

Celluphone Case Study





National Wireless Phone Distributor Streamlines Operations with Microsoft Dynamics AX

Customer Profile

Celluphone is one of the largest nationwide wholesalers to independent wireless phone companies, with offices throughout the United States.

INDUSTRY

Distribution

LOCATION

United States

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Rick Matson, Director of Information Technology, Celluphone

Celluphone, a wireless phone distributor with headquarters in Los Angeles and other offices throughout the United States, was experiencing growing pains with its financial and warehouse systems. For one, the financial and warehouse/logistics systems were not integrated, which meant many hours of manual import. Also, the systems did not have the functionality to easily and uniformly support Celluphone’s separate corporations and locations. Microsoft Dynamics AX provided multi-company capabilities that would allow the various Celluphone entities to manage their business and also provided a great deal of flexibility as well as the capability to integrate with the current bar-coding infrastructure. Celluphone chose Hitachi Solutions, a Microsoft Gold Certified partner, to implement the “Trade and Logistics” functionality to automate the warehouse and back-office operations as well as implement the customizations that Celluphone desired. Hitachi Solutions was able to quickly get the implementation kicked off and provide deliverables in a timely fashion. In addition, Hitachi Solutions’ ability to write effective customizations and its expertise in running Microsoft Dynamics AX has helped Celluphone increase its business, automate its processes, and provide unparalleled customer support to its retailers.

CHALLENGE

Los Angeles-based Celluphone, founded in 1983, is one of the largest wireless distributor companies in the United States. Celluphone provides services and products for independent wireless phone retailers. As a wholesaler, Celluphone strives to be a onestop company where its retailers can get all the services and products they need to run their own stores.

“The integrated implementation of Microsoft Dynamics AX differentiates us from everyone else as a full-service provider.

Rick Matson, Director of Information Technology, Celluphone

Previously, Celluphone was operating several systems that were not able to support its growing business. There was a separate system for its inventory management and order processing, from which batch imports were fed into its financial system manually to keep track of transactions. An older version of Microsoft Solomon kept the company’s financial information in order, but did not support specific functions that were badly needed, such as cost averaging and multiple company support, and also did not integrate with the inventory management system. This lack of integration was a huge problem as Celluphone’s business volume kept increasing. “Breaking down information from one system to make it suitable to import into another was just not effective,” said Rick Matson, Celluphone’s director of information technology.

SOLUTION

Celluphone recognized that it needed an integrated back office that would help it meet the growing demands of their expanding dealer base. Since its inventory management system as well as its older financial system were both insufficient, the company opted to install Microsoft Dynamics AX. One of the main advantages of the ERP is its flexibility. By choosing to install the accounts receivable, accounts payable, inventory management, general ledger, and bank modules of Microsoft Dynamics AX, Celluphone was able to create a streamlined back-office system that met its needs. The company also valued the direction future editions of Microsoft Dynamics AX would take, noted Matson. “We knew the path that Microsoft was taking with AX, and we knew that with future releases we could modify it in the Microsoft .NET environment.”

Once it became apparent that Hitachi Solutions’ implementation team had the confidence and expertise to modify Microsoft Dynamics AX to best serve Celluphone’s needs, Celluphone quickly signed. “We found that Hitachi Solutions had a similar methodology to us,” said Matson. “We liked their approach—implement it, and then modify it to gain flexibility.” Hitachi Solutions recognized the enhancements that would be needed and from the beginning proposed modifications with design documents that were clear and logical.

Hitachi Solutions’ expertise installing ERPs is well established, with over 50 deployments to date. Hitachi Solutions leveraged its deep product knowledge to do the functional design, technical development, application configuration, enhancements and user training. Hitachi Solutions was able to bring its vast experience and deep bench of over 100 Dynamics-certified professionals to the table to complete Celluphone’s implementation within budget and in a timely manner.

“A simultaneous rollout of Dynamics AX across 8 locations was a huge win. We are proud to have been able to leverage our experience to work in partnership with the IT team at Celluphone in making for a successful implementation for them.”

Sandeep Walia, Executive Vice President, Hitachi Solutions America, Ltd.

BENEFITS

Integrated financials with supply chain

Another advantage of using Microsoft Dynamics AX is the functionality it offers in regards to pricing, particularly price protection. With Microsoft Dynamics AX, ESI Enterprises is able to track fluctuations of market prices for products, which in turn inventory levels and financial information at any time. Automating these processes means Celluphone no longer has to manually fish for corresponding transactions from each system, freeing up valuable time and resources.

Ability to get real-time shipment quotes and print shipment labels from a single system

Whenever an order is placed (including via phone, email, or fax) the customer receives real-time shipping rates from a shipping provider such as FedEx.

After the order is placed, the shipping option is associated with the order in the warehouse. Microsoft Dynamics AX then makes a request to the appropriate shipping company, which sends a response with all relevant shipping information, from which labels can be printed. This is all done automatically, so the items needed to complete a shipment are readily available and Celluphone does not have to make an adjustment on the order total after the order is completed (as was done previously).

Ability to issue and manage rebates for dealers

An important part of Celluphone's dealer sales include rebates for the cell phones that consumers purchase. Since Celluphone handles three types of rebates (manufacturer-based, Celluphone-based, and retailer-based), it needed comprehensive and automated management of them. Hitachi Solutions created a functionality that could automatically retrieve specific rebate files and apply them to the correct sales orders. While the processing of rebates was automatic in the system before the Microsoft Dynamics AX implementation, the new system consolidated aspects of inventory and financials that were previously housed in 3 different systems. The result: an aspect of Celluphone's business operations that serves as a customer-retention tool and, as Matson notes, "differentiates us from everyone else as a full-service provider."

Ability to track inventory real-time

Microsoft Dynamics AX provides Celluphone with the ability to quickly and easily track an order's life cycle; whenever any operation is performed in the supply chain, such as a sale or receipt of shipment, the transaction and subsequent changes will automatically be registered in AX (real-time). When Celluphone receives a shipment

WHY HITACHI SOLUTIONS?

Hitachi Solutions is one of the largest, most qualified and highly experienced Microsoft Dynamics consulting firms across the globe, capable of handling complex tier-one displacement projects. Our company's caliber of expertise and commitment to customers is evidenced through our consistent recognition from both Microsoft and industry analysts. Contact a Hitachi Solutions expert to discuss how our Microsoft Dynamics Solutions can help improve your productivity.

of phones, the quantity received is recorded within Microsoft Dynamics AX, and from there quantity levels can be tracked automatically.

One enhancement that Hitachi Solutions created to help in product tracking is an automatic scanning functionality. By creating a way for Microsoft Dynamics AX to import serial numbers directly from scan guns used in the warehouse, the functionality allows a previously tedious task —recording the serial numbers of products such as mobile handsets (for serialized products, this includes recording every single item in a box) —to become automated and quick.

The Microsoft Dynamics AX implementation by Hitachi Solutions has helped Celluphone achieve the automation and scalability it required for its growing B2B business. Now, instead of separate functioning systems for inventory and financials, Celluphone has an integrated, flexible, and automated back-end office system that has helped streamline its business.

Celluphone's return on investment has been readily apparent. In addition to automating and consolidating processes, thereby freeing up time and resources, the Microsoft Dynamics AX implementation has also laid the foundation for Celluphone's e-commerce sites. "AX has given me the platform to build real-time e-commerce sites that I wouldn't have been able to do with the separate pieces of our previous system," Matson says. "We wouldn't have been able to build the sites without AX as a common platform." Celluphone has already built 10 such ecommerce sites, including consumer sites such as handsfree.com, as well as other B2B sites. In addition, Celluphone is already eyeing other ways to expand its business using the Microsoft Dynamics AX foundation, including as a full-service business partner to large corporations.