

**Case Study**

# **Microsoft Dynamics AX Enables Transparency and Economies of Scale for European Retail Organization AkzoNobel**



## Situation

AkzoNobel is an international paints and coatings company and an important producer of specialty chemicals. Headquartered in Amsterdam, the Netherlands, the company has approximately 50,000 employees in more than 80 countries and its portfolio includes leading brands such as Dulux, Sikkens, International and Eka.

The paint manufacturer has retail chains in seven European countries that sell paint to professional decorating businesses and—in some cases—to consumers. Each of these retail chains operated autonomously and used their own systems. Many of the shops developed their own solutions that no longer met the standard requirements that AkzoNobel applies to its systems. Each country also has its own purchasing organization and centralizing purchasing can achieve more economies of scale with the ultimate goal of increasing profit margins.

As AkzoNobel wants to gain insight into the ins and outs of all of the sales organizations on a European level, a system that would deliver this information was required.

## Solution

After an intensive selection process, the company chose Microsoft Dynamics AX, a complete ERP solution with comprehensive functionality for finances and logistics.

The AkzoNobel retail chains cannot be compared with a HEMA or a Blokker shop, where you simply take a product off the shelves and pay for it. Instead, business in the decorating trade can agree specific discounts with AkzoNobel and a lot of purchases are made on account, with associated credit limits. On the other hand, consumers have to pay a fixed purchase price in the shop.

"All of these factors must be taken into consideration when purchasing a new system," says Rob Mooring, program manager at AkzoNobel. "It soon became clear that we couldn't simply use a standard package for retail or wholesale, which meant having to develop a customized product."

Avanade became involved as the implementation partner in the project because of the company's knowledge of Microsoft Dynamics AX and its wide ranging experience with implementation on a large scale.

The central (core) system was set up in the Netherlands by AkzoNobel and Avanade. The roll out phase began on January 1, 2013. At this point, the system was already in use in England and in Denmark. A local project team was put together in each country to test and roll out the system and to ensure sufficient training was provided for staff in the shops (via eLearning or central meetings).

As the system had to be implemented in many different locations, the decision was taken to introduce it in phases. "Generally speaking, people don't like change and we are aware that they have to make an effort to get used to a new way of working," says Ronald Wigman, Sales and Stores Team Manager at the Deco Kernel Competence Centre. "Rolling the system out in phases enables us to provide better support for local project teams."

## Results

The Netherlands, Switzerland, Sweden, France and Norway will soon follow Denmark and England in implementing the system, and all countries are expected to be using the system by around January 1, 2016.

"This large-scale roll out phase will result in an integrated system where AkzoNobel has greater insight into financial performance," says Sjakko Hendriks, a consultant at Avanade. "The roll out phase also makes it easier to implement changes and the company can compare data from different countries, such as sales figures, and respond appropriately."

The functionality of the ERP solution is already delivering benefits in England and Denmark. Employees can provide better advice for their customers because all of the customer information is available at a glance.

Once all of the countries have moved to Microsoft Dynamics AX, AkzoNobel will make more purchases from central suppliers to achieve economies of scale. "By being able to purchase on a European level, we expect to be able to improve margins," says Rob Mooring.

## About AkzoNobel

AkzoNobel is a leading international paints and coatings company and a major producer of specialty chemicals. The company supplies industries and consumers worldwide with innovative products and works passionately to develop sustainable solutions for its customers. The list of brands that the company deals with includes well-known names such as Dulux, Sikkens, International and Eka. AkzoNobel is headquartered in Amsterdam, the Netherlands, and leads the field when it comes to sustainability.

Operating in more than 80 countries, our employees, of which there are approximately 50,000, are committed to supplying top products and technologies that are designed to meet the growing demands of our fast-changing planet.

For more information, please visit: [www.akzonobel.nl](http://www.akzonobel.nl)



#### About Avanade

Avanade is the leading provider of innovative digital and cloud-enabling services, business solutions and design-led experiences, delivered through the power of people and the Microsoft ecosystem. Majority owned by Accenture, Avanade was founded in 2000 by Accenture LLP and Microsoft Corporation and has 29,000 professionals in 23 countries. Visit us at [www.avanade.com](http://www.avanade.com).

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