

## Synopsis

**Client:** Wholly owned subsidiary of Twinnings London, selling teas to wholesalers, individual consumers and national retail outlets.

**Key Pains:** The current system lacked functionality, but had been heavily customized over the years, which meant that necessary modifications and upgrades were cost-prohibitive.

**Solution:** Microsoft Dynamics NAV

**Key Benefits:** Superior lot tracking and control, reduced working capital requirements, improved management reports and greater visibility for overall business improvement.

## The Client

A wholly owned subsidiary of Twinnings of London, Twinnings North America is perhaps the most recognized fine tea brand in the entire United States. With a presence in virtually every local market across the North American continent, Twinnings teas are sold to wholesalers, over the Internet to individual consumers, and directly to such large national retail outlets as Foodline, Stop 'N Shop, Walmart, Target, and Kroegers.

With actual tea blending and packaging done in the United Kingdom, Twinnings North America employs some 55 people to handle product sales, importation logistics, distribution, and customer service. They place a premium on keeping their operations very lean and efficient so as to keep costs low, and also to support expanding their market share and growing revenue.

This latter objective is particularly challenging given that overall demand for tea is fundamentally static, so that growth can only come from displacing competitive products both at the wholesale and retail level. Information and management systems play a major role in achieving this outcome.

## The Challenge

Twinnings North America had historically used a business and financial management solution offered by QAD, which concentrates on technology for food and beverage manufacturers. Over time, however, this system had been heavily modified to meet Twinnings' unique demands, particularly with respect to effectively managing an extensive and complex distribution channel. Incorporating necessary upgrades into this system, and its general ongoing maintenance, had consequently become a costly proposition.

Certain key functionality was also lacking, particularly with respect to demand forecasting and product procurement, and when Twinnings' parent organization decided to consolidate worldwide product blending and packaging in Europe, they found much of their current manufacturing-oriented functionality redundant.

The stage was set for sourcing a totally new solution that would reflect these key changes in the Twinnings North American operational environment, and could far more fully and cost-effectively support Twinnings targeted growth objectives.

## The Solution

Research into several alternatives led to the conclusion that Microsoft Dynamics NAV, installed and supported by Clients First, was the solution of choice for Twinnings North America. Its technology platform was state-of-the-art, its functionality robust, and its total cost of ownership very attractive. Everyone in the company could use the solution to optimally perform their jobs, from senior management, through to sales, import logistics, and right down to the warehouse floor.

In particular, “stock” advanced forecasting and procurement functionality allowed Twinnings to simultaneously maximize sales and fully meet demand as it fluctuated throughout the course of the calendar year. This would also reduce the needed inventory levels and consequent working capital requirements.

“Trade spend” could also be far more effectively monitored and managed. These are the incentives needed to encourage retailers to free up scarce shelf space so that Twinnings can expand their market share, and it is critical that these incentives be doled out in a way that leads to optimum sales volumes.

Finally, Electronic Data Interchange (EDI) capabilities and sophisticated warehouse management functionality are allowing Twinnings to move product to fully meet potential demand at the least possible cost, and with the lowest levels of working capital attainable.

## The Benefits

Since installing their Microsoft Dynamics NAV solution in 2006, Twinnings has reaped the following business benefits:

- Greatly enhanced visibility into all operations, resulting in far higher levels of efficiency and a far lower staff compliment than would otherwise be required to support Twinnings’ growing sales volumes.
- Superior “trade spend” management, with incentives now authorized and distributed in a way that achieves far greater revenue and market share growth than would otherwise be achieved.
- Significantly easier and cheaper generation of key management reports needed by all levels and functional areas of the company.
- Reduced working capital requirements, as inventory management and control is significantly tighter due to superior demand forecasting, procurement, and shipping processes.

- ▶ Superior lot tracking and control, resulting in product delivered to the customer that is fresher, and far less susceptible to the possibility of malicious tampering.

## In Summary

Bill Schineller, VP of IT at Twinnings North America, sums it up this way:

*“Clients First has always been totally on our side when it comes to making things work and doing the best for our organization. They bring very talented people and regimented business practices to the table, and have always given us excellent value and tangible business results. We consider them a valued business partner.”*