



Microsoft Dynamics Customer Solution Case Study



Airport Retailer Gains Real-Time Insight into Inventory with New Business Solution

Overview

Country or Region: United States

Industry: Retail industry

Customer Profile

InMotion Entertainment is the largest electronics and entertainment airport retailer in the nation. With headquarters in Jacksonville, Florida, InMotion specializes in bringing convenient, portable entertainment to the travelers market.

Business Situation

To facilitate a successful merger with another airport retailer, InMotion needed an enterprise resource planning solution that could help manage both the rental and retail channels of its business, while providing the ability to control inventory in its small airport shops.

Solution

With the help of Microsoft® Gold Certified Partner Tectura, InMotion deployed and customized Microsoft Dynamics® NAV, providing a system that delivers real-time reports and advanced forecasting capabilities.

Benefits

- Streamlined operations
- Real-time business intelligence
- Efficient maintenance and update
- Enhanced platform for growth

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Allan Ghelerter, VP of Information Technology, InMotion Entertainment

InMotion Entertainment is the largest electronics airport retailer in the nation. With more than 50 stores located in 33 airports, InMotion delivers portable entertainment to the travelers market. For years, InMotion faced inventory control issues due to limited store space, and plans to merge with another airport retailer only added to the predicament. Integrating the two companies’ business management systems required InMotion to find a solution that could handle multiple sales channels while providing real-time inventory updates to prevent overstock in stores. With the help of Microsoft® Gold Certified Partner Tectura, InMotion deployed Microsoft Dynamics® NAV to create a customized enterprise resource planning system that uses real-time information to better manage inventory and vendor relationships.



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Situation

Since its inception in 1999, InMotion Entertainment has become the largest airport-based electronics and entertainment retailer in the nation. Founded on a unique business model that combines portable electronic entertainment with travel, InMotion provides DVDs, DVD players, and other electronic devices to accompany people during their travels. With a wide selection of products and a straightforward rent-and-return policy, InMotion brings convenient, portable entertainment to the restless traveler. Today, InMotion boasts more than 50 stores in major airports and train stations across the nation.

InMotion’s original business model focused on making portable electronic entertainment a cost-effective option during a time when portable electronics were too expensive for many travelers to own. As the devices became more affordable, InMotion’s focus on rental products evolved into a more traditional retail approach. To assist in this endeavor, InMotion made plans to merge with another airport retailer, Altitunes, which specialized in selling CDs, DVDs, and related hardware.

Altitunes’s disparate line-of-business systems did not align with InMotion’s IT infrastructure. Altitunes used DataVantage on an aging AS/400 mainframe to manage its point-of-sale (POS) system and QuickBooks to handle the general ledger. “Nothing was integrated,” says Allan Ghelerter, VP of Information Technology for InMotion Entertainment. “Altitunes staff members would just take totals out of one system and enter them into another, so we couldn’t build on that.” The combined company needed a single system that could manage multiple business functions and connect both the rental and retail sides of its business.

InMotion’s rental and retail segments had problems as well, which were exacerbated by the challenges of doing business in airports. With expensive overhead, limited real estate, and airport security affecting store-to-store transfers and shipment delivery times, InMotion had to monitor its inventory closely to match demand. Unpopular items were constantly pulled and replaced, increasing the volume and frequency of purchase orders (POs). This placed a large burden on the accounting department. “We had three full-time temps in here doing manual data entry, in addition to the accounting staff,” says Ghelerter.

With limited room and products constantly moving in and out, InMotion could not build sales history on its merchandise. Inventory became volatile and difficult to manage. “The biggest issue,” recalls Ghelerter, “was keeping the stores replenished and balancing inventory to stay within budget. It had to be the right product at the right time.” InMotion needed a solution that could predict the shelf life of incoming products and help lessen the load of manual processes.

Solution

InMotion reviewed other retail systems and even looked into entry-type systems where orders could be created in the POS system. Eventually, with the help of Microsoft® Gold Certified Partner Tectura, InMotion deployed Microsoft Dynamics® NAV as its new enterprise resource planning (ERP) solution. “We needed to find a highly customizable base system. Other solutions were just for retail and did not fulfill the rental side of our business. That is the reason we chose Microsoft Dynamics NAV. Plus, it is total ERP, so we didn’t have to reinvent the payables or general ledger—it flows to all of the pieces that we have customized,” states Ghelerter. “Tectura’s people not only had expertise in implementing Microsoft Dynamics NAV in a retail environment, but they were extremely

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Tectura integrated Microsoft Dynamics NAV with other line-of-business systems, providing InMotion with the ability to access real-time information to manage its multichannel business. For suppliers and vendors, an electronic data interchange (EDI) add-in enables InMotion to exchange invoices, POs, and return orders electronically. Tectura also helped deploy Microsoft Dynamics NAV in conjunction with Terminal Services for Windows Server® 2003 using Citrix. Terminal Services enables staff at more than 50 remote sites to access a single instance of Microsoft Dynamics NAV.

In just six months, InMotion migrated customer information and financial data from Altitudes to Microsoft Dynamics NAV and combined the two stores’ databases, validating the effectiveness of the new system.

Point of Sale

After the merger, InMotion sought a new POS solution that could track transactions and rentals in each store location. The company uses LS Retail to capture customer transactions at the point of sale, while the centralized instance of Microsoft Dynamics NAV provides the visibility necessary to track rental inventory. Now, when a customer rents a DVD in Atlanta and returns it in Chicago, InMotion’s staff has access to that information in real time.

Advanced Forecasting

To help with volume control, InMotion integrated Microsoft Dynamics NAV with a third-party forecasting and procurement solution that enables the company to reduce the volatility that accompanies new products. InMotion created a sales model for forecasting and grouped products into categories based on demand and sales

performance. Now, incoming merchandise is compared to the historic sales performance of similar items to predict how well the new item will sell. “Microsoft Dynamics NAV, along with the forecasting solution, helps InMotion model their sales, so they can figure out what the correct quantities are to have on hand and what should get returned,” says Chris Pashby, Lead Consultant for Tectura.

Order Processing

In addition to the forecasting tool, Microsoft Dynamics NAV enables EDI to manage InMotion’s supplier links. EDI accounts were set up for all the major vendors to transfer information back and forth electronically, reducing the down time between transactions. “That way, if an item does not sell as predicted,” says Pashby, “InMotion can use Microsoft Dynamics NAV and EDI to help determine overstocks, generate return orders, and then process the returns to receive the credit.”

Because Microsoft Dynamics NAV enables updates on inventory and general ledger as data comes through, InMotion staff members can manage POs, confirm deliveries and returns, and process invoices and credit in real time.

Benefits

Microsoft Dynamics NAV helped InMotion keep its competitive edge by providing real-time access and insight into store inventory. The capability to integrate existing line-of-business applications with Microsoft Dynamics NAV has streamlined operations and directed more attention toward managing supplier relationships and fostering efficient workflow.

Streamlined Operations

Microsoft Dynamics NAV delivers far-reaching benefits across many departments. “The savings in Microsoft Dynamics NAV is in the automation of manual processes,” explains

Ghelerter. Employees no longer spend time creating POs and reconciling cash at the end of the day, and accountants no longer perform inventory updates and invoice scanning. Microsoft Dynamics NAV has helped InMotion automate time-consuming processes to reduce workload.

By extending Microsoft Dynamics NAV to allow EDI transactions, InMotion can better maintain relationships with suppliers. EDI simplifies transactions between the two parties as POs and returns are made at real-time speed. Microsoft Dynamics NAV makes it easy for vendors to work with InMotion, which helps promote long-term business and thriving partnerships.

Real-Time Business Intelligence

With immediate access to real-time information, InMotion staff members can quickly respond to issues, eliminating inventory backups and accumulated holding costs. "The store personnel ringing up sales are in the same database as the person at headquarters doing the purchasing—everything is updated instantly," says Ghelerter. This gives decision makers at headquarters up-to-date sales information that they can view throughout the day. "With Microsoft Dynamics NAV, InMotion can see their sales in progress," adds Pashby. This enables the company to make quick decisions in a fast-paced business environment.

Efficient Maintenance and Update

InMotion's centralized instance of Microsoft Dynamics NAV simplifies troubleshooting and maintenance, minimizing the burden on InMotion's IT staff. "With our centralized deployment and Terminal Services for Windows Server 2003, I have the ability to fix things in real time. If something goes wrong, I don't have to fix it on the remote machine at the remote store; I just fix it in Microsoft

Dynamics NAV from my computer," says Ghelerter.

In addition to low maintenance costs, the ability to easily extend and customize Microsoft Dynamics NAV continues to save InMotion time and money. "With Microsoft Dynamics NAV, you don't have to reinvent the wheel," says Ghelerter. "For example, Microsoft and partners like Tectura have already built many of the customizations and connectors that drive business intelligence." By using Microsoft Dynamics NAV, InMotion will always have tools available for further customizations that extend into future business endeavors.

Enhanced Platform for Growth

As the market grows, and as InMotion acquires additional stores and suppliers, Microsoft Dynamics NAV provides the flexibility to meet business needs, establishing a firm foundation for growth and expansion. "Microsoft Dynamics NAV gives us the ability to say 'yes' when we question whether we can perform certain functions. It gives us the ability to customize and tweak it to our specific business," states Ghelerter. InMotion's business model has seen many changes and continues to evolve with market trends. With Microsoft Dynamics NAV, InMotion has set the foundation for a responsive team, capable of keeping up in the fast-paced retail industry.

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For more information about InMotion Entertainment products and services, call (904) 332-0450 or visit the Web site at: www.inmotionpictures.com

For more information about Tectura products and services, call (650) 585-5500 or visit the Web site at: www.tectura.com

Microsoft Dynamics

Microsoft Dynamics is a line of integrated, adaptable business management solutions that enables you and your people to make business decisions with greater confidence. Microsoft Dynamics works like familiar Microsoft software such as Microsoft Office, which means less of a learning curve for your people, so they can get up and running quickly and focus on what's most important. And because it is from Microsoft, it easily works with the systems that your company already has implemented. By automating and streamlining financial, customer relationship, and supply chain processes, Microsoft Dynamics brings together people, processes, and technologies, increasing the productivity and effectiveness of your business, and helping you drive business success.

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