Singapore bakery rises to fresh heights with all-in-one retail system

"Inventory planning is much better now that we have instant reports on which breads and cakes are selling well in each bakery. It saves us time and manpower making us efficient. Dynamics AX is the perfect end-to-end ERP for a fast-growing retail business."

George Tay, Group IT Manager, OTS Holdings

With 31 outlets across Singapore, Swee Heng Bakery was growing fast. But with different systems for managing production, planning, supply chains and finance, managers wanted to improve control. In 2015 Swee Heng introduced Microsoft Dynamics AX 2012 for Retail. This all-in-one system gave them instant access to point-of-sales data, inventory and financial reports. The result: Swee Heng reduced IT complexity, optimized processes and drove new efficiencies. Today, Swee Heng is opening an average of eight new stores per year.

Narrative

One of the biggest challenges facing small but fast-growing retail chains is how to keep control. Store employees like point-of-sale (POS) systems that are simple and straightforward. On the other hand, managers want instant access to accurate sales data and stock orders that flow seamlessly from shop to factory. To keep the business growing, managers need to reduce the cost and complexity of IT systems. They also need data insights so they can drive new efficiencies.

One company that recently faced this growth challenge is Singapore's success-story, Swee Heng Bakery Pte. Ltd. (Swee Heng). This family-run business supplies fresh bakery to 27 outlets across Singapore. It supplies these stores from a 15,000 ft^2 factory in Senoko Crescent.

In 2015 the business was growing fast. The executives planned to expand Swee Heng to 40 bakery outlets in 2017 and 60 outlets by 2019. To keep control, however, they needed a system to handle all data related to retail management, supply chains, production, planning and finance — everything from store sales to month-end reporting.

Group IT Manager for OTS Holdings, George Tay, explains: "Up until 2015, we relied on a third-party POS system and a separate finance system called 'Quick Books' — and lots of spreadsheets to carry data in between," he says. "Data had

Microsoft Dynamics

to be visually verified. This took a lot of time and there were discrepancies. Stock ordering and inventory management were done by hand. And if the executives wanted a specific report, people had to compile the data manually."

What Tay wanted was a single ERP [Enterprise Resource Planning] system to link the bakeries, factory and back-end office.

"The critical thing was to integrate our retail operations," he says. "We wanted an easy-to-use system that gave us instant visibility on sales and automated our stock ordering. Most important, this single system had to be scalable. Once in, it had to help us grow."

Solution

Tay reviewed several ERP options, but most were over-complex for Swee Heng needs. A sister food company, Golden Bridge, had used a release-to-manufacture version of Microsoft Dynamics AX since 2012. So, when Microsoft announced that the simplified Dynamics AX 2012 R3 would ship with a retail module, the management was interested.

"Dynamics AX 2012 for Retail would provide us with all the integrated ERP features we needed," says Tay. "As well as accounting, it could manage sales and marketing, procurement, production, inventory, warehousing, planning — and of course retail. "With Dynamics AX we could trace every cost from retail back to manufacturing. Also, we could easily scale Dynamics AX up to 500 users in a few years' time."

Working with Dynamics specialist, 9 Dots Consulting, Swee Heng implemented Dynamics AX 2012 R3 in two phases, beginning with the Finance module, Supply Chain and Manufacturing modules. All three went live on schedule in January 2016. Then, between September 2015 and April 2016, the Retail module was configured for all 27 Swee Heng outlets.

"Implementing an ERP is not that difficult but planning is key," says Tay. "We worked hard with all the business users to understand exactly what they wanted. With good planning, we met all our milestones and kept to our timelines. We found it easy to integrate the retail systems with warehousing, production, purchasing and finance."

Driving efficiency across multi-store operations

With an all-in-one ERP, Swee Heng saves the cost of a separate retail system and provides managers with a clear view of sales. This improves control and drives efficiency. "It's a very smart initiative for Microsoft to put Retail into the Dynamics ERP because it saves us time and lots of manpower, and this makes us more efficient and streamlines our processes," says Tay. "Integrated ordering improves operations. Great reporting gives us better control over operations."

According to Tay, the new retail system dramatically reduces the workload of in-store workers. Instead of manual data transfers, all the relevant data – such as inventory, ordering and prices – uploads seamlessly to Dynamics AX. This means the store workers using the point-of-sales terminals can focus on providing customers with a great service.

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Swee Heng Bakery signature cakes

Reducing IT complexity & optimising business operations

With Dynamics AX 2012 for Retail, managers have one system that reduces complexity and makes business processes more straightforward. "With Dynamics AX, we can run the entire business on one system where every cost is only entered once. This means our executives are more productive and we are increasing efficiency."

Tay says the ERP is highly popular. "Today, everyone has the facts at their fingertips. This means they take decisions more quickly, which should help us become more profitable. Also, it's much easier for accounting staff to compile month-end reports because all the data is in one place. If the executives want to see the general ledger, or a profit and loss statement, they just click to print."

Faster growth; higher profitability

Today, Swee Heng is a more agile business. This helps managers to connect with customers. For example, if one product line in a particular bakery is selling below expectations, they can create bundled promotions just before closing time. This has the potential to make each store more profitable. "Inventory planning is much better now that we have instant reports on which breads and cakes are selling well in each bakery," says Tay.

Going forward, Dynamics AX will aid expansion. With the ability to compare performance across the retail outlets, managers can locate the best location for new stores. Says Tay: "As each year passes, Dynamics AX will help us create much better strategic plans. It is the perfect end-to-end ERP for a fast-growing retail business."

Next steps

- Connect with Microsoft Dynamics
- Become a Dynamic Business
- Learn about partner solutions available in the Microsoft Dynamics Marketplace

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