



Overview

Country or Region: United States

Industry: Wholesale and distribution—
Nondurable goods merchant wholesalers

Customer Profile

Through its well-known subsidiaries, New Sunshine provides tanning salons with lotions, tanning beds and equipment, and software. The company has four manufacturing locations in the United States.

Business Situation

After making a significant acquisition, New Sunshine saw an opportunity to save money and improve the efficiency of its IT operations by consolidating its enterprise resource planning (ERP) systems.

Solution

New Sunshine worked with Microsoft Gold Certified Partner AXmentor to migrate several of its business units that used Microsoft Business Solutions—Axapta 3.0, now part of Microsoft Dynamics, and another unit that ran Sage ERP to Microsoft Dynamics AX 2009.

Benefits

- Saved \$40,000 in annual software licensing costs
- More technical reliability
- Greater employee productivity
- Optimized business processes

Tanning-Products Company Consolidates Systems, Saves Money with Centralized ERP Solution

“We’ve consolidated our ERP on one instance of Microsoft Dynamics AX 2009, migrated data from various systems, set up a data center, and reviewed all our processes—all-in-all, it was a tremendous achievement.”

Brenda Horner, Vice President of Operations, New Sunshine

New Sunshine manufactures and sells tanning lotions, tanning beds, and software to help run salons. In contrast to the dynamism and growth of its business, New Sunshine’s ERP systems were inflexible and costly to maintain. The company solved some of these problems by migrating its different business groups to Microsoft Business Solutions—Axapta 3.0, now part of Microsoft Dynamics. Working with Microsoft Gold Certified Partner AXmentor, New Sunshine upgraded to a centralized implementation of Microsoft Dynamics AX 2009 and replaced roughly 40 percent of its custom functionality with standard functionality, reduced its development costs by more than 50 percent, and positioned itself to more easily update its systems in the future. In addition, New Sunshine employees benefit from tools that help them complete processes faster and address issues before they become problems.



New Sunshine manufactures and sells leading lotions and equipment used in indoor tanning.



Situation

New Sunshine is a holding company with subsidiaries focused on various indoor and outdoor tanning products. Founded in 1984, New Sunshine has grown through acquisition. Today, the company's major brands include top-selling tanning lotions like Australian Gold, California Tan, Swedish Beauty, and Designer Skin. The company's other entities include ETS, which manufactures tanning beds and light-therapy devices, and Helios, which builds point-of-sale and store management software for salons, gyms, and day spas. An international company, New Sunshine sells directly to salons and through distributors in the Americas, Europe, and Russia.

In 2001, New Sunshine was in the midst of upgrading its Oracle enterprise resource planning (ERP) software when it decided to halt the project. Brenda Horner, Vice President of Operations at New Sunshine, explains, "The software was too complex and inflexible for our business, and the upgrade was going to cost millions of dollars and potentially take more than a year to complete. Because of that, we decided to look for another solution that would better fit our needs." After thoroughly documenting business processes and gathering requirements, New Sunshine eventually chose Microsoft Business Solutions–Axapta 3.0, now known as Microsoft Dynamics AX, as the best fit for the company. In 2003, New Sunshine went live with the solution, running its businesses on separate instances of the software.

New Sunshine acquired California Tan in 2006 and acquired Designer Skin and Sunshine Manufacturing in 2007, adding significant heft to the company's tanning-lotion portfolio. Sunshine Manufacturing, based in Tempe, Arizona, was running Sage ERP software. New Sunshine saw an

opportunity to standardize and optimize its IT and wanted to migrate all of its ERP systems onto a single installation of Microsoft Business Solutions–Axapta. "We also were planning to build a new data center in Indianapolis, Indiana, that would host IT applications for all of our subsidiaries. It made sense to consolidate and standardize our software at that time," says Christian Fordham, IT Director of New Sunshine.

However, the company had heavily customized its Microsoft Business Solutions–Axapta solution to handle unique requirements for pricing schematics, return sales orders, sales commissions, lead management, credit card processing, and various other aspects of the business. The heavy modification made it difficult for New Sunshine to upgrade to new service packs, and the company was wary about pulling new units onto the platform.

"We needed to reevaluate our strategy," says Horner. "Instead of relying on modifications, we were willing to take a look at what standard functionality was available in the newest release of the solution. If replacing modifications with standard functionality meant changing some of our business processes, we were willing to consider that."

Solution

To find a way forward, [New Sunshine](#) brought in Microsoft Gold Certified Partner [AXmentor](#) to advise the company on its options. After evaluating [Microsoft Dynamics AX 2009](#), the joint team of AXmentor consultants and New Sunshine process and technical experts determined that they could replace roughly 40 percent of New Sunshine's customized functionality with standard functionality in Microsoft Dynamics AX 2009.

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Christian Fordham, IT Director,
New Sunshine

Consolidating ERP Systems

By following the Microsoft Dynamics Sure Step methodology, New Sunshine and AXmentor migrated all of New Sunshine’s business units that had been using Microsoft Business Solutions–Axapta and the manufacturing group in Tempe that had been using Sage ERP, over to Microsoft Dynamics AX 2009. The project included customizations for business processes that were unique to each operation but with an aim to minimize custom code.

After one year, New Sunshine completed the project, with a centralized implementation of Microsoft Dynamics AX 2009 hosted in its new Indianapolis data center. Horner credits the Sure Step methodology for helping to keep the project on track. “By using the Sure Step methodology, we were confident in moving from one task to the next,” she says. “Once everyone left the kickoff meeting, they needed to know exactly what to take care of. The methodology helped us to articulate exactly how we would accomplish each task.”

The company currently has 200 concurrent users for the solution spread across four locations in three states. And, since going live, the company has already successfully deployed its first service pack to Microsoft Dynamics AX 2009. “We’ve taken advantage of the improved application object server capabilities in Microsoft Dynamics AX 2009 for a more stable clustered-server setup,” says Fordham. “Those improvements, plus better network connections, have made a big difference in the performance of the solution from a user’s point of view.”

New Sunshine connected the new ERP solution with other systems, including UPS ConnectShip for small-package delivery, Vertex for tax services, Melissa Data for

address validation, and an electronic data interchange solution, to help employees accomplish tasks faster.

Reviewing Business Processes

At the outset of the project, New Sunshine spent several weeks planning how it could address the unique needs of its different business groups with Microsoft Dynamics AX 2009. “We had representatives from our business and IT groups in planning sessions for each area of functionality, and they negotiated how to best take advantage of Microsoft Dynamics AX 2009,” says Horner. “In some cases, we had to make some small modifications, such as with lead management and credit card processing, but with others, we were able to take advantage of the standard functionality. For example, we implemented our return sales orders, pricing structure, and sales commissions in Microsoft Dynamics AX 2009 without custom coding. At our manufacturing operation in Tempe, we were able to deploy the system with only one small modification. That was a tremendous benefit for us.”

New Sunshine also took advantage of the project to standardize business processes across the organization, where appropriate. “Some of the processes between our businesses are inherently unique, such as when dealing with government regulations for a specific product, but we did take advantage of the planning sessions to share best practices,” says Horner. “For example, our group in Tempe adopted the pick-pack-ship process that we use in Indianapolis, and that worked quite well.”

The IT group also consolidated its reports during the project. “We had hundreds of customized reports, and we were able to replace some of those with standard reports in Microsoft Dynamics AX 2009,” says Horner. “And then we consolidated the

others into a portfolio of reports so that they would be easier to manage.”

Supporting and Further Integrating The Solution

IT staff at New Sunshine use the Task Recorder function in Microsoft Dynamics AX 2009 to troubleshoot problems that users report and to document processes for demonstration during training. “Although it may seem like a trivial function, we really enjoy the Task Recorder,” says Fordham. “We can use it to record what people are doing and then see exactly where problems might be occurring.”

In the future, the IT team at New Sunshine is eyeing an enterprise implementation of Microsoft SharePoint Server, which they used to collaborate with one another during the migration project. “We see some opportunities to tie SharePoint Server into Microsoft Dynamics AX 2009 so that our service teams can easily access the latest component designs and diagrams,” says Fordham.

Benefits

By upgrading and consolidating its ERP systems on Microsoft Dynamics AX 2009, New Sunshine was able to reduce custom code by roughly 40 percent, leading to significant cost savings and making the solution easier to maintain going forward. In addition, the solution is more stable and provides employees with important timesaving capabilities.

“This was not the first time that we’ve gone through an ERP implementation at New Sunshine,” says Fordham. “But, it was certainly the best implementation that we’ve ever done, in terms of how smoothly the go-live went.” Horner agrees: “We’ve consolidated our ERP on one instance of Microsoft Dynamics AX 2009, migrated data from various systems, set up a data

center, and reviewed all our processes—all-in-all, it was a tremendous achievement. Considering all that we’ve done, I am very pleased at the timeline for this project.”

Hardware, Software, and Maintenance Cost Savings

By migrating all of its business groups onto Microsoft Dynamics AX 2009, New Sunshine eliminated its software-licensing costs for Sage ERP totaling around U.S.\$40,000 annually. In addition, the company substantially reduced its server infrastructure from 110 physical servers to 60 virtual servers running on just 5 physical servers.

This consolidation enabled the IT department to minimize upgrade and maintenance costs. “Previously, it would take a large team months to roll out an upgrade,” says Fordham. “But when upgrading to Microsoft Dynamics AX 2009 Service Pack 1, we only needed to spare a few of our staff and they completed it in three weeks.”

By eliminating roughly 40 percent of its custom code, New Sunshine has been able to significantly reduce its development needs. “At one point, we had 10 software developers working on our internal systems. Today, with Microsoft Dynamics AX, we only need three software developers to handle customizations,” says Fordham.

More Technical Reliability

Fordham is convinced that the application object server technology in Microsoft Dynamics AX 2009 has increased the stability of the system and freed IT staff to spend more time on more strategic work. “The stability of the new software is a vast improvement compared to our old system,” he says. “Before, we commonly had to address system problems several times in a 24-hour period; today, we don’t have those

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problems. Microsoft Dynamics AX 2009 has helped us reduce the support demand on our IT team and freed us to focus on meeting the needs of the business.”

Greater Employee Productivity

Employees can finish tasks faster with Microsoft Dynamics AX 2009. “In our lotions business, we were able to significantly shorten the process of starting a quote and moving it to a sales order,” says Horner. “The process now takes significantly less time, and our employees feel much better knowing that they are not going through a lengthier process than is necessary.”

New Sunshine helped prepare its employees for the new interface in Microsoft Dynamics AX 2009 by deploying the 2007 Microsoft Office system several months before the migration project. This gave employees time to get familiar with the Ribbon theme, which makes functionality available in the context of the task at hand. “Our employees had just gotten used to the look and feel of the applications in the 2007 Microsoft Office system, and that helped them become productive on Microsoft Dynamics AX 2009 faster,” says Horner.

Employees at New Sunshine use alerts in Microsoft Dynamics AX 2009 to stay on top of tasks. “The person who monitors orders on the lamps that go into tanning beds benefits greatly from a couple alerts that let her know when she needs to reorder,” says Fordham. “Very small things like this have increased our efficiency and avoid troublesome issues.”

Optimized Business Processes

By making use of standard functions in Microsoft Dynamics AX 2009, New Sunshine has been able to improve its business processes. For example, the

standard functionality in the solution does a better job of housing the company’s pricing structure than the previous custom-coded functionality, requiring less time to update. “Our process experts are enthusiastic about the new solution because it has reduced complexity and made our processes less burdensome,” says Horner.

Related Information

- Value of upgrading to Microsoft Dynamics AX 2009:
www.microsoft.com/dynamics/en/us/products/ax-upgrade.aspx
- Options for upgrading to Microsoft Dynamics AX 2009:
www.microsoft.com/dynamics/en/us/products/ax-upgrade-2.aspx
- Microsoft Dynamics AX 2009 benchmark report (requires CustomerSource sign-in):
mbs.microsoft.com/customersource/documentation/whitepapers/AX2009Benchmark.htm
- Read more about how Microsoft Dynamics AX 2009 helps improve productivity:
www.microsoft.com/dynamics/en/us/products/ax-productivity.aspx

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www.axmentor.com

Microsoft Dynamics

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