

One Kings Lane Success Story: Why Retailers Benefit from Microsoft Dynamics AX On-Demand

Managing High Demand and Customer Expectations

In 2012, One Kings Lane, a curated online marketplace for the home, needed to develop an IT and distribution strategy in response to explosive sales and business growth. One Kings Lane had grown beyond the capabilities of their current service provider that had been providing and managing the e-commerce site, order management and fulfillment. "We required a strategy that would allow One Kings Lane the ability to continuously improve the shopping experience from merchandising, order capture, and through order fulfillment," stated Doug Mack, CEO of One Kings Lane.

"We needed a true enterprise and integrated ERP platform that could manage our back office," said Jim Liefer, vice president of operations at One Kings Lane. "This included customer service, order management and allocation, purchasing, and all aspects of finance and accounting. More importantly, we required a platform that was flexible and could scale to meet our increasing sales and ever-evolving internet marketing strategy."

One Kings Lane partnered with enVista to implement Microsoft Dynamics AX ERP in the cloud. Prior to implementation, enVista and One Kings Lane created new workflows from source to consumption. "One Kings Lane is a great success story," said Jim Barnes, president and CEO at enVista. "Our collective teams had to design and build new processes that did not previously exist with the outsourced model. We implemented and integrated Dynamics AX to a custom front-end website and back-end WMS in five months."

One Kings Lane seamlessly transitioned from an outsourced IT provider(s) to Microsoft Dynamics AX ERP, without missing a sale. Today, the \$100M+ e-retailer is using its Microsoft Dynamics AX ERP solution to manage and fulfill every order. The integrated business management solution serves as the back-office hub of the e-retailer's entire operation, connecting its website and shopping cart to Dynamics AX, and thereby managing its entire supply chain from order to cash and procure to pay.

Benefits of Cloud Computing

One Kings Lane opted for a cloud computing solution for several important reasons, including the ability to: rapidly scale the solution to changing business requirements, decrease IT costs based on reduced infrastructure and internal staff requirements, and reduce internal responsibility for IT administration. Cloud computing enables e-retailers to focus instead on marketing and building brand loyalty.

Another primary benefit of cloud computing is that e-retailers can rapidly respond to fluctuating demand by bolstering or, for that matter, reducing their ERP solution by simply altering their number of servers in a matter of days, versus weeks. In fact, it took only five months to implement this e-retailer's entire customized solution, including a sophisticated array of servers which provide high-quality response times for its technology applications.



By utilizing Appnuity's Cloud Computing solution, the e-retailer seamlessly transitioned from a legacy system and outsourced IT provider(s) to Microsoft Dynamics AX ERP, without missing a sale.

“We have been able to grow our revenues in a very short period of time - with Dynamics AX and enVista.”

Doug Mack,
CEO, One Kings Lane

Outsourced IT Management

Cloud computing solutions require very few IT staff members, compared to traditional ERP systems. This provides a big area of cost-savings for any e-retailer or small to mid-sized company. The solution is completely virtual and is managed by Appnuity, a division of enVista, in a Tier-3 data center. Appnuity provides IT professionals dedicated to supporting four unique cloud computing environments: production, usability, QA and training. The IT managed services team includes one internal client resource and two Appnuity associates. Remarkably, the Total Cost of Ownership (TCO) to support a thriving e-retail business is less than .1 percent a year (not including internal resources). “As sales increase, our TCO has decreased with Microsoft Dynamics AX,” said Dinesh Lathi, CFO at One Kings Lane.

One Kings Lane opted to strategically outsource the management of Microsoft Dynamics AX and use Appnuity’s team to reduce their IT costs and administrative requirements.

Rapid Implementation – Agile Methodology

Immediately following the solution selection, enVista leveraged its agile implementation methodology to customize and configure the Microsoft Dynamics AX solution to One Kings Lane’s requirements. Based on the dedication and expertise of enVista’s functional technical consultants and the system’s inherent flexibility, enVista was able to deliver a highly customized ERP solution in only five months. To meet the e-retailer’s requirements, enVista co-led multiple design sessions and meetings to flush out the business logic and integration to the e-commerce site. The team demonstrated the new functionality on a continuous timeline to the business owners for approval or changes.

Cloud Computing

Another key benefit of a cloud computing solution is the ability to rapidly begin solution development. enVista was able to create a temporary development environment within days of the solution selection in order to quickly make progress on coding, development and training. As a result, One Kings Lane experienced faster time to value. Cloud computing allows companies to immediately scale their IT needs (database, operating system and storage). Mere hosting is a thing of the past. Information technology managed service companies must have intimate knowledge of the application and architecture framework. Hosting has moved beyond simply confirming the green light is blinking on a server to ensuring that a customer’s application is highly available and tuned for optimal performance.



24/7 Management

From order to cash (order integration, returns, virtual gift cards, inventory allocation, fulfillment and credit card reconciliation) to procure to pay (procurement, inventory management, and accounts payable), One Kings Lane utilizes the Microsoft Dynamics AX platform system to run its back-office. By having a strong vision, the retailer runs its entire business with a customized e-commerce website, shopping cart and Microsoft Dynamics AX. Thus, system uptime is critical. enVista manages and maintains the system 24/7, ensuring an uptime rate of 99.9 percent. In addition, Appnuity provides disaster recovery and the ability to transition One Kings Lane's system (failover) to another location in the event that a disaster occurs in its main geographic server location.

Comprehensive IT Expertise

Leveraging enVista, companies benefit from a team of IT experts who can grow with their business, without adding additional internal headcount. enVista consults, implements and operates IT solutions, and uniquely offers both application and infrastructure expertise. As part of One Kings Lane's IT strategy, and in conjunction with the ERP implementation, Appnuity implemented a new Altigen phone system and call center to improve customer service. Simply put, the home goods e-retailer is deriving significant benefits and convenience from using one partner to manage all of its IT requirements.

Summary

In summary, the Microsoft Dynamics AX platform is highly configurable and scalable, allowing any e-retailer to thrive. Its comprehensive functionality offers powerful global business management capabilities and improved customer service. An e-retailer should also consider an on-demand solution for significantly reduced IT costs, seamless information sharing with 3PL partners and rapid scalability.

"As sales increase our TCO has reduced with Microsoft Dynamics AX," said Dinesh Lathi."

Dinesh Lathi,
CFO, One Kings Lane

For more information on Appnuity's services, please call 877.850.2777 or contact info@appnuity.net