



Bicycle Manufacturer Connects its Facilities and Expands with Business Management Solution

Overview

Country: International

Industry: Distribution/Manufacturing

Customer Profile

Giant Bicycle manufactures and distributes bicycles throughout the world.

Business Situation

Giant wanted a solution to integrate information across its five manufacturing facilities and 10 distribution centers throughout the globe, for greater supply chain and resource planning capabilities.

Solution

Microsoft Dynamics AX assisted Giant Bicycle to link its facilities and provide immediate information to its customer service group.

Benefits

- Immediate access to customer service information
- Elimination of labor redundancies and paper waste
- Expansion of distributor network
- Data visibility leads to sales growth and better planning
- Usable system makes training staff easy

"Using Microsoft Dynamics AX, we can access the right information in order to forecast better and meet demand."

Jacques Timmerman, Application Manager, Giant Europe

Giant Bicycle is the largest manufacturer and distributor of bicycles and accessories in the world. Both the European division, based in the Netherlands, and the US division were running their operations with UNIX-based enterprise resource planning (ERP) solutions that were increasingly difficult to manage and upgrade. Globally, Giant wanted to link its sales companies and manufacturing outfits. Both regional facilities deployed Microsoft Dynamics AX, which provided real-time information to all levels of management. Giant integrated the warehousing, financial, and sales management systems for increased information visibility. The company also built an enterprise portal to link Giant to its distributors and suppliers for further supply chain efficiencies. Today, Giant can accurately forecast demand and track the delivery of goods. The company has virtually eliminated incidents of resource and time waste.

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Situation

Giant Bicycle is a global corporation with regional sales and marketing offices in over 30 countries, making Giant one of the bicycle industry's most extensive enterprise networks. In business for three decades, and manufactured in Taiwan, China, and Europe, Giant bicycles are used across all continents and in more than 50 countries. Giant owns and operates five manufacturing facilities and 10 distribution centers throughout the globe, and is one of the largest manufacturers and distributors of bicycles in the world.

With its advanced bicycle performance designs, the Giant name is synonymous with technological innovation throughout the global bicycle industry. In this tradition of technology innovation, the bicycle manufacturer and distributor wanted to implement a new business management solution.

In 1999, Giant's global operation decided to link all of its sales companies and manufacturing facilities. The bicycle manufacturer needed a business management solution to provide that link, which would deliver information immediately to their customer service staff around the globe.

Jacques Timmerman, Application Manager, Giant Europe, says: "At that time the subsidiaries in Europe were using an enterprise resource planning (ERP) system that was based on UNIX. The old system worked adequately, but it had certain shortcomings that prompted us to look for a replacement. The ERP system did not have a graphical user interface, so it was text based. Also, the system could no longer be upgraded, nor could we efficiently integrate the separate databases together to see information across the entire European facility."

The solution also needed to provide greater bill of materials (BOM) capabilities. BOM is the list of the components necessary to make a part or product and the amount of each component required.

Timmerman says: "We wanted to add new functionality in our BOM module and introduce a warrantee module. We wanted to integrate all of our subsidiaries on to the same system. It was time to upgrade and to get ahead of the technology curve with a future-proof solution that had multiple language and currency capabilities."

Mike Forte, Director of Strategic Information Systems Project, Giant U.S., says the company wanted to put its business in a position to take advantage of the right information, in order to grow. "We had an overriding need to get the right information to the right people at the right time."

Solution

After evaluating the off-the-shelf solutions, Giant's global operations decided Microsoft Dynamics AX was the best solution that matched their needs.

In 2002, Giant Europe was the first regional operation to implement the solution, and used it to integrate its 5 sales companies across Europe, including Holland, Poland, Germany, France, and the United Kingdom (U.K.), with its European manufacturing facility.

Timmerman says: "Giant Europe went live across all of our subsidiaries on one application. We also consolidated all of our information into one database. This meant that we could create reports for the whole of Europe, especially for logistics and finance. As a result, we could easily analyze trends to better forecast demand. The BOM professional orders functionality also gave us

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the ability to better plan our supply for bicycle parts, which improved the overall performance of our business."

In 2003, Giant U.S. followed the example set by Giant Europe and engaged Microsoft Dynamics Partner Advanced Systems Integration, Inc. (ASI) to roll out Microsoft Dynamics AX.

To improve the relationship and communication with bicycle dealerships, Giant Europe and Giant U.S. both created enterprise portals, based on Microsoft Dynamics AX Enterprise Portal module. The portal was used to extend information collaboration with Giant's partners and provide a powerful way to share information with independent sales distributors.

Benefits

Expansion and Sales Growth from Greater Data Visibility

Since the Microsoft Dynamics AX implementation, the company has seen a spike in sales and increased penetration into the professional cycling retailers throughout the United States and Europe in the past three years. Microsoft Dynamics AX has helped the company to fulfill this increased demand.

"The software has certainly provided us with better forecasting and trend spotting information, and it generates information much more quickly than the old system," says Timmerman. "This has helped the company to thrive."

Forte says: "We desperately needed information, but our old system had trouble providing it. Microsoft Dynamics AX has put this information at our fingertips. This has made it easier to meet increased demand as our company continues to grow."

Usable and Customizable System Makes Training Staff Easy

The familiar Microsoft interface of Microsoft Dynamics AX proved easier to use than the non-graphical user interface of the previous ERP systems.

Giant's employees were excited about the benefits they knew would be achieved with Microsoft Dynamics AX, which gave them the incentive to become familiar with the new software several months prior to the implementation. "Microsoft Dynamics AX provided a great base for the system. Everybody within Giant knows how to use Microsoft Word, Microsoft Excel, and Microsoft Office. So it was very easy for them to navigate through and use Microsoft Dynamics AX," says Forte.

Information is Visible and Readily Available

The greatest benefit for Giant has been the improved availability of information, which has greatly enhanced the company's ability to trace shipments. The integrated data view across customers, orders, receivables, and inventory, as well as powerful reporting and business control functions, has helped the company to quickly trace any shipment.

"Using our old system, if we wanted to track a shipment, our customer service department had to get off the phone, look at three or four screens, go into a file cabinet, and call a warehouse. Now they can see the whole shipment process on the screen, right at their fingertips," Forte says. "As a result, I would estimate that being able to trace an error in a shipment has increased by more than 200 per cent."

New Portal Increases Information Sharing with Distributors

With the new portal, Giant is now able to proactively make recommendations and suggestions to its suppliers, and further

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improve relationships to ensure greater stock fulfillment.

Timmerman says: "Using Microsoft Dynamics AX, we can access the right information in order to forecast better and meet demand. We can then incorporate this knowledge in our enterprise portal to share with suppliers, which improves our business."

Streamlined Business Processes Eliminates Resource Waste

The portal, combined with better reporting capabilities, has helped Giant to virtually eliminate wasteful paper consumption. It has also purged incidents of effort duplication, as employees have immediate access to the latest version of a report.

Forte explains that as part of the implementation process, Giant U.S. worked with ASI to define and document the business processes of the American facility. This business modeling analysis provided Giant Bicycle U.S. with a clear picture of how the old processes needed to be adapted and streamlined for the new Microsoft Dynamics AX environment. Forte believes this process was central to the company's success with the solution. "This detailed analysis provided Giant Bicycle U.S. with a clear picture of the status of our incumbent system and how to change our old processes to eliminate time and resource waste," says Forte.

"With the previous environment, many employees were running the same reports every month at the same time, which meant paper resources were wasted, and efforts were duplicated. Today, we can create custom reports of our own choosing and post them on an intranet site where people have access to the information exactly when they need it. In this way, we have reduced duplication of efforts," says Forte. "The resulting reduction in paper consumption has been dramatic. We used to have a wall of file

cabinets filled with files. These have been removed and archived, and all this information is on computers."

The portal has further reduced paper wastage. Timmerman says: "By using the portal, our distributors can order directly while we can place orders with our suppliers through the Web. This is integrated with Microsoft Dynamics AX, so we can accurately fulfill these orders. In fact, we have done away with all of our facsimile machines as bicycle distributors no longer fax in their orders. This has reduced stock by 80% and delivery reliability increased to 95%, and we have reduced labor costs"

Future Expansion of Solution for Greater Benefits

Today, two other Giant sales companies—Giant Australia and Giant Canada—have implemented Microsoft Dynamics AX with similar success. The remaining sales companies will follow shortly. The final stage of the implementation strategy is to deploy Microsoft Dynamics AX at the parent company for seamless integration across the company, which will allow for easier reporting.

Forte says: "We're very pleased with Microsoft Dynamics AX, and excited about rolling this out across the entire Giant Bicycle business."

For More Information

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For more information about Giant Bicycles products and services, visit the Web site at: www.giant-bicycles.com/global

For more information about Advanced Systems Integration Inc Microsoft Dynamics AX products and services, visit the Web site at: www.advancedsystemsintegration.com

Microsoft Dynamics

Microsoft Dynamics offer integrated business applications and services that allow small and midsize organizations and divisions of large enterprises to connect employees, customers, and suppliers for improved efficiency. The financial management, customer relationship management, supply chain management, and analytics applications work with other Microsoft software, including the Microsoft Office System and the Windows operating system, to streamline processes across an entire organization. This gives businesses insight to respond rapidly, plan strategically, and execute quickly. Microsoft Dynamics are delivered through a worldwide network of channel partners that provide specialized services and local support tailored to a company's needs.

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Document published October 2005

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