Microsoft Dynamics AX Helps Online Bidding Company Improve Efficiency and Launch New Business Units

“With Microsoft Dynamics AX, there’s an open set of core business objects that are implemented with industry best practices, so we don’t have to re-invent the wheel. It gives us a very solid base to build from.”

Leon Kuperman, President and Chief Technology Officer, BIDZ

BIDZ.com is a publicly listed retailer that specializes in jewelry, fine art, collectibles, and accessories sold through an online auction format. The company sells products from leading brands such as Gucci, Chanel, Disney, Rolex. BIDZ needed an enterprise software solution that provided flexibility to launch new lines of business as well as provide integrated functionality for sales, purchasing, inventory, warehouse, and financial management. The enterprise software also needed to be flexible to work with its unconventional business model, with very different selling formats across three unique divisions – BIDZ.com, BUYZ.com and Modnique.com. In addition, BIDZ needed a system that could integrate with its online sites and handle a high volume of orders from inventory that changed very frequently. BIDZ selected Microsoft Dynamics AX due its flexibility, superior technical architecture, deep integrated functionality, ability to easily integrate with its online sites and its ability to scale to handle its large volume of transactions. Microsoft Dynamics AX provided BIDZ with a complete solution that streamlined sales and purchasing processes, as well as a single consolidated database that provides all the information in one place. The flexible platform of Microsoft Dynamics AX also strengthens the company’s business growth and development by supporting many unique customizations and adaptations.
Situation

BIDZ.com, an online auctioneer that offers items such as jewelry, fine art, collectibles, and accessories from noteworthy luxury brands, knows that customers are willing to pay the right price for the right goods. Offering their customers quality products as well as complete control over their purchasing process are hallmarks of the company and its two divisions, BUYZ.com and Modnique.com.

Although BUYZ and Modnique have the same product philosophies as their parent company, each operates on a slightly different business model. BUYZ is an online jewelry superstore that offers thousands of different jewelry items for sale, with interested customers simply adding the items they wish to purchase in their shopping cart and then proceeding to checkout. With Modnique, designer merchandise is offered at highly discounted prices, with products sometimes marked down as much as 85%. Special short duration sales events (36-72 hours) are created for a single clothing or accessories brand and then offered to the public. Items offered during the sales event will not reappear on the site at a future point in time, so customers know to snatch up an item before it goes away.

BIDZ wanted an ERP system that could offer comprehensive management of the company’s business processes, from accounting and finance information to inventory and warehousing data. BIDZ tried to address these business needs with a system they developed in-house, but it did not provide them the flexibility and scalability they required. “We were running a legacy ERP system that was home-grown, and the features and functionalities of that system were limiting us in terms of the business directions that we could take,” said Leon Kuperman, President and Chief Technology Officer of BIDZ. “We were looking for a more open ERP system that we could implement and have the flexibility to implement our business rules.”

Solution

With three different online stores operating on different models, the rich functionality of Microsoft Dynamics AX offers complete organization and in-depth reporting of each BIDZ entity’s business processes.

Given that offering products is the lifeblood of BIDZ, BUYZ, and Modnique, the ability to keep track of product inventory is a crucial element toward managing operations. For the BIDZ and BUYZ online sites, both use an application called Inventory Control in which the company creates the SKU’s for an item they receive from a vendor, along with the description of the product and its properties and attributes, and then they create the item.

Because Microsoft Dynamics AX is integrated with this application, after the item is created in Inventory Control it is then created in Microsoft Dynamics AX. After the item is created, the company can then upload the item to the site through the auction feature. Since BIDZ’s auction purchase model is unique to that of other companies’ purchasing models, Ignify updated the auction feature so that instead of only being able to upload one item at a time, the company can upload thousands of items at once. From the information received from the customer, the company can then easily create data orders and ship those orders to the customer.

“We have the flexibility to build our custom features through the development tools in AX, more so than any other ERP system that we looked at.”

Leon Kuperman, President and Chief Technology Officer BIDZ
Modnique, however, runs slightly differently from BIDZ and BUYZ in that it does not use the separate Inventory Control application to upload items. Instead, Modnique uploads items directly into the Microsoft Dynamics AX system. The Microsoft Dynamics AX system allows the company to create whichever attributes or properties that the item requires – size, color, price, etc. – and then upload to the site. Similar to the Inventory Control application, Microsoft Dynamics AX allows the company the option of either uploading one item at a time or thousands through the use of Excel files. Ignify created a feature for BIDZ where the company can load an Excel file containing the defined items into the Microsoft Dynamics AX system, and then once the Excel file is loaded, the system creates the items’ SKUs.

Because customers purchase Modnique’s items through a sales event instead of a bidding process, the company creates a sales event and then uploads the products to that particular event. Hundreds or thousands of items can be uploaded for one sales event, and customers simply purchase the items from the site.

**Benefits**

With the easy creation and uploading of new items to the BIDZ, BUYZ, and Modnique sites, the sales and purchasing processes of BIDZ are far more streamlined and efficient, allowing the company greater flexibility and valuable resource optimization.

**Flexible Platform Supports Extensive Customization**

With the unique business model that BIDZ operates on, they needed a solution that could provide them with a platform that allowed for the customizations and applications needed to fit their model. With Microsoft Dynamics AX, BIDZ was able to modify and adapt the solution to fulfill their business requirements.

“Almost every piece of user interface in AX was customized to meet our needs,” said Kuperman. “We customized all of the user interface flows so that our customer service, marketing, and merchandising teams could use the AX tools to do their work.” For example, with warehousing, BIDZ developed custom warehouse management user interfaces to help with item locations and the boxes they sit in within a warehouse, making them easier to find. And since having good images of items is crucial for an auction site, BIDZ also customized the platform to integrate with their photography department, enabling photographers to drag-and-drop pictures within Microsoft Dynamics AX and make them available for production use.

But these are only a couple of ways that BIDZ has modified the solution according to their needs. “There is quite a bit of stuff that we’ve been able to do with the AX platform,” said Kuperman. “We didn’t change our business process so much; we changed AX to meet our process.”

**Intercompany Feature Allows for Better Collaboration Across Stores**

Recognizing that BIDZ needed better communication and collaboration between its online stores, Ignify recommended Microsoft Dynamics AX’s Intercompany feature, a feature that BIDZ readily agreed to implement.

For items on BIDZ that the company would like to sell on their Modnique store, the company uses the Intercompany feature to move the items that are in stock in BIDZ to Modnique. “We create inventory movement between the two companies through a purchase order, and then when the items are sold in Modnique, the sales order is

“We have a great working relationship with Ignify. They work in the model that I asked them to work in – as opposed to having a structured, rigid deployment methodology – and they provide talented people.”

Leon Kuperman, President and Chief Technology Officer

BIDZ
“By using our deep knowledge of the retail industry and expertise with integrating to online stores, Ignify provided BIDZ with a solution that offers employees a clear, well-defined organization of business operations, and customers a superior shopping experience rich in functionality.”

Sandeep Walia, 
CEO 
Ignify

generated in Modnique and says what we need to deliver from BIDZ,” said Kuperman. “We transfer the item physically, and then when we receive it within Modnique, we’re able to ship it to the customer.” With the Intercompany feature, the movement and purchase of products is easily tracked and coordinated, allowing for complete visibility of inventory across sites.

Enhanced Communication with Vendors through Enterprise Portal
With the Enterprise Portal, BIDZ can effectively monitor the actions and results of their online advertising and marketing vendors. “With online marketing, there’s usually a cost-per-lead or a cost-per-sale relationship that you have with your marketing vendors, so all of that is tracked,” said Kuperman.

By tracking which marketing partner has generated activity through their sales orders and customer profiles, BIDZ can see the results that a specific marketing partner has produced. “It’s tracked all the way back to AX, so we can attribute sales to specific marketing channels as a result,” said Kuperman. “Some of our large marketing vendors can log-on through the Enterprise Portal and check some custom reports we built to see what the status is of the online ads that we do with them.”

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Ignify
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