



Microsoft Dynamics Customer Solution Case Study



Customer: Spectra Innovations Pte. Ltd.
Web site: www.spectra.com.sg
Number of Employees: 120
Country or Region: Singapore
Industry: Wholesale and Distribution

Customer Profile

Setup in 1989 as Spectra Innovations Inc in the USA, Spectra is a subsidiary of Singapore-headquartered Specvision Holdings Pte Ltd. Representing more than 45 brands, Spectra employs more than 120 staff across its offices in India, Pakistan, Sri Lanka, Vietnam and the USA.

Software and Services

- Microsoft Dynamics
 - o Microsoft Dynamics NAV

Benefits

- Enhanced inventory visibility
- Increased inventory turn by 10 percent
- Enhanced sales productivity and customer service
- Streamlined warehouse management
- Enhanced management visibility
- Enabled timely reporting

For more information on Microsoft Dynamics, visit <http://www.microsoft.com/en-us/dynamics/default.aspx> or email: mbsasia@microsoft.com

For more information about Spectra Innovations Pte. Ltd. call +65 6587 8536 or visit <http://www.spectra.com.sg>



IT Distribution Leader Increases Inventory Turn and Enhances Efficiency for Faster Growth

"Microsoft Dynamics has established a robust and dynamic backbone that will grow with our business. We are seeing increasing orders of up to 400 invoices monthly, with up to 15 percent growth in new customers, without adding new staff. Backed by Microsoft's comprehensive roadmap, our investment is protected and we are in safe hands. Now, we can focus on outgrowing our targets."

-- Mr B.J. Mahendran, Financial Controller, Spectra Innovations Pte. Ltd.

As an inventory-centric company, complete inventory visibility is pivotal to Spectra's viability in the highly competitive IT distribution business. To achieve faster growth, the company needed to replace its legacy ERP system with a seamlessly integrated system with comprehensive inventory management capabilities. Microsoft Dynamics enabled Spectra to gain real-time inventory visibility, increase inventory turn, enhance sales productivity and empower management visibility for faster, smarter decision-making.

Situation

Setup in 1989 as Spectra Innovations Inc in the USA, Spectra is a subsidiary of Specvision Holdings Pte Ltd, which was incorporated in Singapore in 2004, to bring the company closer to its regional markets. Representing more than 45 brands from global IT component and finished product manufacturers, Spectra's more than 120 staff across its offices in India, Pakistan, Sri Lanka, Vietnam and the USA, serve a customer base of more than 5,000 resellers.

When the company set faster year-on-year growth targets at 5 to 10 percent after the 2009 global financial crisis, it wanted to replace its decade-old Enterprise Resource Planning (ERP) system with a seamlessly integrated system that is robust and dynamic. "Besides improving productivity and enabling real-time reporting, we critically needed the new system to streamline inventory management for our

inventory-centric business," said Mr B.J. Mahendran, Financial Controller, Spectra Innovations Pte. Ltd.

Solution

After evaluating market offerings including SAP B1 and Fusion ERP from India, Spectra chose Microsoft Dynamics NAV for its user-friendliness, reasonable price tag, detailed roadmap of development and good brand name. Mr Mahendran shared that, while most ERP systems offer functionalities like Financials adequately, none offers inventory management capabilities like Microsoft Dynamics NAV. He said, "With up to US\$5 million in inventory, we needed to keep our inventory lean, while meeting customers' demand. Microsoft Dynamics stood out with its superb inventory management capabilities, including reports on historical data which is critical to our decision-making."

With the help of Winspire Solutions





Pte Ltd (Winspire), a Microsoft Gold Certified Partner for ERP, the Financial Management, Sales and Marketing, Purchase Management, Inventory/Warehouse Management and Business Portal modules of Microsoft Dynamics NAV were implemented in Spectra Innovations, Specvision Holdings and Unispec Pte Ltd, another subsidiary of the group. Some customisations were made to meet specific reporting needs such as ratio analysis, weekly vendor reports etc. The implementation took 4 months and the system went live in December 2010.

Pleased with Winspire's great support, Mr Mahendran commended, "The Winspire team came with high domain knowledge of the distribution business. This went a long way to ensure a smooth, on-time implementation, despite complex tax and legislative requirements across two countries. They handled the implementation very well."

Benefits

Manual processes with time spent reconciling discrepancies are now a thing of the past. With Microsoft Dynamics, Spectra successfully established a dynamic and robust system, gaining real-time visibility for faster decision-making. The integration of core processes also streamlined critical inventory management and increased overall operational efficiencies.

Enhanced Visibility with Streamlined Inventory Management Processes

With 60,000 SKUs across more than 45 product lines, of which 20 are active, real-time visibility of stock movement, inventory status and shipment schedule is key to Spectra's success. Previously, with its office and warehouse located in the same building, discrepancies in inventory data were rectified quickly with a quick visit to the warehouse. As product offerings expanded through the years, this became increasingly unproductive. Without a centralised database, there were also risks

for errors, as most inventory planning was done in Excel.

With Microsoft Dynamics, Spectra now enjoy real-time inventory visibility, despite having moved its

office. "We now have an accurate picture of what's coming in and going out. Historical inventory data not only helps us with audit requirements, but also gives better insights into customers' buying behaviour, making purchasing decisions faster and smarter," said Mr Mahendran.

Increased Inventory Turn by 10 Percent

With product lines falling into 3 main categories, namely Computer Peripherals, Semiconductor Components and LED Lighting, each has differing ordering patterns ranging from blanket orders for up to 2 years, to fixed-quantity orders on a regular basis. Juggling purchasing cycles to optimise inventory levels while fulfilling these orders, used to be a hassle. Microsoft Dynamics has enabled Spectra to place simultaneous orders to better meet demand. "In line with our management initiative to minimise capital investment, Microsoft Dynamics has helped us cut inventory holding across all our product lines -- from 60 to 30 days for semiconductor components and 12 to 8 days for computer peripherals. Overall, our inventory turn has increased by 10 percent," beamed Mr Mahendran.

Enhanced Sales Productivity and Customer Service with Sales Automation

With real-time visibility into inventory, salespersons now spend less time checking stock status, while enhancing customer service with accurate inventory information. To Mr Mahendran, the resultant increase in sales productivity is the biggest benefit Spectra has gained. As order confirmation and statement of accounts are now automatically emailed to customers, Spectra's sales team can now focus on building customer relationships and getting new customers.

Streamlined Warehouse Management with Real-Time Information

By consolidating orders at its Singapore

warehouse, Spectra value-adds by getting best prices from its vendors, while extending its customers' reach to leading brands. As the intermediary, Spectra needs to know the standard packaging quantity from each vendor, to optimise container space, minimise freight charges and most importantly, prevent costs incurred from returning unsold products from opened product packages. Previously, with limited visibility, packing decisions were mostly made based on 'gut feel'. Microsoft Dynamics has removed the guesswork, as all information is now available at the click of a button.

Enhanced Management Visibility with Timely Reporting

With Microsoft Dynamics, timely month-end reporting is now a reality, with accounts closed on time and reports ready by the 15th of every month. Drill-down capabilities has enabled Spectra's management to see specific data when required. "For example, when inventory levels are high, we are able to help product managers understand the impact of ordering decisions taken under vendor's pressure, thus minimising the overstocking risk. This has been very helpful in enhancing control and decision-making ability," quipped Mr Mahendran. The management also enjoys increased control over pricing and reseller credit controls, as any requests beyond the limits set in the system are now managed through the system to ensure compliance. Mr Mahendran added, "After implementation of Microsoft Dynamics, our data integrity is maintained with ease of use. In addition, due to the powerful security options in Microsoft Dynamics, our data is secure which is vital for any organisation."

Looking Ahead

Plans are underway to extend Microsoft Dynamics to its Vietnam and Pakistan offices. A customers' portal will also be setup to enable e-commerce. Mr Mahendran concluded, "Microsoft Dynamics has established a robust and dynamic backbone that will grow with our business. We are seeing increased orders of up to 400 invoices monthly, with up to 15 percent growth in new customers, without adding new staff. Backed by Microsoft's comprehensive roadmap, our investment is protected and we are in safe hands. Now, we can focus on outgrowing our targets."