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– Brent Milburn, Director, ABE’S



ABE’S® Real Bagels grows business

Using Microsoft Financing, ABE’S® Real Bagels has been able to deploy flexible and powerful Enterprise Resource Planning system Microsoft Dynamics® AX when it was needed most, enabling the business to capitalise on growth opportunities and better manage production and accounting processes.

ABE’S® Real Bagels is a successful New Zealand manufacturer of fresh bagels and bagel crisps, that started out in a small Auckland café and has rapidly grown into a wholesale manufacturer. With the help of Microsoft® Gold Certified Partner Koorb Consulting, ABE’S® used Microsoft Financing to deploy Microsoft Dynamics® AX, a flexible Enterprise Resource Planning (ERP) system that has enabled ABE’S® to improve and grow its business and expand into the Australian market.

Taking the bagel market by storm

In 1996, New Zealanders Megan Sargent and Brent Milburn brought back from Chicago the secret to successful bagel making, and the belief that New Zealanders would love the taste of real Chicago-style bagels. The pair started a café in Auckland’s Swanson Street that quickly grew into a successful wholesale manufacturing business employing 45 full time staff with annual revenue of \$NZD5 to 10 million. ABE’S® has recently

extended its product range manufacturing ABE’S® Bagel Crisps in addition to fresh bagels and has undergone rapid change over the past year, entering into the Australian market and winning a contract to supply over 800 Woolworths supermarkets. With major changes and significant growth of 30 to 40 percent a year ABE’S® urgently needed a new ERP system.

The search for a system to support growth

ABE’S® rapid growth and its expansion into Australia meant the business had outgrown its existing custom-built legacy system, which employed Microsoft® Access® for production



Industry: FMCG
Project Type: ERP

Quick Facts:

Website: www.bagels.co.nz	Workstations: 13 users	Benefits: <ul style="list-style-type: none"> • Immediate access to capital with Microsoft Financing • Scalability and flexibility to enable growth • Visibility to make more informed management decisions • Improved stock and production management • Streamlined production processes and financial management
Customer Size: 70	Year: 2007	
Solutions: Microsoft® Dynamics® AX 4 Microsoft® Windows Server 2008 R2 Microsoft® SQL Server 2000	Functional areas: Financials, Fixed Assets, Trade, Logistics, Master Planning, Production and Business Analysis	
	Scenario: Enterprise Resource Planning Financial reporting Forecasting & planning EDI	

management and Intuit® QuickBooks for accounting. The company required greater functionality and flexibility from an ERP system and needed a streamlined and scalable solution to manage both production and finances.

Due to a lack of integration between the two legacy systems, the company's existing accounting system had to be updated monthly with information taken from a manual stock take. This resulted in a lack of visibility into stock levels and costs throughout the month.

"We couldn't do some of the stock analysis we wanted to do with the old system. We had to actually go and look to see how much flour we were consuming each month, which meant we had to have standing rather than flexible orders," explains ABE'S® Director Brent Milburn.

"We really needed a system with real-time stock visibility and forecasting tools to better manage production schedules to meet customer demand and improve our service."

With the expansion into the Australian market, another problem that ABE'S® faced was that its legacy system couldn't work in multiple currencies. Developing their product offering from fresh bagels to include bagel crisps also required the management of more complex planning and production cycles.

"We'd literally outgrown the system we had and we wanted a platform that would be able to grow with us. We knew we were going to require even more functionality from our system in the very near future so a patch up job just wasn't an option," says Milburn.

A seamless solution

When it became clear that ABE'S® legacy system could no longer meet business needs, ABE'S® evaluated several ERP systems including SAP, MYOB Exonet and Microsoft Dynamics® AX. ABE'S® chose Microsoft Dynamics AX for its superior flexibility, scalability and manufacturing capabilities, and the knowledge that Microsoft Dynamics® AX would integrate seamlessly with existing systems. The Microsoft Financing package was the icing on the cake. "The financing rate was very reasonable and being able to finance the investment in software implementation against future earnings was a huge plus advantage for us," says Milburn.

Microsoft® Gold Certified Partner, Koorb Consulting assisted ABE'S® in finding and implementing the right solution for the company.

"We were impressed from the start with the obvious depth of understanding Koorb had of our industry," says Milburn. "They stepped forward with a large pool of experienced consultants and developers, specific expertise in FMCG manufacturing, a large number of current Microsoft Dynamics AX sites and very importantly - strong site references. It was obvious that partnering with them would be a low risk option for ABE'S®. Once we started working with them, Koorb matched us up with consultants who had skills to fit our specific business needs, and crystallised the phrase "Industry Best Practise" into actual workable solutions."

Koorb's Managing Director, Nicholas Birch, explains that there were several factors that made Microsoft Dynamics AX the perfect fit.

"Microsoft Dynamics AX is extremely scalable so while a number of our deployments are in large companies, it is also suits smaller manufacturing environments. The system fitted ABE'S® like a glove. It supported all aspects of the business from processes to trade and logistics; to capacity planning and warehouse management; as well as integrating requirements for improved financial management," says Birch.

"Although ABE'S® is a relatively small company in terms of head count, it's actually a large company when you look at the number of orders it's processing and the number of transactions it's keying – a package that had a lot of functionality, but had the ability to scale to quite high transaction volumes was needed."

Koorb began implementing Microsoft Dynamics AX at the end of 2007 and the system went live on schedule and on budget in early April 2008 – just in time to provide the multicurrency functionality that ABE'S® required for its entry into the Australian market.

To meet ABE'S® key needs Microsoft Dynamics AX had almost everything ABE'S® needed right out of the box, with a look and feel that was familiar to staff who were already accustomed to using other Microsoft products. However, Microsoft Dynamics AX also had the advantage of integrating easily with existing systems.

Using the Application Integration Framework (AIF) module, Koorb was easily able to integrate an existing planning system used to designate van delivery routes and take delivery orders with Microsoft Dynamics AX.



Financing a future

While Microsoft Dynamics AX was clearly the best technical solution for ABE'S®, the availability of Microsoft Financing meant that the implementation of Microsoft Dynamics AX was achievable.

“Being able to finance it against future earnings was a definite advantage and made a real difference to us. Growing businesses are quite money intensive, requiring all of the earnings and more to be input into capital for machinery and working capital, so being able to finance it was a big plus,” says Milburn.

A solution with room for growth

As the business continues to grow and develop, ABE'S® Real Bagels will build further on its technology solution, taking advantage of the system's multicurrency and multiwarehouse capabilities and connecting a forecasting add-in. ABE'S® also plan to upgrade to Windows® Small Business Server 2008 and upgrade the company's smart phones to Windows Mobile® 6 which will enable mobile integration with Microsoft Dynamics AX if required.

“Microsoft Dynamics AX has the ability to grow with our business. With new versions being released regularly, we're pretty confident that no matter where we go or what we do the system will be able to cope with our evolving business,” says Milburn.



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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