



Gumlink Stretches Chewing Gum Productivity with Microsoft Business Solutions–Axapta

Overview

Country or Region: Denmark

Industry: Consumer Non-Durables, Manufacturing

Customer Profile

Gumlink A/S was established in October 2002 after the Dandy brands Stimorol, Dirol, and V6 were sold to Cadbury-Schweppes. The company has approximately 600 employees and develops, produces, and sells chewing gum. Gumlink focuses entirely on the business-to-business segment of the chewing gum market. It is part of Bagger-Sørensen & Co. A/S and is situated in Vejle, Denmark.

Business Situation

With its previous Microsoft® MS-DOS®-based solution, Gumlink A/S suffered from inefficient processes and it had difficulty getting the information it needed to optimize its business. As a result, the company was experiencing problems with its quality and delivery performance.

Solution

Gumlink A/S has implemented the following Microsoft Business Solutions–Axapta® modules: Production, Master Planning, Logistics, Trade, Shop Floor Control, Warehouse Management, Financial Management, Commerce Gateway, Enterprise Portal, Project, Sales Management, Sales Force Automation, Balanced Scorecard, Questionnaire, and Human Resource Management.

Benefits

- Increased productivity
- Decreased inventory levels
- Access to accurate information
- Improved collaboration among departments
- User-friendly, short training time

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Søren Seerup, Senior Vice President, Gumlink

When you chew a piece of chewing gum, you don't often think about the complexity involved in producing it. In 1848, the first commercial chewing gum was made and sold. Today, Gumlink A/S is continuing to produce chewing gum of the highest quality and has ambitions to become a major supplier to the medicinal chewing gum market.

Gumlink has over 200 different recipes and 800 different products that it produces, packages and ships, so it really needs to have quick access to relevant information in order to effectively manage productivity. It implemented Microsoft® Business Solutions–Axapta® (now part of Microsoft Dynamics™) and increased productivity by 20 percent. Three months after Microsoft Axapta was installed, Gumlink experienced a record high manufacturing output and it lowered its inventory levels from DKK 150 million to DKK 90 million (US \$24.6 million to US \$14.7 million).

"We told the board and the managers that we had found features in Microsoft Business Solutions that were second to none. And then, of course, when we told the finance people that the Microsoft Axapta was half the price of the SAP solution, they were more than satisfied"

Søren Seerup, Senior Vice President, Gumlink

Situation

Gumlink A/S, formerly Dandy, is a Danish owned company located 235 kilometers from Copenhagen in a small city called Vejle. Gumlink is part of Bagger-Sørensen & Co. A/S. It manufactures, packages, and ships chewing gum to many countries and customers all over the world, including confectionery giant Cadbury-Schweppes PLC, which is Gumlink's biggest customer.

Gumlink's strategy is to develop and produce chewing gum concepts of the highest quality focusing entirely on the business-to-business (B2B) segment.

Producing gum is a complex process involving many different raw materials that are delivered from all over the world. At Gumlink, there are about 800 different products being produced in the factory at any one time, and these are then packaged and shipped. Employees need to have quick access to relevant information in order to effectively manage all these processes.

Before the implementation of Microsoft® Business Solutions—Axapta®, they managed these processes using several different small MS-DOS®-based software systems combined with a lot of manual handling and control, using pen and paper.

Gumlink lacked control over production planning and was unable to collect information about inventory and production quickly enough. The company was unable to quickly find out where items were in the production process, the availability of items, or the expiration details. It also had difficulty consolidating information from different departments and systems. Overall, this meant that the company had problems delivering on time and delivering with the right quality.

Søren Seerup, Senior Vice President, describes the situation: "We couldn't get detailed information on each of our item numbers. We weren't able to see precisely what the costs of each of our products were.

It was difficult, with so many systems and so many manual decisions, to get a good online picture of what was going on in the factory and in the shipping area. So we decided that we needed an advanced and modern system that could watch over the whole process in the factory."

Solution

Gumlink implemented the following Microsoft Axapta modules: Production, Master Planning, Logistics, Trade, Shop Floor Control, Warehouse Management, Financial Management, Commerce Gateway, Enterprise Portal, Project, Sales Management, Sales Force Automation, Balanced Scorecard, Questionnaire, and Human Resource Management. These modules cover almost all of the company's business processes.

"We evaluated SAP and the Microsoft Axapta systems. The most important factor was the manufacturing and supply chain process functionality, and there was no doubt that we found features in Microsoft Axapta that were not available in the competitor[*'s product*]," says Søren Seerup, Senior Vice President.

Microsoft Axapta also came out on top in terms of the total cost. "We told the board and the managers that we had found features in Microsoft Business Solutions that were second to none. And then, of course, when we told the finance people that the Microsoft Axapta was half the price of the SAP solution, they were more than satisfied."

There is a very close relationship between Gumlink and its Microsoft Business Solutions partner. The partner worked closely with

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Gumlink to customize the solution to its exact requirements and delivered a fast and smooth implementation. As Gumlink is in the B2B segment of the chewing gum market, it is very focused on connecting closely with its suppliers and customers. For this purpose, it is using the Microsoft Axapta Commerce Gateway with Microsoft BizTalk® Server to automatically exchange sales orders and invoices with its customers.

Gumlink uses wireless scanners with bar code readers to collect information from the shop floor, including clock-in and clock-out times, to record items taken from inventory, and to create transport orders. This was achieved through customizations of the Microsoft Axapta Shop Floor Control module to make the necessary forms user-friendly for a handheld device.

Benefits

Increased Productivity

"By implementing Microsoft Axapta, we have achieved a 20 percent productivity increase. We have lowered our inventory levels from 150 million DKK to 90 million DKK. We now have an excellent delivery performance of 98 percent," says Søren Seerup. "Three months after Microsoft Axapta was installed, we experienced a record high manufacturing output of 41 kilos per man-hour. In the 87 year history of the company, our output had never been above 39 kilos per man-hour." And Gumlink is still benefiting from the solution – in the first quarter of 2004 the company achieved another record high output of 47 kilos per worker-hour.

Access to Accurate Information

With Microsoft Axapta Shop Floor Control, the production department now has instant access to the time registrations in production. It can see where there are problems, and also the time registration for each specific item number. So now the cost calculations on each product are more precise, and give the

production manager a clear idea of where to add resources and where the real production benefits are. It can also now see the setup times, which gives them a clear picture of how much time they are using. "We are much faster and much more flexible in introducing, changing, and phasing out products. This is due to the fact that we have the one system, which is easy to use and has all the functionality we need to improve our business processes," says Søren Seerup, Senior Vice President.

Improved Collaboration Among Departments

With all of Gumlink's information stored in one source, it is easy for the company to consolidate information from different departments. Before Microsoft Axapta was implemented, each department was only interested in its own parameters. But since implementing the solution, the different departments can connect and collaborate with each other more easily, as well as with customers and partners.

User-Friendly

Choosing a Microsoft Business Solutions product has definite advantages in terms of usability and training. "When we introduced Microsoft Axapta in the factory, we experienced very positive feedback from employees because it is very user-friendly. Compared with other software solutions we have implemented, the training time with our Microsoft Business Solutions platform was about 75 percent of the time we used when we introduced other non-Microsoft software," says Seerup.

Support Future Growth

Gumlink has many international customers and is focused on developing the company internationally. The multi-site, multi-language, and multi-currency capabilities of Microsoft Axapta support it today and will enable the company's future growth.

For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to: www.microsoft.com

For more information about Thy Data Center products and services, visit the Web site at: www.thydatacenter.dk

For more information about Gumlink A/S products and services, visit the Web site at: www.gumlink.com

Gumlink is part of Bagger-Sørensen & Co. A/S, which also owns Fertin Pharma. Fertin Pharma produces pharmaceutical chewing gum—for example, nicotine chewing gum. Now that Gumlink has implemented Microsoft Axapta, it is going to introduce the solution in the new Fertin Pharma state-of-the-art chewing gum plant that is under construction.

It will be the first pharmaceutical chewing gum plant in the world, and Microsoft Axapta will support the future ambitions of Gumlink in the medicinal chewing gum market.

In conclusion, the implementation of Microsoft Axapta at Gumlink has exceeded all expectations: "We have managed to improve on all of the most important parameters that companies generally measure their performance on. The board of directors is extremely pleased," Søren Seerup concludes. "We could never have achieved these exceptional results without Microsoft Axapta."

Microsoft Dynamics

Microsoft Dynamics is a line of integrated, adaptable business management solutions that enables you and your people to make business decisions with greater confidence. Microsoft Dynamics works like familiar Microsoft software such as Microsoft Office, which means less of a learning curve for your people, so they can get up and running quickly and focus on what's most important. And because it is from Microsoft, it easily works with the systems your company already has implemented. By automating and streamlining financial, customer relationship and supply chain processes, Microsoft Dynamics brings together people, processes and technologies, increasing the productivity and effectiveness of your business, and helping you drive business success.

For more information about Microsoft Dynamics, go to: www.microsoft.com/dynamics

Microsoft Business Solutions—Axapta
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Software and Services

■ Products

- Microsoft Office 2000 Professional
- Microsoft Visual Studio .NET 2003
- Microsoft Application Center 2000
- Microsoft Commerce Server 2002
- Microsoft Exchange Server 2003
- Microsoft Internet Security and Acceleration Server 2000

- Microsoft Mobile Information Server 2002
- Microsoft SQL Server 2000

■ Services

- MCS (Microsoft Consulting Services)
- Microsoft Dynamics
 - Microsoft Business Solutions—Axapta

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