Midsize Business Brief

Allgood

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Managing Director Gets a Handle on Business

Processes and Opens the Door to Efficiency

Story at a Glance

Every time Peter Hill walks through a doorway, he checks out the competition. As Managing Director of Allgood, a leading supplier of ironmongery in the United Kingdom, he quickly compares the weight and design of the door handle to Allgood's standard of excellence. At work, Hill promotes excellence by helping Allgood employees execute efficient post-sales business processes, tasks hampered by three disparate business systems and manual workarounds. When Allgood deployed a Microsoft® business management solution, Hill gained a powerful tool to refine business processes, promote proactive decision making, and improve productivity.

Situation

Ironmongery usually represents 2 to 3 percent of a building's total cost, yet the overall effect of door hardware and other fittings creates an aesthetic statement. The role that ironmongery plays in the visual impact of a building is akin to the role that business processes play in the general efficiency of a company's operations: If they work, you don't notice anything; if they don't, it is immediately apparent.

When Peter Hill, Managing Director of Allgood, joined the company he had a directive to improve post-sales processes—purchasing, stock management, contract management, and the like. "Allgood is a successful company, but it operated reactively," he says. "This wasn't the staff's fault. Our AS400 inventory system, our Socrates customer management, and our

Edison quotation system didn't interoperate. Gaps in the flow of sales, purchasing, inventory, and contract data forced people to reenter data and chase information to deal with issues after they occurred."

Many of these issues centered on the purchasing function that controls stock levels and distribution. "If purchasing doesn't get it right, it has an affect on all post-sales processes," Hill says. "Contract management teams process orders, relying on the accuracy of the purchasing department's data about stock levels, products, and lead times so they can supply the right products at the right time. If this information is incorrect, customer service is affected."

Allgood's corporate systems were not rigorous enough to highlight inaccuracies in the business data. Instead of planning in

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response to demand, purchasing staff made inventory decisions based on estimates and habitual buying practices. With 13,000 line items in stock, inventory levels were too high. Without a reporting solution, it was difficult for Hill to monitor the business. Nor did he find out about issues until well after they occurred. "I don't like to operate in damage-control mode," says Hill. "We needed a flexible business management solution with powerful reporting capabilities so we could improve process efficiency and run the business proactively."

Adaptable Business Solution

Allgood chose Microsoft Dynamics® AX 4.0, a flexible business management solution suitable for mid-sized companies. Management liked the solution's flexibility and the ease of integration with the company's Microsoft® software–based IT infrastructure. "Microsoft Gold Certified Partner eBECS helped us with the installation," says Hill. "We were extremely impressed with their competence and commitment."

Initially, Allgood focused on the purchasing, stock control, distribution, contract management, and finance modules. Hill trained the staff in Allgood's London headquarters for the October 1, 2007 launch. "This is a sophisticated business tool," he says. "The better I understand its capabilities across the post-sales processes, the more efficiently I can manage the business."

Today, more than 70 employees are using the solution. Next, Allgood and eBECS will roll out the quotation module and extend the solution to the sales force and estimators. Ultimately, most of the company's 130 employees will use the solution.

"Microsoft Dynamics AX shows us where we can improve the quality of our data and the

efficiency of our business processes," Hill says. "Because the system is adaptable, we can liberate people from unproductive labor. Purchasing spends less time sorting out problems and more time securing better discounts. Contract management teams aren't doing data entry; now they are liaising with our clients."

A Proactive Business

Hill has also seen a shift from reactive to proactive decision making at Allgood. He attributes this to the system's capabilities and a robust set of exception reports tailored to the business. "Purchasing uses the system for demand-based planning, and we have cut inventory by 25 percent. Contract teams use it to check if we are going to miss a delivery date so they can take steps to alleviate the situation. The exception reports keep me on top of issues as they arise and help me manage employees to work more efficiently.

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Lessons Learned
- Microsoft Dynamics AX can expose bad business processes. Evaluate and improve your workflow before you deploy for a better result.
- During training, replicate daily business processes using "before and after" scenarios to demonstrate efficiency improvements.
- Don't assume long-term staff will buy into the solution when you have to change entrenched workflow.

Executive Biography
Peter Hill graduated as an accountant from London Metropolitan University in 1970. His long career in various financial positions in construction and manufacturing firms contributed to his deep understanding of the industry—just one reason why a longtime colleague recruited him to join Allgood in July 2007 as Commercial Director. In January 2008, Hill was promoted to Managing Director.

Customer Details:
Allgood
Phone: 44 870 609 0009
Company size: 130
Web site: www.allgood.co.uk

Software & Services

Microsoft Dynamics® AX 4.0
2007 Microsoft® Office suites

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