



Jegs enhances efficiency and customer service

Transforming business processes with IBM® Global Business Services

Overview

Business challenge

Jegs, a major national distributor of electrical, houseware, DIY, and gardening products, wanted to build on its award-winning customer service model by streamlining and automating its key business processes and improving its reach to new and existing customers. However, the planned business transformation was hindered by the limitations of its existing IT systems.

Solution

Supported by IBM Global Business Services, Jegs audited its IT infrastructure, analysed its existing processes, performed a fit-gap analysis and mapped out the requirements for a new centralised ERP system. The IBM team then helped Jegs to implement a Microsoft Dynamics® AX ERP solution, completing the project on time and within budget. This was vital because Jegs had a fixed deadline for go-live due to the continued risks of running its legacy systems.

Headquartered in Leigh on Sea, Essex, Jegs is a leading UK distributor of electrical, houseware, DIY and gardening products, supplying a potential network of more than 12,000 independent retailers in Great Britain, Northern Ireland and the Channel Islands, as well as local trade customers and electrical contractors. The company has a product range of over 11,500 items, ranging from cabling, wiring accessories, lamps, tools, kitchen and other domestic appliances, and products for the home and garden.

Jegs takes pride in the excellence of its customer service, and is recognised as an industry leader – winning the prestigious British Hardware Federation Direct Diamond Supplier of the Year Award in 2010, as voted for by members of the Federation, in recognition of its high service levels. The company wanted to continue to improve its competitive advantage on service by further enhancing its internal processes, increasing productivity, and enabling staff to focus on customer support rather than administrative work.

“Our success has always been built around the knowledge and dedication of our staff, many of whom have worked for us for more than 20 years,” explains Martin Gibbons, Managing Director of Jegs. “The challenge in moving to the next level of customer service was that our IT infrastructure had become more of a hindrance than a help: if we wanted to improve further, we needed to transform our IT landscape.”

Business transformation

Jegs decided to start its transformation process by performing a full audit of its existing IT infrastructure and business processes, to identify problems and opportunities for improvement.

“Our main IT system was basically an accounting package with a number of additional modules that were supposed to provide ERP-type functionality,” explains Eloise Gibbons, Director at Jegs. “However, it didn’t cover all the functional areas we needed, and the support from the vendor was increasingly inadequate. Once we had a basic idea of our requirements, we began looking for alternative solutions – and realised that moving to a genuine ERP solution was the best option to support our business in the longer term.”



Business Benefits

- Enables accurate, real-time sales forecasting, simplifying procurement and stock control processes.
 - Improves productivity through process automation, enabling employees to focus on customer service instead of administrative work.
 - Minimises training requirements with a user-friendly interface and excellent support from IBM.
 - Establishes a platform for future business growth and expansion into new channels and markets.
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Jegs considered several large-scale ERP solutions, but decided that they were too complex and difficult to use. Instead, the company favoured the Microsoft Dynamics family of ERP solutions, which seemed to offer a better fit with its existing Microsoft® Exchange and Office software.

“Just as important as the choice of software itself was the choice of implementation partner,” comments Eloise Gibbons. “We spoke to a number of Microsoft partners, but we were concerned that we were too small a customer and that they would not be interested in working with us for the long term as our business grows. We did not want to partner with a company who would abandon us after implementation.

“Then we consulted IBM Global Business Services, and we were immediately impressed: they took time to understand our business and worked with us on determining the best solution to meet our current and future business needs. The solution they recommended was Microsoft Dynamics AX, rather than the smaller-scale Dynamics NAV solution, and they proposed a project plan that was both realistic in terms of the implementation itself, and sensible in terms of the long-term future of the solution for Jegs.”

IBM Global Business Services adopted a business-case-focused approach, understanding the core reasons why Jegs needed to complete the project and the benefits that would arise, and helped Jegs understand exactly how these could be achieved through the use of the IBM solution. Throughout the project, close attention was paid to the business case to maintain focus and ensure that the project did not creep in terms of scope. IBM also utilised its proven tools for the management and governance of ERP projects to bring the project in on time with a tight timeline.

“Companies sometimes wonder if IBM is too large to work with SME organisations like Jegs,” comments Iain Fox, Dynamics Practice Lead for IBM. “This is understandable because IBM has built its reputation on successful governance, business transformation and technical implementation for large enterprises.

“However, the success of the Jegs project proves that by bringing all of the discipline and focus we use in large enterprise projects, and scaling it to meet the demands of mid-sized businesses, IBM can deliver huge benefits on time – helping to establish a solid foundation for the future growth of companies like Jegs. IBM is proud to be associated with Jegs, and looks forward to helping the company grow in the coming years.”

Fast deployment

IBM Global Business Services helped Jegs implement the Dynamics AX solution rapidly on several IBM System x® servers, doing the majority of the work during the company’s least busy period, which runs from February to April.

“In our business, the autumn and winter months are extremely hectic, especially in the lead up to Christmas,” explains Martin Gibbons. “It would have been more or less impossible for us to carry out a

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business transformation project of this scale during that period, so IBM deserves a lot of credit for working out an implementation plan that got phase one of the project completed before the rush started again in September.”

Phase one included support for most of the main business functions, including telesales, warehousing, finance, procurement and returns, and also involved a major redevelopment of the Jegs Online Web site, which is one of the company’s key sales channels, utilising IBM’s ‘built out of AX Web Shop’ solution. Phase two will start soon, and will deliver a mobile working solution for field sales teams, as well as warehouse scanning technology that will enable rolling stock-takes.

Jegs also followed IBM’s recommendations in its approach to business transformation, and adopted much of the IBM Supply Chain Management best practice, which is built into the AX product set. This enabled Jegs to implement new and more efficient working practices more quickly.

Iain Fox comments: “There are many partners in the Dynamics world that just focus on application implementations. By contrast, IBM adopts a business-centric approach. While the technology is important to the success of the project, it is far less important than the business transformation. Through close collaboration with Jegs, we were able not only to introduce world-class applications, but also to implement world-class processes, within a budget that some people might not think IBM could achieve.”

Rapid response

“The first phase has just gone live, and it is already looking like a major success,” comments Eloise Gibbons. “One of the most notable advantages is in sales forecasting: previously we had to generate up to 20 different weekly sales reports and then analyse them by hand to work out what we needed to order from our suppliers. Now, the whole forecasting process can be handled automatically and run on a daily basis, helping us respond much more rapidly to customer demand.”

Martin Gibbons adds: “The new solution gives us a more comprehensive way of managing our business processes, and makes life much easier for our staff. The user interface is simple and we can customise it to provide all the information we need at a glance – which should particularly benefit the telesales team, helping them answer customer enquiries more quickly while they are on the phone. Overall, the system is easy to learn, and IBM provides excellent support, which minimises the need for training.”

He concludes: “The ease of use of the new solution, combined with the automation of key business processes, should mean that our staff spend less time on number-crunching and admin, and more time catering to the needs of our customers. The more productive we can become, the better the service we can offer – which will help us to maintain our leadership position in this market.”

For more information

To learn more about IBM services and solutions for mid-market businesses, contact your IBM sales representative or visit:

ibm.com/expressadvantage/uk/gbsmidmarket

To learn more about Jegs, visit: www.jegs.co.uk



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PO Box 41
North Harbour
Portsmouth
Hampshire
PO6 3AU

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June 2010
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