

DAVIDsTEA

DAVIDsTEA Undergoes an End-to-End IT Overhaul

The Retailer Selects a Cohesive, End-to-End Retail Solution That Features Offerings From Cole Systems, Dayforce, JustEnough and Keyora



Industry

Specialty Retailer

Challenges

DAVIDsTEA leveraged a combination of legacy systems and in-house tools to manage its retail processes. But after several years of growth, a disconnect between its retail management and financial application began to take a toll on the business.

Solution

DAVIDsTEA selected an end-to-end, cohesive retail solution, featuring offerings from:

- Microsoft Dynamics AX for Retail – a leading ERP system for the retail industry
- Cole Systems – a premier systems integrator and Microsoft partner
- Dayforce – a best-in-class workforce management provider
- JustEnough Software – a leading provider of demand management solutions for retailers
- Keyora - an e-business solution provider for mid-market and enterprise organizations

Although it's been around for thousands of years, tea has recently made a comeback in popularity. At the forefront is DAVIDsTEA, a specialty retailer based in Montreal, Canada. DAVIDsTEA's product offering ranges from traditional teas to its own exclusive blends, as well as accessories such as teapots, tea makers, mugs and sweeteners. In addition to a robust e-commerce business, DAVIDsTEA operates 68 stores located throughout Canada. Recently, the company expanded into the United States with the opening of two new stores in New York City.

Searching for Sustainability and Scalability

As a rapidly expanding, multi-national retailer, DAVIDsTEA is no stranger to growing pains or complexity. Prior to investigating new solutions, DAVIDsTEA leveraged a combination of legacy systems and in-house tools to manage its retail processes. But after several years of growth, a disconnect between the company's retail management system and its financial application began to take its toll. DAVIDsTEA realized it needed more control over its operations.

“Our legacy retail management system was not a viable solution for us anymore – it was truly meant for a company consisting of 10 to 20 stores,” explained Dominique Choquette, IT director at DAVIDsTEA. “While our financial solution recorded sales, it did not track inventory. To add to that, we didn’t have a built-in replenishment or forecasting module, and the reporting functionality was very weak.”

Howard Tafler, chief financial officer at DAVIDsTEA, added, “We needed an efficient, end-to-end system that could help us better integrate our retail processes, as well as provide accurate, store-level data to facilitate better decision-making. The solution also had to offer sustainability and scalability to accommodate our growth.”

The Perfect Fit: Microsoft Dynamics AX for Retail

After embarking on a journey to find new technology, DAVIDsTEA selected Microsoft Dynamics AX for Retail – a leading enterprise resource planning (ERP) system for the retail industry.

“Since Microsoft Dynamics AX for Retail operates in a .NET environment, it is extremely flexible,” Tafler said. “That also meant that we could take on future system modifications in house if needed. Additionally, the system’s point-of-sale (POS) offering was one of the most robust in the marketplace. It can handle products sold in decimal places, as well as currency and measurement conversions, which was a key consideration for us.”

Cole Systems Leads the Microsoft Dynamics AX for Retail Implementation

Although Microsoft Dynamics AX for Retail offers a lot of functionality, DAVIDsTEA realized it would have to bring on additional solutions in order to truly revamp its retail processes. The retailer turned to Cole Systems for implementation support based on Microsoft’s recommendation. Cole Systems is one of Microsoft’s premier partners with an industry-leading reputation.

Cole Systems was instrumental in recommending third-party software providers that would help take DAVIDsTEA’s business to the next level, while integrating seamlessly into its Microsoft Dynamics AX for Retail environment. With Cole Systems’ guidance, the retailer selected JustEnough Software for its best-of-breed allocation and replenishment solutions; Dayforce for its leading workforce management functionality; and Keyora for its user-friendly e-commerce platform.

The systems integrator had its work cut out: not only did Cole Systems have to complete the Dynamics AX for Retail rollout before the 2011 holiday season, but it also needed to finish implementing the JustEnough and Dayforce solutions before the busiest selling season of the year. DAVIDsTEA opted to embark on the Keyora implementation in early 2012.

“Cole Systems truly understood our business issues,” Tafler said. “It was also apparent that the company had a strong understanding of Microsoft Dynamics AX for Retail and how to approach the implementation so that it would go as smoothly as possible. We relied heavily on Cole Systems’ expertise throughout the rollout.”

JustEnough Offers Enhanced Forecasting and Inventory Management

DAVIDsTEA knew it needed to improve forecasting and inventory management in order to reduce stock-outs, increase inventory turns and maximize revenue.

“JustEnough’s solutions were proven to help leading retailers achieve similar forecasting and inventory management objectives,” Choquette said. “We felt confident that JustEnough could support us too.”

The JustEnough implementation was completed at DAVIDsTEA in late November 2011. JustEnough Allocation will help the retailer push inventory to the optimal store or channel where it has the best chance of selling. The solution forecasts customer demand then takes into account current stock at each location and what has sold in the past. It then calculates both the optimal inventory to send to each location and how much to reorder.



With JustEnough Replenishment, DAVIDsTEA will be able to accelerate and improve its order planning process. The solution produces a forward-looking, time-phased ordering plan that takes both the demand forecast and current inventory plan into consideration. It then suggests the most cost-effective ordering pattern to achieve targeted service levels.

Dayforce Provides Best-in-Class Workforce Management

DAVIDsTEA knew it needed a powerful workforce management solution that could integrate with its Dynamics AX for Retail system. Per Cole Systems' recommendation, the retailer selected Dayforce for its proven solutions. Dayforce was recognized by Human Resources Executive Magazine as a Top HR Product of the Year for its superior usability and rapid implementation. Dayforce is also a recipient of the Microsoft Blue Sky Award for Innovation Excellence.

"Dayforce offers the best degree of workforce management for the retail industry," Tafler said. "We knew it would be able to provide clock-in/clock-out functionality starting day one after go live."

DAVIDsTEA selected Dayforce's performance-driven Labor Forecasting, Labor Scheduling, Time & Attendance and Employee Self-Service solutions, which were rolled out in tandem with the JustEnough solutions. Dayforce Workforce Management will help DAVIDsTEA's managers schedule their teams in a manner that's consistent with the quality of service that DAVIDsTEA is known for. It will also help optimize company performance. Dayforce's Labor Forecasting solution will allow the retailer to understand how labor plans and adjustments impact key performance indicators and profitability. The Time & Attendance module will ensure compliance with provincial laws and integrates seamlessly with the POS system.

Finally, Dayforce Employee Self-Service will give DAVIDsTEA employees visibility into their schedules, allowing them to approve and comment on timecards, change availability and request time away from work – via use of their smartphones or from the comfort of their homes. Improved employee communication reinforces DAVIDsTEA's commitment to its employee engagement, retention and development initiatives.

Keyora's E-Commerce Platform to Improve Online Performance

Next on the horizon for DAVIDsTEA is the implementation of Keyora's Webfoot E-Commerce Platform. The retailer sought an e-commerce solution that offered the flexibility to modify online content as often as needed, including changes to online promotions, its homepage and product pages. Keyora will also provide DAVIDsTEA's online business with multi-currency and multi-language capabilities to further support the retailer's aggressive expansion.

Implementation of Keyora's Webfoot E-Commerce Platform will begin in early 2012 and will be fully integrated with the company's Dynamics AX for Retail environment.

Looking Ahead: Taking a More Proactive Approach

With a successful implementation and holiday season behind it, DAVIDsTEA is in the process of changing its business processes now that most of the new IT tools are installed.

"We relied on manually driven retail processes in the past," Tafler said. "With the infrastructure in place, we can really focus on being proactive instead of reactionary in terms of planning. Even at this early stage, we have more control over inventory at the store level than ever before. From an accounting perspective, the system is fully integrated – we don't have to make as many manual entries between the two systems anymore. It will be exciting to see what DAVIDsTEA can accomplish now that we have the right tools to take our business to the next level."



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