, Microsoft® Gold Certified Partner Tectura was selected to implement Microsoft Dynamics® AX and streamline Britax's planning, manufacturing and distribution processes across all operations.

Benefits

- Greater visibility and real-time processing
- Improved intercompany planning
- Increased operational efficiencies
- Streamlined business reporting

Manufacturer Saves Up to A\$200,000 a Year with Dynamic Resource Planning

“It was a huge cost to support and bandaid our legacy systems ... The board approved the capital expenditure on Microsoft Dynamics AX due to this cost saving alone.”

Ben Hancock, IT Director, Britax Childcare

The Australian subsidiary of the UK-based Britax Group, Britax Childcare manufactures a range of car safety seats and nursery equipment, including strollers, cots and highchairs. After a major systems outage, the company needed to stabilise and upgrade its legacy IT systems. At the same time, it wanted to streamline its planning, manufacturing and distribution processes and develop a shared financial services model across all of its operations. Working with Microsoft® Gold Certified Partner Tectura, Britax Childcare installed Microsoft Dynamics® AX in a phased roll-out. The company not only offset the cost of managing its previous IT platform, saving up to \$200,000 a year, it also implemented shared financial services and master planning across its companies. As a result, the company reduced manual processing and duplication, streamlined its warehousing, enhanced quality management and improved its customer and market insights.

“There had been very minimal investment in the previous six years and the facilities management contract that covered technical support was costing us roughly A\$200,000 a year.”

Ben Hancock, IT Director, Britax Childcare

Situation

Britax Childcare manufactures a range of child safety products, including car safety seats, nursery equipment, strollers, cots and highchairs. It is the subsidiary of UK-based Britax Group and was created from the amalgamation of two Australian companies, Safe-n-Sound and Steelcraft, which were purchased by Britax Group in the mid 1980s. The subsidiary employs about 200 staff.

Britax Childcare relied heavily on the company's legacy IT systems which were highly customised. A major outage in early 2007 prevented stock being shipped out for two weeks and cost the company close to A\$900,000, thereby bringing the deficiencies of its IT set-up into sharp relief.

“The company felt that its IT systems let them down badly,” explains Ben Hancock, IT Director, Britax Childcare, who was brought on board as a result of the outage. “There had been minimal investment in the previous six years and the facilities management contract that covered technical support was costing us roughly A\$200,000 a year.”

In addition, Britax Childcare's legacy systems hampered the company's ability to make the most of two more recent acquisitions. So besides limiting efficiency gains, the existing IT systems inhibited further expansion plans.

“We didn't have the operational knowledge or documentation to understand the performance of our existing business in detail,” says Hancock. “This made it enormously difficult for us to drive cost savings across old and new businesses. It also restricted Britax Childcare in its ability to conduct company-wide planning.”

In addition, the fact that its production and sales systems were separate meant that the company struggled to identify how to respond to demand more efficiently, particularly with

regard to warehousing. This was linked to another perceived deficiency – insufficient awareness of its customers: who they were and what they thought about the company's products.

To streamline its operations and assimilate its subsidiaries, Britax Childcare needed a solution that streamlined planning, manufacturing and distribution across its multiple operations. In particular, it wanted to improve reporting efficiency and data integrity, and remove duplication and manual processing.

Solution

Britax Childcare conducted a business and systems review which included a risk assessment of its legacy warehouse and enterprise resource planning (ERP) systems. After stabilising its server infrastructure, which was responsible for the outage, Britax proceeded to search for an ERP system that could cover all its subsidiaries.

With similar systems requirements, Britax Childcare and parent company Britax Group searched for a single global system and provider.

“We wanted an ERP solution that could be implemented in Europe and Australia and eventually be rolled out to the United States,” says Hancock. “With one system across all groups, we could work together, sharing customisations and process improvements, and improving group-wide learning.”

Microsoft Dynamics® AX quickly emerged as a strong contender. It had the right level of functionality and was easy to manage.

“We run a lean IT ship, so we needed a system we could support and take ownership of ourselves, without requiring constant external support,” says Hancock.

“We run a lean IT ship, so we needed a system we could support and take ownership of ourselves, without requiring constant external support.”

Ben Hancock, IT Director, Britax Childcare

Microsoft Gold Certified Partner Tectura was selected for the roll out because it could implement the solution globally and had a proven record. Britax Group decided that its Australian subsidiary had the most pressing need for the new systems and decided the solution should be implemented in Australia first, and in stages.

“What is brilliant about AX is its flexibility, which allows us to stage the rollout logically across various business modules in a succession of waves,” says Hancock.

The first wave replaced existing software with new Microsoft Dynamics AX modules for distribution, inventory, accounting, purchasing, finance and sales. It also introduced some business intelligence (BI) reporting.

“This first step was critical to improve operational reporting efficiency and data integrity across the business,” says Kathleen Marsh, Project Manager, Tectura. “It had to be done so that Britax could distribute its products out the door and meet its budgets. But we also wanted assurance that the systems would support business growth.”

Second, the implementation dealt with the more advanced warehouse and customer relationship management (CRM) systems, with further BI reporting on areas such as finance, inventory and procurement.

The next wave will implement Microsoft Dynamics AX modules that support Britax’s material planning and engineering change management programs.

Besides ERP, Britax simultaneously deployed a series of other applications. These included Microsoft Dynamics CRM Services to improve customer management, Microsoft® Exchange Server 2007 for email, Microsoft Office SharePoint® Server for reporting and

document collaboration, and Microsoft SQL Server® 2005 with Reporting Services and Analysis Services for database management. The company also integrated a third-party product, RF-Smart, which is a Microsoft-approved RF Warehouse management application.

The implementation started in June 2008 and was delivered on budget at the beginning of February 2009.

Benefits

In implementing Microsoft Dynamics AX, Britax Childcare has stabilised its business operations and provided a reliable intercompany enterprise platform for its multiple operations. The company has improved visibility and integration between its enterprise planning and warehouse distribution, which Britax can use to secure the quality of its products and improve customer service.

Cost-offset savings of A\$200,000

Since Dynamics AX was implemented, Britax no longer needs to pay for the upkeep of its business software, saving approximately A\$200,000 per year.

“It was a huge cost to support and bandaid our legacy systems,” Hancock explains. “On the other hand, Dynamics AX was an affordable solution. The board approved the capital expenditure on the solution due to this cost saving alone – without demanding a lower headcount or increased revenue or other performance benefits.

“However, now that the software is live, we are developing a return on investment model to measure how and where our new system is delivering business benefits.”

“In all my experience ... it’s very rare that I’ve had staff tell me how great they think a system is, how easy it is to use and how it’s made their life easier.”

Ben Hancock, IT Director, Britax Childcare

Consolidated and shared company financials

With Microsoft Dynamics® AX, Britax Childcare can properly integrate its subsidiary businesses. This enables the company to consolidate its financials and roll out a shared services model, which improves its monthly reporting processes. It can also centralise its accounting online in the system rather than on spreadsheets.

“By automating financial data, we removed duplication and manual processes, which in turn reduced costs and man hours,” says Hancock.

Improved capital efficiencies

Microsoft Dynamics AX has enhanced Britax Childcare’s ability to conduct cross-business planning.

“We can now see the inventories at our other companies, which is important because Britax manufactures for them,” explains Hancock. “This has allowed us to get rid of much of the manual intervention that is required to ensure we don’t over-produce.

“In particular, Dynamics AX lets us optimise the supply chain, so we don’t end up holding too little stock, which effects customer lead times, or too much, which is costly. It also does this far more easily than some of the bigger ERP solutions.”

Streamlined warehousing

Microsoft Dynamics AX has also enabled Britax to improve the efficiency of its warehouse operations through more intelligent distribution and dispatch.

“When stock rolls off the production line, it’s normally put away in the first slot that can be found, which means items to be shipped next morning may be stuck high up, down the back of the warehouse,” Hancock says.

“AX gives us the ability to group production, and store fast-moving stock down towards the front,” he continues. “This enables us to ship greater quantities with existing manning levels in the warehouse, which keeps a lid on costs and maintains productivity. The BI reporting in AX really enabled us to investigate and identify areas around stock availability in our business. Already, we’re seeing improvements in our on-time delivery performance.”

Improved quality management

For Britax Childcare, safety is paramount, especially in its car-seat business. With Microsoft Dynamics AX, the company can introduce batch control, product quarantining and online quality checks.

“Quality is critical to our business,” says Hancock. “Scrapping and failures were all handled and documented manually. AX allows us to formalise our quality management procedures and improve traceability of our product batches.

“In turn, this feeds back into our design and engineering process, which helps us make better products, while reducing waste, scrap and the number of recalls.”

Better customer intelligence

The CRM module within Dynamics AX will be instrumental in building a useful consumer database. It will be used to drive the warranty registration process, and capture customer feedback and help lift service standards.

“In all my experience – and that’s some 16 years of implementing ERP solutions – it’s very rare that I’ve had staff tell me how great they think a system is, how easy it is to use and how it’s made their life easier.”

For More Information

For more information about Microsoft Dynamics products and services, call 1800 197 960.

To access information using the World Wide Web, go to:
www.microsoft.com/australia/dynamics/

For more information about Tectura products and services, call +61 1300 832 887 or visit the Web site at:
<http://www.au.tectura.com/>

For more information about Britax Childcare products and services, call +61 3 9288 7288 or visit the Web site at:
<http://www.britax.com.au/>

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

Software and Services

- Products
 - Microsoft Dynamics AX
 - Microsoft Dynamics CRM
 - SQL Server 2008 Analysis Services
 - SQL Server 2008 Reporting Services

Partners

- Tectura