

Customer:

# Continental Fragrances

## Continental Fragrances Grows to #1 Personal Care Products Distributor by Cutting Costs

### Challenge:

Provide an efficient and effective way to report financials, manage inventory, reduce shipping costs, and increase customer satisfaction.

### Enabling Technology:

Microsoft Dynamics NAV, 10 users  
Microsoft SQL Server 2005  
Windows Server 2003  
Microsoft Office Integration System  
Lanham EDI and eShip

### Results:

- Reduced Shipping Costs by \$100,000 annually
- YOY growth of 12 to 23%
- Increased efficiency and reporting
- Enhanced net inventory management
- Improved customer communication and reduced customer service calls

### Background:

Started in 1983, with the idea that everyone wanted to look good but no one wanted to spend their life savings doing so, Continental Fragrances launched Salon Grafix Shaping Hair Spray. This product offered the salon quality that people wanted without the high price tag. As Continental Fragrances revenues grew, the need for an integrated vision into their manufacturing plan, on hand inventory, and efficient order fulfillment became apparent.

Continental Fragrances was unable to easily retrieve accurate and timely data for sales, inventory, profit analysis and financial reporting. Continental Fragrances knew that without the implementation of an integrated ERP system, the growth potential of the company would be severely limited. "We're accustomed to meeting ever-changing style trends and we need to make sure our systems are always keeping up with the latest business trends as well," said Deborah Petchul,



**OPTIMIZE. INNOVATE. GROW.**  
NAV is what you use. NAV is what we do.

Vice President of Continental Fragrances. We needed a system that could:

1. Manage inventory levels efficiently to reduce costs and increase customer satisfaction;
2. Reduce shipping costs by replacing inefficient, often duplicate, data entry processes;
3. Have an integrated ERP and EDI system;
4. Incorporate an electronic shipping system.

An electronic data interchange (EDI) integration was a key strategic piece since EDI is the standard by which most of Continental Fragrances large retailers do business. At the time, import and export of EDI related information was being manually entered between separate systems. An EDI integration with an ERP system would reduce double entry and improve order turnaround time. With an electronic shipping setup, Continental Fragrances could reduce extra charges, reduce redundant entry, find the best pricing, and accurately calculate proper freight charges.

#### **Solution:**

To implement the right ERP system, Continental Fragrances chose a Key Microsoft Partner, Innovia Consulting. With their 100% commitment to NAV and 1000s of customizations completed, Innovia's ERP team identified the unique needs of the Continental Fragrances in order to customize the NAV application. The custom system integrated Microsoft Dynamics NAV, SQL Server 2005, Windows Server 2003, and Microsoft Office in combination with Lanham EDI and eShip. "The ability for Innovia to adapt to our business and change the standard NAV application shows us they are truly NAV experts," said Petchul. With the implementation, Continental Fragrances was able to:

1. **Reduce Inventory:** Microsoft Dynamics NAV looks at net inventory to ensure that proper levels are maintained to achieve customer service levels without committing unnecessary financial resources to inventory.
2. **Integrate EDI:** Using Lanham's integrated EDI system, orders are brought in automatically to NAV, and at time of shipment ASN's and invoices are sent automatically.
3. **Manage Shipping:** Continental Fragrances can ship direct to FedEx and UPS using Lanham's integrated eShip solution. This eliminated double entry of data and provided customers with tracking information.



**OPTIMIZE. INNOVATE. GROW.**  
NAV is what you use. NAV is what we do.

4. **Implement Accurate Reporting:** Using Microsoft reporting tools within NAV, Continental Fragrances has the ability to provide accurate and timely access to sales, financial and inventory information throughout the organization.

### **Results Achieved**

Impressive productivity gains were realized quickly. Addressing Inventory, Order Scheduling, EDI, Shipping and reporting is resulting in a reduction in order turn-around time, and elimination of order entry mistakes. Using e-Ship enables Continental Fragrances to increase their level of customer service and provides customers with their shipment tracking information via email along with the bill-of-lading. As a result, there are fewer customer service calls to work through. EShip is also showing tremendous labor savings in the UPS/FedEx parcel shipping area. The software allows packages to be shipped directly from inside Dynamics NAV, eliminating address re-entry in the shipping systems and placing tracking numbers directly back into NAV. The combination of these efforts has resulted in labor savings on shipping alone of over 50%.

The efficiency increases were noticed throughout other parts of the business as well. Since deploying NAV, Continental Fragrances has grown from 12 to 23% in product sales, year over year, without adding additional staff in shipping, A/P, A/R, or Purchasing/Planning areas. There has been negligible increase in warehouse employees as well.

Even with the increase in product sales, inventory costs were still reduced. With over 80% of its components domestically procured, Continental Fragrances is able to compete with, and many times best, overseas sourcing options. With the new system, Continental Fragrances only orders the right quantities for what they need when they need them, thus decreasing component inventory without decreasing production.

Overall, the positive ROI of these efforts were apparent within 10 months of implementation. Now all EDI processing is integrated automatically into NAV, the re-entry of information and importing and exporting of files is eliminated. The projected savings from the EDI/e-Ship project alone will result in an ongoing savings of over \$100,000 annually. "With only 12 employees, this kind of success is monumental for our business," said Petchul. "Furthermore, Innovia made this easy for us. They know NAV so we don't have to."



**OPTIMIZE. INNOVATE. GROW.**  
NAV is what you use. NAV is what we do.

### **About Continental Fragrances:**

Continental Fragrances Ltd is the parent company for The Salon Grafix hair care line. Salon Grafix was developed to offer high-quality, yet affordable hair care products to the masses. Started in 1983, with the idea that everyone wanted to look good but no one wanted to spend their life savings doing so, Salon Grafix Shaping Hair Spray offered the salon quality that people wanted without the high price tag. Now, Salon Grafix is the #1 brand of aerosol hair spray sold at retail stores across the United States and has recently become available in Canada. For more information, visit [www.salongrafix.com](http://www.salongrafix.com)

### **About Innovia Consulting**

Innovia is a business consulting and IT services firm recognized for delivering exceptional client service and innovative ERP systems built on Microsoft Dynamics NAV. With 30 years in the business, four locations in the Midwest and hundreds of business software implementations, the company's ERP experts have helped customers in nearly every industry and of every size – from start-ups to Fortune 1000 enterprises. For more information, visit [www.innovia.com](http://www.innovia.com).



**OPTIMIZE. INNOVATE. GROW.**  
NAV is what you use. NAV is what we do.

© 2015 Innovia Consulting

800.834.7700  
[www.innovia.com](http://www.innovia.com)  
South Bend, IN  
Waupaca, Onalaska, WI