



Food Distribution Giant Equipped to Grow Customer Base By 300 Percent With New ERP Solution

One of Singapore's biggest food distribution companies, Seo Eng Joo Frozen Food (SEJ) caters to more than 1,000 food and retail establishments in the country, moving 30,000 pallets of products per day.

Expectations

- Streamlines communication process; erstwhile manual processes are now automated
- Operational efficiency in processes and the checks-and-balances employed throughout
- Improved business intelligence and visibility allowing management to analyze profits by market segments, geographic zones and brands
- Set up system quickly to support the new business and increased volume of transactions

Industry

Distribution (FMCG)

Country or Region

Singapore

Partner

R Systems

Partner Website

<http://www.rsystems.com/apac>



"(With Microsoft Dynamics NAV) the communication process is streamlined, and previous manual processes are now automated. This improvement saves administrative time of the inventory control team by 15 percent."

Charlie Seo, General Manager, Seo Eng Joo Frozen Food Pte Ltd

One of Singapore's biggest food distribution companies, Seo Eng Joo Frozen Food (SEJ), caters to more than 1,000 food and retail establishments in the country, moving 30,000 pallets of products per day. SEJ's existing ERP system was unable to meet the demands of expansion and consolidation. With a long-term vision to grow the business and establish cutting-edge supply chain management technologies, the company migrated to Microsoft Dynamics to enable a flexible and scalable path to growth.

With humble beginnings as a small family business, Seo Eng Joo Frozen Food (SEJ) has grown to become one of Singapore's biggest food distribution companies. On a daily basis, the company moves 15,000 pallets of frozen foods, 14,000 pallets of dry goods and 1,000 pallets of chilled foods to more than 1,000 food and retail establishments across the city-state. The company has four core businesses including trading, import and export, fast-moving consumer goods (FMCG) distribution, and supply chain management services.

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Given the company's reliance on its supply chain, a capable enterprise resource planning (ERP) platform is crucial to ensure the timely movement of goods. "Our company's expertise is in FMCG, but we have found IT to be a big challenge," says Charlie Seo, General Manager, SEJ. "When the company's management launched our roadmap for long-term growth, we sought to improve our enterprise planning capabilities with a capable and trustworthy partner who could see us through our journey."

For almost two decades, SEJ utilized a deployment of Global ERP, which was highly configured for the company's needs. However, in 2010, the company defined a long-term strategy, which included targeting ten-fold growth in output in the medium term. However, the rigid nature of the legacy ERP was seen as a limiting factor. "We needed a new system because our old ERP was no longer able to meet our expansion needs," says Seo.

An Integrated and Flexible Solution

Management evaluated a number of options from different vendors over a period of 12 months, to ensure that the new ERP system to be deployed would be reliable, flexible and scalable enough to meet SEJ's long-term needs. "In our industry, drop and pick accuracy are very important considerations," says Seo. "When a customer orders, and when we make deliveries, we want to be 100% sure that we are delivering the correct goods at the right time." Seo adds that the company's ERP is responsible for ensuring different elements such as warehousing, deliveries, storage and inventory are working well together.

The company decided to migrate to an end-to-end integrated FMCG business management solution based on Microsoft Dynamics NAV, with Sales, Inventory, Purchasing and modules for finance, trading, import and export. The implementation was done in consultation with MQSpectrum, SEJ's technology partner, and R Systems, formerly aka. IBIZCS, Consulting Services, that provided its technical expertise in integrating a mobile Warehouse Management System equipped with RFID. The first phase of migration which included the Finance Module, was completed within six months.

Reimagining Possibilities

"When we started understanding the capabilities of Dynamics NAV, we also began to explore more possibilities for our business," says Seo. He adds that the biggest benefit is the flexibility that the platform provides. For instance, the company can now implement advanced inventory management technologies, such as wireless inventory tagging through RFID.

"We are no longer restricted by the ERP solution. Working with a good partner in building on Microsoft Dynamics NAV, the opportunity to

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automate certain process is unlimited. Some of the things we never thought about before are now possible,” he says.

Improved inventory control. With Microsoft Dynamics NAV, the company now enjoys improved communication across finance, inventory control and warehousing functions as a result of tighter integration between modules. For example, creation of sales orders automatically generates pick up instructions for the warehouse, and confirmation by the warehouse staff automatically posts the shipment.

“The communication process is streamlined, and manual processes we used previously are now automated,” Seo says. “This improvement saves administrative time of the inventory control team by 15 percent.”

“One of the more tangible benefits we derive from our new ERP is automation in terms of how we communicate with customers and how they communicate with us,” he adds. “This also includes integration between modules, which reduces the likelihood of human error in transactions and processes.”

Improved operational efficiency. SEJ has gained operational efficiency, both in the processes and the checks-and-balances employed throughout. The stock bins feature in the warehouse management function helps to facilitate the picking process. The system assigns stock to be picked in the priority of expiry date sequence (FIFO). Warehouse staff are given specific stock locations to pick stock items. With visibility of shelf life, SEJ ensures that stock with earlier expiry dates is moved out of the warehouse sooner, making the warehouse operation more efficient and resulting in faster turnaround time.

Improved visibility. The dimension feature of NAV allows management to analyze profits by market segments, geographic zones and brands. “We are now more efficient in the way we handle information,” says Seo. “Our database with Microsoft Dynamics NAV is more comprehensive, compared with our previous ERP, which enables us to track more metrics and generate more exhaustive reports.” This results in faster decision-making. “The information is all there, and the new ERP enables us to mine the data and put it into a language that management can use to make decisions.”

Scalability. The system allows the company to roll-out new business operations in a short timeframe. For example, in December 2014, the company incorporated a new business entity to handle sales in a new market segment. SEJ was able to set up the system quickly to support the new business and its increased volume of transactions. The new infrastructure and expansion capability removes constraints and the company expects to achieve 300% growth in customer acquisition.

Seo Eng Joo's Technology Environment

Servers	IBM System x3650 M4 Windows Server 2012 R2 Standard with two VMs. The system is replicated to another server of the same configuration for high availability.
ERP system	Microsoft Dynamics NAV 2013
Business database	Microsoft SQL Server Standard 2012
Desktop systems	Windows 7
Deployment strategy	On-premises

With SEJ's move to Microsoft Dynamics NAV, the company expects both short-term and long-term results. "We are among the top 10 food companies in Singapore in terms of bottomline," says Seo. "We credit some of this to our move to Microsoft Dynamics NAV."

As the company has seen success, it plans to integrate more modules and features into the ERP, which may include facial recognition, as well as integrating customers into the system. "One of our core strengths is the ability to innovate, be flexible and change through time," says Seo. "We chose Microsoft Dynamics NAV because we found it to be a flexible and configurable platform that can grow with our needs. On a strategic level, it helps that we have found partners that understand our needs and can journey with us in adopting and implementing big, innovative ideas."

Next Steps

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- [Become a Dynamic Business](#)
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