New York Cosmetics Streamlines Operations and Enhances Customer Satisfaction with Dynamics 365

BUSINESS OVERVIEW

New York Cosmetics is a wholesale distributor of cosmetics, skincare, nail polish, haircare, and HBA merchandise. It specializes in buying bulk cosmetics and related products, specializing in buying bulk cosmetics and related products. With a dynamic inventory comprising 26,000 SKUs, including new additions monthly, New York Cosmetics caters to online retailers, national retailers, other wholesalers, and to international markets.

New York Cosmetics faced a myriad of challenges due to manual operations and disjointed systems. Foremost among these challenges was the manual inventory management. This resulted in the laborious task of manually recording stocks. This led to inaccuracies in stock data and inconsistencies in stock-taking.

The fulfilment process also suffered from inefficiencies. The pick-pack-ship operations relied on spreadsheets. Depending on the size of the order, the picking process used to take between 2 to 5 days, and the organization could not communicate any product discrepancies at this stage. Also, for packing and routing, the process took between 5 to 8 days. Because of the stock level uncertainties, payments were usually requested after the order packing, and shipping used to happen after payment receipt.

Managing sales orders was a tedious task as orders arrived through various channels, in diverse and inconsistent formats. The manual sales order entry process proved to be time-consuming and error-prone. The absence of real-time reporting capabilities posed significant hurdles in management reporting and decision-making. New York Cosmetics wasn't able to track sales performance and profitability.

The business's need to manage complex mixed lots with multiple SKUs, brands, and categories also proved to be a cumbersome task. It necessitated manual intervention, further increasing the risk of errors in inventory management and order fulfilment.

New York Cosmetics realized the need to embrace digital transformation, and as the first step decided to adopt an integrated system to streamline operations.

Benefits

Accelerated Order Fulfilment: The significant reduction in timelines for order fulfilment and deliveries has resulted in enhanced customer satisfaction, and reduction in operational costs.

Enhanced Inventory Management Efficiency: Real-time data on stock position enables quicker and accurate turnaround for customer inquiries. This helps push up sales and customer retention.

Shorter Cash Cycle: Faster order confirmation to customers also results in quicker payments from them. This shortens the cash cycle, helping boost the operational profitability.

Improved Communication and Transparency: The ability to communicate product discrepancies immediately upon receipt of orders and share fulfilment process details results in minimizing order cancelations.

THE SOLUTION

New York Cosmetics chose Alletec as its digital transformation partner. Based on the analysis of the business and operational challenges, Alletec recommended a solution built on Dynamics 365 Business Central, Dynamics 365 Sales, and Power Platform. The solution enabled:

Live Inventory Database: Real-time visibility into stock levels enables accurate inventory tracking and fast turnaround times, thus eliminating missed sales opportunities.

Reserved Status on Sales Orders: Once an order is submitted, items are reserved for the customer, pending payment. This ensures order accuracy and better customer satisfaction.

Streamlined Order Processing: Automated workflows and email notifications provide timely updates on order status and product discrepancies, enhancing efficiency and transparency.

Robust Reporting: With robust reporting capabilities, New York Cosmetics gained actionable insights into sales performance, profitability, and inventory trends, enabling informed decision-making and strategic planning.

Consignment Tracking: New York Cosmetics is now able to track consignments and also manage mixed lots orders efficiently. This has resulted in enhanced operational decision-making and customer satisfaction.

Customer Speak

"Any company can build Business Central and its modules to function for a business. What made Alletec exceptional is the clearly outlined project execution plan, the curiosity to understand our business, the creative ideas, and their flexibility throughout the process. I very highly recommend Alletec for any development projects as their guidance, expertise, and care are rare in the world of technology."

Varti Pomakian
Director of Operations, New York Cosmetics