

Microsoft Business Solutions Retail Management System

J.E. Mondou

Tasks Take Minutes, Not Days. Management has Chain-wide Data and Time for Customers

A 33-store chain, whose outdated IT system was hobbling expansion, needed an end-to-end retail management and financial/enterprise resource planning (ERP) solution. After a two-year search, Mondou's decision makers found that only Microsoft® Business Solutions Retail Management System and Microsoft Great Plains® Financials could economically control marketing, operations, distribution, and financials in one integrated solution.

For executives and managers at the Montreal-centered pet food and accessory chain, laboriously collecting and tabulating information from an outdated Unix system wasted their time and talent. Financials were slow and difficult to centralize. Reports had to be created offsite by expensive Unix programmers. Expansion was on hold until management found an easy-to-use IT solution with capacity to spare. Now this all-Microsoft shop has an ERP solution with the right blend of centralized and decentralized control, obedient reporting, and highly definable security.

The Situation

"We are a retailer, distributor, wholesaler, and we do a little manufacturing," says Pierre Bazinet, Certified Management Accountant, Mondou's controller, "so we have severe information needs, few of which were being met."

Most J.E. Mondou stores carry the same 1,000 food SKUs but store managers can order from another 20,000 SKUs of pet accessories directly from suppliers. "We had stock we couldn't sell and no room for stock we wanted," says Bazinet. Before the system would start a new month, office staff had to print "thousands of pages of reports." Store managers didn't have data to make their best decisions. A Microsoft Access database held 40,000 customer records that were only available at corporate. Because the Unix system enclosed inventory and financials, a report might take weeks to get from a vendor and cost hundreds or thousands of dollars.

Guylaine Mayer, Mondou's food stock manager, handles day-to-day purchasing decisions and tasks. "I used to take half a day just to assemble the raw data, then I had to add up the inventory levels for every product from all 33 stores." Other managers endured similar frustrations.

Even so, the J.E. Mondou business model had produced highly successful and easily replicable stores. "But if we couldn't get certain information from our closed database about existing stores, how could we add more?" asks Bazinet. "Retail is tough today. If our competition has punctual information, we should, too."

Customer Profile

J.E. Mondou Ltée. is a 33-store, Montreal-based pet food and accessory chain with expansion plans. Its 220 employees carry out retail, distribution, wholesale, and light manufacturing functions.
Montreal, Canada
www.mondou.com

Business Situation

Struggling with an outdated retail IT system, store and corporate managers spent hours getting basic data for everyday retail decisions. With tasks and mandatory month-end printouts stacking up, expansion seemed very distant.

Solution

An end-to-end ERP solution combines Microsoft Retail Management System and Microsoft Great Plains. Two Microsoft partners—one expert in retail, the other in ERP—teamed up to deliver a cost-efficient system that Mondou's IT staff rolled out to all stores.

Software Used

Microsoft Windows® XP Professional
Microsoft Windows 2000
Microsoft Business Solutions Retail Management System
Store Operations
Microsoft Great Plains

Partners

Groupe Conseil LVMB
Laval, Québec, Canada
www.lvmb.com

Tri-City Retail Systems
Kitchener, Ontario, Canada
www.tricityretail.com

"Finally, I can see what I should buy and where to send it. And my information is only minutes old."

*Guylaine Mayer
Food stock manager
J.E. Mondou*

Management saw that the crucial building block was an easy-to-learn point-of-sale (POS) system with low start-up costs and high store-to-store flexibility. But more than anything, Bazinet wanted to be certain that stores' warehouse orders would result in fully stocked shelves tomorrow.

The barriers

"We had to upgrade IT but thought there were no adequate solutions. My consultant, Jean-Pierre Reid, and I saw good retail systems with inadequate distribution capabilities and distribution systems where retail was just an afterthought. Another one required ongoing customizing."

Mondou's 220 employees include part-time and student help so training must be fast and intuitive. Deployment to 33 stores had to be economical. The new system should allow tight control of company-owned stores even though eventual franchise owners will demand the freedom to run their own businesses. Someday company stores and franchises will need their own accounting rules at corporate.

Ideally, a new system could run on existing PCs and peripherals while it economized total cost of ownership (TCO).

The Solution

When Groupe Conseil LVMB of Montreal, a Microsoft Business Solutions partner and independent software vendor (ISV), first suggested Microsoft Business Solutions—Great Plains, Mondou knew it only as a headquarters/ERP solution and planned to seek a store-level application elsewhere.

"When Jean-François Lortie at LVMB saw the scope of Mondou's vision, they contacted us," says Mike Steg, senior account manager at Tri-City Retail Systems. Tri-City specializes in Microsoft Retail Management System.

Information flow

Store Operations, the Retail Management System store-level solution, would encompass retail tasks from transactions and gather thorough customer data through inventory, purchasing-receiving, and cash management. Its sophisticated security could give each employee precise permissions and limits. Sensible screens would be easy to learn and could check out customers rapidly. And each future franchise owner could automate Retail Management System as much or as little as desired.

Demographics and items sold could enter rapidly at the POS and provide clear reports for store decisions. Corporate could use Headquarters to see stock levels anywhere and control pricing, buying and replenishment processes. Great Plains would import all of the collected data from headquarters and manage the enterprise from an ERP viewpoint.

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*Pierre Bazinet
Controller
J.E. Mondou*

Integration

François Paré, LVMB's owner, saw that tremendous business benefits could accrue to J.E. Mondou from integrating Microsoft Great Plains and Microsoft Retail Management System. Paré invested substantial technical resources to create an interface between the two products that is designed to deliver an end-to-end retail information solution.

"We went to Microsoft products," says Bazinet, "because they could be integrated more easily than disparate solutions. And because we want more compatibility, not less, through version changes and upgrades."

The Benefits

As promised, four months later, the system was delivering timely data and accurate reports to more stores every month. "We have seen improvements in sales, margin, stock turns, and inventory control. Now our managers have time to mingle with customers, learn new products, and impart their knowledge to new staff," says Bazinet. "They can be more profit-conscious and make smarter big-picture decisions."

Guylaine Mayer's reporting tasks had shrunk from days to literally seconds. "Finally, I can see what I should buy and where to send it," she says. "And my information is only minutes old."

Bazinet reports that previously the time and money to run a report on which employees overused the "miscellaneous" code would have prevented a supervisor from investigating. "Now he has the data in his hand and can make some phone calls."

Targeted marketing begins with demographics. Mondou collects pets' birthdays at the registers, then mails a birthday card to pull owners into stores. If a customer buys canary food at one store, when she visits another store, its clerk can tell her about a special on her favorite brand.

"At corporate," Bazinet continues, "we are becoming spoiled. We can get nearly any report we want and are now expert in customizing them to very exact needs. Ongoing TCO should drop because Windows® programmers are more plentiful and economical than for Unix. We have Windows expertise onsite and this system isn't fussy."

As controller, Bazinet sees Mondou retaining money once lost to employee shrinkage. "We can track problem stores much faster, take extra precautions with tempting merchandise, and see whose shifts coincide with losses."

Reducing system cost

LVMB and Tri-City worked with Mondou to keep costs down. Retail Management System runs on generic PCs and it accommodated most existing retail peripherals. Tri-City installed a pilot store, the Headquarters system, then trained associates, managers and IT staff. Mondou rolled out the remaining 32 stores. Heidi Stieh, Tri-City's project leader, reports receiving "only the occasional support call during rollout."

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While Retail Management System enables integrated credit-debit authorization within a few seconds via the Web for U.S. retailers, Canada's credit-debit interface is unique. Tri-City will design and implement an Retail Management System solution for the Canadian protocols that will eliminate 66 on-counter bank terminals and save Mondou nearly \$20,000 a year.

Crucial metrics

"The important thing for any retailer to know is that choosing the right products is only 40 percent of the solution. The next 40 percent is choosing a vendor team who is dedicated and has applicable experience. The final 20 percent is getting your employees on board, apprised of the steps,

For more information about Microsoft Business Solutions Retail Management System, visit www.microsoft.com/BusinessSolutions/POS.

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