

Summary

Lodestone's commitment to excellence ensures success

Lodestone's commitment to accurately defining business processes, best practice, and the use of All in One where possible meant Layby Services Australia (Layby) went live with the primary SAP CRM and ERP functionality required within its aggressive time frame of 13 weeks. Then, in just 10 weeks, a fully functioning web-based Business Intelligence (BI) solution. The company's CFO, Toby Poulson said "I have worked in companies implementing and using SAP for 12 years and have never known a project to be so short and so smooth. The fact is, Lodestone's professionalism and expertise enabled us to place orders and take money the day we went live which for us was exactly to plan."

The Company

A\$ 400 million industry has just few players vying for market share

Layby is a Private Equity backed entity that purchased the Hamper King brand from Innovations in August, 2008. The market provides people with the facility to save a little each week for Christmas treats or special items. This new start up was headed by two key executives from a competitor and their objectives from the outset were to do things very differently. Layby's key differentiators are to provide:

- Broader product categories and more targeted marketing campaigns to allow greater choice and an easier shopping experience for consumers
- On-line customer self service
- Flexibility in length of contract - with hampers delivered any time of the year
- Outsourced delivery model for no hassle, on time deliveries

Start Up gets it Right from the Outset

Initial Situation

All in One was proposed where possible, however, Layby's business model is unique so customisation was required. With a huge existing and potential customer base and just five full-time employees, the functionality SAP provided had to be largely automated and linked so minimal manual intervention was required. Automation was in fact a key requirement for the project. Lodestone's customisation of SAP focused on a complex installment calculator and the credit card payment plans to ensure appropriate storing of information in respect to international compliance guidelines. As well, the target date for implementation was extremely aggressive with just 13 weeks for Phase I and 10 weeks for Phase II.

Objectives

Provide critical business processes in just 13 weeks The project was scoped in three stages. Phase I was defined as critical to business success and included:

- **SAP CRM 2007** to provide 40 call centre representatives with easy access to customer information to take, change and check orders / customer details; and manage installment plans
- **An automated payment system** to allow payments to be scheduled at any frequency specified by the customer; with the ability to reschedule and recalculate. As well, an automated interface into Layby's bank (NAB) to automate daily processing of payments

Phase II would provide a complete BI solution covering sales and customer reporting, forecasting, campaign reporting and customer segmentation; with Phase III covering integration to Layby's outsourced logistics provider to ensure optimum efficiency throughout the entire supply chain.



Project Outline

SAP provides world leading ERP and ability to grow business into other areas

When Layby purchased Hamper King, the CEO and CFO immediately selected Lodestone as its implementation partner for SAP ERP and CRM. Toby Poulson, CFO for Layby said, "In our business, the biggest limit to growth is technology. As a start up, we needed to spend significant money up front, however we knew it would be cost-effective." Lodestone was selected as implementation partner due to its deep SAP and business process experience; reputation as a SAP partner that delivers on promises; and global presence. Hamper King's legacy systems were outdated and inefficient and there were restrictions placed on Layby having access to these systems, so an aggressive implementation time frame was not negotiable. Poulson said, "Lodestone gave us the confidence they understood our business and would deliver on our aggressive time frames whilst providing us with a more personal service than a larger organisation."

Solution

Lodestone helps Layby revolutionise the way Australian's go shopping

The CRM Interaction Centre (the face of the business) includes robust customer management and campaign contact with integration to the website and a streamlined banking interface. The core of the business is the complex customised installment calculator scheduler which sets up customer payment schedules and processes them daily with National Australia Bank (NAB). It handles direct debit, credit card and manual cheque payments, refunds and dishonours; then automatically calculates dishonour fees and applies any penalties due to the customer account, recalculates payment schedules and advises the customer in writing.

An online customer interface allows customers to create and modify payment schedules, with any applicable discounts or change requests automatically reflected in a new payment schedule.

The BI solution provides data analysis to help develop future campaigns; and a daily scorecard of every customer transaction analysing who buys what, when, how often, and how much they spend. Campaigns can be tested almost immediately they are released, with results seen instantly and campaigns tweaked live. The Board of Directors and management access daily web-based financial scorecards providing transparency across the business and the ability to react quickly to any anomalies. Poulson said, "Ultimately, BI helps us keep our finger on the pulse of the business and achieve the best return on our marketing investment through campaign analysis and greater customer segmentation.

Toby Poulson CFO

Layby Services Australia

"For me the success is around automation of processes and our customised payment calculator. We can provide our customers with the ability to change their own payment schedule and offer them any time layby plans where they choose their own end date. This provides us with a key competitive advantage. Lodestone helped us eliminate 90-95% of manual processes through automation - which I believe provides us with a huge return on investment. Too many manual processes requiring human intervention just cause mistakes and delays."

Outcome

The right solutions within time and budget to successfully grow business

After just 13 weeks, 40,000+ customers, 120,000+ prospects and leads, 2,000+ materials, 60,000+ sales orders and almost 1.5 million customer payments were successfully converted to the new SAP system. Then in just 10 weeks, a fully functional web-based BI solution providing up to the minute sales, marketing and financial analysis was delivered. Layby has achieved significant early success and looks forward to Phase II and III of the project significantly increasing its ability to meet the needs of its current and future customers. Layby believes it has allowed itself a huge competitive advantage with revenue already doubling after just four months in business - in a market that is contracting in economically challenging times.