

“We’re spending less time gathering data and more time using the quality data generated by Microsoft Dynamics AX to drive our business forward. We have far greater transparency of our business processes.”

– Bruce Crossan, General Manager – Administration, Finance and IT, Fresh Direct Ltd



Delivering high returns on low margin industry

With a long-standing history in the fresh produce industry, leading wholesaler Fresh Direct modernised its ageing business management system with Microsoft Dynamics AX™ in December 2003 to maximise competitive advantage

In what is historically a high volume, low margin industry, the new solution is improving business performance while making it easier for Fresh Direct’s growers and customers to conduct business with the company.

According to Bruce Crossan, Fresh Direct Ltd General Manager for Administration, Finance and IT, outdated technology, inability to handle growth, and inadequate business information were the main drivers that prompted the company to replace its legacy ERP system.

“We needed a stable ERP platform that could carry us for the next ten years without having to worry about replacing the software. In such a competitive and ever-changing trade, it’s important to stay focused on running the core business and gaining operational efficiencies rather than worry about the IT backbone.

“We also want to provide growers with the best value proposition given the industry’s low margins.”

For the future, Crossan says Fresh Direct is planning a number of strategic technology investments, with the view to enable

mobile trading on the market floor within the next two years. It was necessary that a new ERP system supported this ambition.

Partner expertise combined with Microsoft Dynamics AX’s strong functionality wins Fresh Direct’s mindshare

After short-listing five ERP products, Fresh Direct chose Microsoft Dynamics AX, supported by Auckland-based IT company Koorb Consulting. While Crossan says the management team was ‘very impressed’ with the product, Koorb’s skills and expertise also swayed the decision in their favour.

“While Microsoft Dynamics AX is a very powerful product and from a



Industry: Primary Produce/ Wholesale Distribution
Project Type: ERP

Quick Facts:

Website: www.freshdirect.co.nz
www.purefresh.co.nz

Customer Size: Medium

Solutions:

Microsoft® Dynamics AX:

- Financials
- Trade
- Logistics
- OLAP

Microsoft® SQL Server 2000

Workstations: 25 users

Year: 2003

Functional areas:

Financials, Fixed Assets, Trade, Logistics, Master Planning, Production and Business Analysis

Scenario:

ERP

Benefits:

- Improved inventory management
- Improved operational efficiencies, and cost-savings
- More accurate sales forecasting
- Increased supplier and customer satisfaction

strategic point of view is the best fit for the business, part of our decision to adopt the system came down to the people at Koorb. Right from the start, the team at Koorb were professional and demonstrated a very good understanding of our business.”

He adds that Microsoft Dynamics AX’s flexible architecture made it an ideal platform for handling the unique complexities within the fresh produce industry.

“The system requires some degree of customisation and modifying Microsoft Dynamics AX is a very cost-effective option. While it’s still a relatively new technology, it’s got a proven track record, long lifespan and offers B2B capabilities for the future.”

Fresh Direct has also standardised its IT environment on Microsoft technologies, right from the desktop through to its server platform. By adopting Microsoft Dynamics AX, Crossan says the company stands to “gain long-term cost savings by having a seamlessly integrated front office and back office.”

Outsourcing ERP system a strategic move

In addition, Fresh Direct chose to outsource Microsoft Dynamics AX to application service provider GDC via a Citrix thin client computing model. GDC are hosting the company’s entire IT environment, a strategic move that enables Fresh Direct to concentrate on its core business.

“By using the ASP model, we can focus on the business and leave the IT to the experts. It also means our long term total cost of ownership is low,” comments Crossan.

New found business intelligence driving business forward

Koorb commenced the project in July 2003 and by December, Microsoft Dynamics AX was up and running. Thirty five users across Auckland, Wellington and Christchurch are using the system to manage the company’s financials and end-to-end supply chain, from growers to pack houses and customers. Crossan says the implementation ran smoothly with minimal disruption to the company’s operations.

“The project was on time and on budget and we’re extremely happy with how

Koorb managed the implementation. Koorb’s implementation methodology involved users in the early stages of the project and ensured their buy-in from the start.”

Crossan says one of the more immediate benefits in using Microsoft Dynamics AX is the depth of reporting, and improved inventory management.

“I love the dimensional approach of the software – it gives us a 3D view of how the business is running.

“Already, we’re spending less time gathering data and more time using the quality data generated by Microsoft Dynamics AX to drive our business forward. We have far greater transparency of our business processes.”

Empowered with this new business insight, Crossan adds the company has improved its sales forecasting. “It’s very easy to compile a forecast, whether by a seasonal basis or by customer and grower.”

Microsoft Dynamics AX is also helping the company identify several weaknesses in its working practices, and make improvements to operational processes.

“We’re able to quickly resolve any business issues because of the product’s ability to access and analyse in-depth data.”

Finally, growers and customers have also noted a positive change since Fresh Direct adopted Microsoft Dynamics AX.

“Our documentation, such as invoices and delivery receipts, are by far the best in the industry and the information supplied is far more meaningful to growers and customers. In the future, we’re looking to move to electronic invoicing, which will put us another step ahead of the competitors.

“We’re striving to be a ‘centre of excellence’ so that our customers and suppliers find it easier to do business with us,” concludes Crossan.

According to Nicholas Birch, Managing Director of Koorb Consulting, “After the initial goal of establishing an accurate and reliable information source Fresh Direct now have excellent building blocks for the future.”

“The pleasing aspect from Koorb’s perspective is the ability of our team and the Sure Step approach to facilitate the Dynamics AX product to deliver fresh produce sales and supply a vertical solution. Dynamics AX’s adaptability is reassuring to those who invest.”



About Koorb Consulting

Koorb is a 100% NZ owned company - privately owned and operated by the Directors, Nicholas Birch and Paul McDowell-Hook. Both Directors work in the company. The company was established over 12 years ago and has offices in Auckland, Wellington, Christchurch and Dunedin.

The main focus of our business is implementing and supporting Microsoft Dynamics AX and Dynamics CRM. Our 30+ certified consultants together comprise the largest Microsoft Dynamics AX and CRM practice in New Zealand. All are certified and have extensive and wide ranging industry experience.

We have implemented and are supporting close to 60% of all Dynamics AX sites in New Zealand. This is a direct reflection of our strong leadership, highly experienced people and proven methodology.

In both 2007 and 2010 we won the Microsoft Partner Award for the Dynamics ERP Solution of the Year.



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