

omnica



## Direct Wines Achieves International Growth on Omnica and Dynamics AX

**With annual revenues of over GBP £300m per annum, Direct Wines is the world's largest direct to consumer retailer of wines. Based in Reading, England, the company operates a sophisticated multi-brand, multi-channel business model. Whilst a large part of its business operations are under well-known, in-house brand names, for example Laithwaites Wine in the UK, other parts operate a brand identity licenced from business partners such as the Sunday Times Wine Club or the British Airways Wine Club.**

Direct Wines has come to dominate direct wine retailing in the United Kingdom, although it had little presence in international markets until the formation of Direct Wines International as recently as 2007. In launching the international division, Direct Wines looked carefully at its options for information systems. The selection process was managed by **Gary Isaacs**, appointed as CIO, working closely with **Simon McMurtrie**, CEO.

A range of alternatives were considered, ranging from well-known ERP systems to a specialist system for wine-trade mail order, which was already in use in a UK subsidiary of Direct Wines' business. However, the solution which ultimately emerged as **the winner was Microsoft Dynamics AX, together with add-in modules for Multi-Channel Retail (MCR) from Omnica Limited**, at that time a recently formed UK company, specialising in MCR for the Dynamics AX platform.

**"The international business was very much in its infancy at that time,"** recalls Isaacs. **"We had extensive roll-out plans in various countries, plus a significant business acquisition in the pipeline. We wanted a system that was flexible and portable into different environments, and different countries, without us facing substantial costs for customisation at each stage. That ruled out proprietary systems from niche players and made us look at mainstream, globally supported ERP systems. But we also had a special set of requirements centred around MCR. The Omnica functionality, being adapted to MCR, but based on the Dynamics AX platform, gave us the best of both worlds."**

The initial launch in September 2007 was in Switzerland ([www.chateaudirect.ch](http://www.chateaudirect.ch)), followed by Australia ([www.winepeople.com.au](http://www.winepeople.com.au)) in November and Germany ([www.chateaudirect.de](http://www.chateaudirect.de)) in early 2008. Each launch began with a mailing to prospective customers with attractive and targeted offers on mixed cases of premium wines. Orders were taken on the phone using Omnica's software, by multi-lingual staff located at the Reading site. Payment processing was achieved using a combination of Omnica

functionality, and the "Global Collect" payment gateway, which Omnica integrated into the solution for the project. The solution was successfully audited for PCI DSS compliance.

Order fulfilment was to be carried out by local third party distribution partners in the countries concerned, so interfaces were required to external systems. Direct Wines' was able to source some Dynamics AX programming expertise of its own, and this internal team was able to customise standard APIs within the Dynamics AX solution to easily deliver this integration. This internal development has remained in place and serves the business well.

**"Since we are continually rolling out in new countries, we are always adding new requirements to the system. An ability to change it ourselves is paramount,"** says Gary Isaacs.

Customer service, accounting, product management, and direct marketing are also carried out from within the Omnica/Dynamics AX solution.

**"Omnica allowed us to easily configure our product offers, and link them to marketing codes. This meant that our telephone response to new customers was first class. Our fulfilment process works very reliably, but because everything is tracked on the system, we are also able to give great service if customers experience any problem, for instance if our wine gets lost en-route to the customer"** comments Jane Seaton, System Manager for the implementation.

At the time of the initial Direct Wines roll-out, the Omnica software for Dynamics AX was quite new. This being the case, a series of faults and issues might normally have been expected. However, this was not so. Seaton again:

**"We did identify about half a dozen minor bugs in the Omnica code, which is not surprising since we were the first live site. However, these were cleared up quickly and professionally by the Omnica team, and the quality and stability of the system was impressive from day one."**

Back in 2007, Direct Wines had acquired a US subsidiary, **"4 Seasons Wine"** located in Lake Forest, IL. In September 2008, the Omnica/Dynamics AX system was put live in the US business, for a prestigious newly launched business partner brand, the Wall Street Journal. The US roll-out necessitated an amount of custom development around US compliance laws in the liquor trade, which was completed successfully. WSJ Wine ([www.wsjwine.com](http://www.wsjwine.com)) was immediately effective, transacting over USD\$1m of business in its first 18 days of operation. In March 2009, the solution went live in the remainder of the 4 Seasons Wine business, replacing the legacy system.

Following a July 2009 launch in Hong Kong, the business now has 5 countries and multiple different brands in place, operating through web and phone/mail channels, with over 180 Dynamics AX users at

peak. This is achieved within a single UK-based implementation of Dynamics AX, which is managed centrally. In 2009, only the second full year of trading, annual revenues through the system exceeded \$100m and further launches are now being planned in other countries. **Simon McMurtrie, CEO** at Direct Wines, is impressed by what has been achieved.

**"The system gives us the perfect tool to continue to scale up our business on a global scale, introducing new business partners, and serving our customers, without significantly increasing our cost base. Not only does it give us flexibility to use outsourced warehousing and call centres where we choose to do so, it provides powerful targeted promotion functionality, and excellent management reporting."**



## About Omnica

**Omnica was founded in March 2007 to develop a new software solution for direct marketing, distribution, online and multichannel retail businesses built within Microsoft Dynamics AX.**

Omnica MCR consists of a series of modules including online shopping through an ecommerce platform, slick telephone sales and customer service and back office functionality for high-volume order processing and advanced distribution.

The company employs a team of experts recruited from MCR software specialists, and Dynamics AX solution providers. Omnica has rapidly established a sophisticated product solution, a strong user base both in the UK and internationally, and a partner network for support and implementation all over the world.

## About Microsoft Dynamics AX



**With over 13,000 implementations worldwide, Microsoft Dynamics AX is the premier business system from the Microsoft Corporation.** It has strong

functionality for purchasing and supply chain management, warehousing, accounting, and CRM. Its unique design allows it to be easily customised to specific client requirements, and it is sold and supported around the world.

Dynamics AX is complemented by an array of specialist add-ins solutions in particular industry segments, such as the Omnica MCR add-ins for multichannel retail and distribution. In conjunction with Omnica MCR, Dynamics AX is a powerful and flexible system for multichannel retail.

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