

QAD Business Intelligence Boosts Sales Productivity for Homewares Manufacturer

The Company: Australia's Leading Manufacturer of Homewares

Every day, families in over 40 countries use homewares designed, manufactured and distributed by Décor Corporation. For over 40 years, Décor has made daily life easier and more enjoyable with high-quality, affordable products created with a focus on design and functionality.

From its headquarters in the foothills of the Dandenong Ranges just outside Melbourne, Australia, the company distributes nearly 400 products, including: kitchenware, picnicware, gardenware, brushware, baby-care items, pet supplies, office accessories and lifestyle products. Eighty percent of its stock finds its way onto the shelves of major retail outlets around the world, including Coles Myer, Kmart, Big W, Spotlight and Bunnings.

The Challenge: Executing A More Competitive Sales Strategy

In 2004, Décor began to map a new sales strategy designed to deliver more effective sales tools to the field, and raise productivity while reducing costs. Execution of the new program would require improved accuracy of sales information and better analysis for reporting and planning.

Management wanted the ability to analyse sales against budget, compare current sales to the previous year, and review growth year-by-year and month-to-date. They also wanted to segment product lines within individual customer accounts to determine which products moved well and which lagged, in order to boost sales for specific products by executing targeted advertising and promotional campaigns.

In reviewing the capabilities of the company's existing enterprise resource planning system, QAD MFG/PRO, Décor management realised that enhancing the analytic capabilities of the existing system with new product functionality would allow them to implement the new sales strategy.

"QAD MFG/PRO serves as an excellent transaction processing system with good operational reporting capabilities, but it is not an analysis tool. The sales team couldn't determine what trends were going on with their product sales. We knew the data was there but getting to

it was a slow and painful exercise," explains Décor MIS manager, David Mathie. Constructing the desired reports using QAD MFG/PRO proved to be too time consuming for Décor's undersized tech team.

What Décor needed was a new tool that could collate sales information with total accuracy, provide the analytics to break the data down in any way required and deliver sales intelligence that would give the field a competitive edge. The decision was made to implement a business intelligence solution.

The Solution: Analysis And Reporting Tool for Sales Success

After considering several vendors, Décor chose QAD. According to Mathie, QAD Business Intelligence (QAD BI) quickly emerged as a front runner because its technical interface allowed rapid deployment in just over one month—rather than the six-to-eight month window required by the competing solutions. The decision makers also liked the Cognos front-end, considering it top of the range when compared to other available reporting tools.

"With just a few clicks using QAD BI, the percentage increase on brushware was onscreen, plus we drilled down to the actual brand within the Coles Myer group that was seeing the increase."

David Mathie, MIS Manager

Décor was the first company to rollout the QAD BI software module in Australia—and the project ran exactly to spec. "It's there, it works, it does what it says it's going to do," says Mathie. The biggest surprise was the level of enthusiasm exhibited by Décor's sales team when QAD conducted training using live data.

"We knew we'd been making some improvement in sales of brushware products to the Coles Myer group but couldn't exactly quantify how much. With just a few

clicks using QAD BI, the percentage increase on brush-ware was on screen, plus we drilled down to which actual brand within the Coles Myer group that increase was occurring at,” explains Mathie.

The Benefits: QAD BI HELPS Achieve Aggressive Sales Goals

After QAD BI was successfully implemented at Décor in only one month, QAD conducted sales training on the new solution to a very enthusiastic Décor sales team. With the help of the analytics and reporting capabilities of QAD BI, the team is meeting the aggressive new sales targets.

While the improved performance of the Décor sales team stems from the new sales strategy as a whole, the team quickly recognised benefits that QAD BI provides:

- Boosts sales due to better visibility of sales trends.
- Enables rapid response to increases/decreases in product line sales—less waste, more efficient production, saves money.
- Improved customer service due to increased visibility and flexibility in the warehouse.

Décor set a fairly aggressive budget for the year, but the new sales strategy has met targets for the first three months. Based on early success, management is confident that QAD BI will show positive ROI within 12 to 18 months.

According to Mathie, “QAD BI has changed the data stored into information. The next challenge for the sales team is to turn that information into sales growth.”

The Future: Tangible ROI for Sales, Integration with Warehousing

As the rollout of the new sales strategy builds momentum, the main indicator of QAD BI’s success will be increased sales for the first six months, as the sales team turns business data into sales revenue. The three months of the traditional Christmas shopping season will be the true barometer for the QAD BI package.

Décor has been a successful user of QAD MFG/PRO for several years. In early 2005, Décor upgraded from QAD MGF/PRO eB to MFG/PRO eB2, installing the QAD Advanced Inventory Management (AIM) warehousing module at the same time. Mathie reports that directly interfacing the two products has delivered unprecedented levels of visibility and flexibility in the primary distribution centre.

Décor’s warehouse has restructured operations to focus on due-date delivery: reliable delivery as promised by the purchase order. Mathie says flexibility in processing orders has also leapt up due to the system’s ability to

Highlights

Company

Company Name	The Décor Corporation
Industry	Consumer Products Manufacturing
Products	Homewares

Solution

QAD Solutions	QAD MFG/PRO eB2 QAD Business Intelligence (BI) QAD Advanced Inventory Management (AIM)
Sites	Head office, manufacturing facility and primary distribution centre in Melbourne, Australia Second distribution centre in New Zealand
Implementation Time	4 weeks—QAD BI 3 months committed time—QAD AIM
Platform	Hewlett Packard 9000 servers
Environment	Windows Server 2003 Hewlett Packard Unix 11i Red Hat Linux 2.4

Results

- Boost sales due to better visibility of sales trends
- Enable rapid response to increases/decreases in product line sales
- Elevate customer satisfaction via improved visibility and flexibility in the warehouse
- Allow detailed view of operations at a senior management level using scorecards of warehouse and production data

automatically splice large requisitions; for example, it automatically generates three separate invoices for an order that requires three truckloads.

Since Décor company directors have been introduced to the QAD BI package, a requirement for new licenses has been made, so warehouse and production data can be filtered up into the system. “We want to analyse and create scorecards for those areas as well,” explains Mathie.

The impressive results reaped from the QAD AIM project executed earlier this year have inspired confidence that QAD BI will pay for itself in 18 months or less.

Story prepared by Décor Corporation in cooperation with QAD.