

Direct Wines enjoys global agility, increased sales and greater customer satisfaction with Infosys and Microsoft Dynamics

Launched in 1969, UK-based wine merchant Direct Wines is one of the world's largest direct-to-consumer and online wine retailers. In order to better manage its customer catalogue-based business across widespread geographies, facilitate further growth and enhance customer satisfaction, Direct Wines required a globally agile, integrated and scalable IT system. With these key criteria in mind, the company contacted Infosys Technologies.

When Direct Wines first considered its core requirements from a replacement IT solution it focused on the need to better manage its international catalogue-based order-to-cash business, replace its existing system and resolve scalability and integration issues. It also wanted to streamline and automate core business processes globally to support acquisitions and achieve quicker time-to-market for new locations. In addition, it required the better management of a complex network of stakeholders in the US and other markets to facilitate the smooth shipment of wine, as well as meet statutory tax and compliance requirements in accordance with location-specific wine shipment regulations. Additionally, it required the IT solution to be able to support multi-brand marketing initiatives, business analytics and reporting with secure access capabilities.

After considering a number of solution options Direct Wines set about initiating a project involving the implementation and customisation of an ERP solution based on a

single instance of Microsoft Dynamics AX 4.0 serving multiple languages, currencies and locations. Direct Wines CIO Gary Isaacs takes up the story. "We initially began the project with an independent Microsoft Gold Partner based in the UK, and our first territory scheduled for go-live was Switzerland. For this project we had to meet a tight deadline of only 12 weeks. Then this would be followed by roll-out to another five target markets outside of the UK – Australia, the US, Germany, Poland and Hong Kong. Essentially, we required the means of being able automatically to take the order from our website, receive payment and deliver the goods to our customer quickly and efficiently from the very first day the system was to go live. However, mainly for reasons concerning consistence of availability, we realised we would need to deploy a different kind of partner model."

Partner of choice

Direct Wines then began looking for a replacement partner with Microsoft skills but, moreover, for one that was able to provide highly-skilled personnel that could work directly with the company at its UK premises, and other sites globally. Isaacs then contacted a number of prospective partners but realised that many of them didn't have the level of Microsoft expertise Direct Wines was looking for. Isaacs first made contact with Infosys in June 2007 after visiting the company's website. Realising that Infosys seemed to be the perfect fit for Direct Wines in terms of having its own Microsoft Centre of Excellence and a proven



Gary Isaacs: "Powerful combination".

and successful background in Microsoft Dynamics AX projects worldwide, Direct Wines made the decision to engage Infosys as its partner of choice. There followed a period of transition whereby Infosys liaised directly with Direct Wines' original partner. Infosys then proceeded to design and implement the system for Direct Wines' Switzerland site on 1 July 2007, with the system going live to schedule on 30 September 2007. Direct Wines' site in Australia followed, with Infosys teams in the UK and India ensuring this project was completed by mid-November 2007.

Direct Wines then required Infosys to roll-out the solution in the US, followed by its other target global sites. "In the US, we first set about replacing the old legacy system in one of our smaller businesses," said Isaacs. "This



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company was an \$18 million concern at the time we installed AX, but around the time of implementation we also injected a large amount of investment, and so needed a highly robust system to cope with our US market expansion plans. Indeed, during 2011 we anticipate that the revenue generated by this US site will reach between \$110 million and \$150 million." Isaacs added that, in the US, every alcohol company must comply with licensing laws that vary from state to state. "AX, together with Infosys' skills in system customisation, proved invaluable here inasmuch as we were able quickly to build an extensive knowledge base of the different states' licensing laws," he said. "So we had a set of rules that we could implement when delivering wines in each state. This ability within AX has certainly given us one of the strongest differentiators in the US wines market."

One of Direct Wines' bigger requirements involved turning AX from being primarily a B2B solution into more of a B2C solution. Therefore, Infosys did a substantial amount of customisation concerning payment processing and order taking to allow Direct Wines to operate the system as predominantly a B2C package. AX's link to the website means the moment an order is placed online, or the moment an order is changed online, this is picked up by the AX server. "This gives customers a lot more choice and flexibility," said Isaacs. "For example, if a customer has ordered a case of mixed reds online and decides he or she wants a mixed case of reds and whites, the order can be easily changed online up until the time of dispatch. And because customer orders and product

information can be downloaded and uploaded automatically, this saves us an enormous amount of time and resources." Isaacs added that, with regard to the UK – Direct Wines' seventh target site – AX is yet to be installed, although, with the assistance of Infosys, it has already implemented a large e-commerce platform called ATG, and is now planning to link this up to AX internationally.

The Infosys development model

For the Direct Wines global roll-out project, Infosys employed its InTrak methodology to reduce risks and costs and to speed implementation. It also used the Infosys Global Delivery Model to distribute activities within each project phase between offshore and onsite locations. Additionally, it sought to lower total cost of ownership. During the project, Infosys designed an ecosystem for

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– Gary Isaacs, Direct Wines.

the single instance of Microsoft Dynamics AX 4.0 to support multiple companies across the international business. It then incorporated a mechanism to track and report statutory regulatory compliance for shipping wine in the US, improve federal and state tax reporting and reclaim sales tax from states for returns. Infosys also built a wine plan management solution on Microsoft Dynamics AX 4.0 to support the sale of recruitment and upgrade wine plans with multiple payment options including instalments. Among other benefits, Infosys helped to set up the production environment of Microsoft Dynamics AX 4.0 at a third-party hosting site. As well as having all the AX skills and knowledge Direct Wines required, Isaacs pointed out that all Infosys personnel on site gave what he refers to as “a full professional day's work”. “They went beyond the usual nine-to-five routine to ensure the system was fully designed, developed, implemented and operational in all six territories on schedule,” he said.

Key benefits

With the new solution, Direct Wines now benefits from increased sales and better customer service and satisfaction levels. Sales per hour from outbound calls have increased by around 10 per cent due to customer service interface improvements. In addition, a new customer dashboard has helped to improve call quality and reduce call times by up to 30 seconds per call. The company also enjoys faster business processing; being able to reclaim sales tax faster, recovering an estimated US\$300,000 in sales tax. And by using efficient wine substitutions management, Direct Wines has saved around 20 person-hours each week. In addition, the order-to-cash cycle time from the online order entry to the fulfilment processing is about 47 per cent faster, plus Direct Wines benefits from improved market reach. It has streamlined its core business processes across international locations to support acquisitions.

“Microsoft Dynamics AX plays a central role in how we manage and control our expanding international business,” said Simon McMurtrie, chief executive of Direct Wines Group, while Isaacs concluded: “The powerful combination of Microsoft Dynamics AX multi-country capabilities, the Infosys team's expertise, professionalism and dedication, and the drive and enthusiasm of the Direct Wines team proved to be an unstoppable force.” ●

