

# Microsoft Dynamics NAV Cuts Manual Processes and Raises Productivity at MPH Bookstores



## Situation

MPH Bookstores Sdn Bhd is one of the largest retail bookstore chains in Malaysia with about 30 outlets all over the country. It is also one of the oldest in the book business. MPH traces its roots to 1815 when a missionary chose to establish a permanent mission press in Malacca.

This eventually led to its establishment as the Methodist Publishing House in Singapore in 1890. In 1927, MPH was incorporated as Malaya Publishing House when it became a public stock company. Over the years, the company underwent several name changes to reflect ownership changes.

Since the 1970s, MPH Bookstores has been a subsidiary of MPH Ltd, a public company listed on the stock exchange of Singapore. In 2002, it was bought over by a Malaysian company, MPH Group (M) Sdn Bhd.

Over the last four years, MPH has been on an active expansion drive and has almost doubled the number of its bookstores nationwide. In 2000, MPH opened its largest bookstore at the Mid Valley Megamall in Kuala Lumpur. The record was broken in December 2003 with the opening of another megastore in One Utama Two Complex, occupying two floors of retail space.

These mega bookstores are among Malaysia's most innovative in terms of concept and services, and epitomizes MPH's endeavor to bring the book retail business to a higher plane. The company is also one of the first bookstores in Malaysia to tap the Internet's potential by selling books

online via its website, [www.mph.com.my](http://www.mph.com.my).

This focus on innovation, customer service and efficient business operations has led MPH to improve its backend operations, in particular, its financial system. The initiative was prompted by the need to replace its outdated DOS-based accounting application, which was installed in the mid-1990s.

"There were limitations to this DOS-based system, and the information which it could capture was also limited. It had trouble coping with our expanding business operations," says Lee Kim Hock, MIS Manager, MPH Bookstores Sdn Bhd.

The problem was compounded because the seven subsidiaries within the MPH Group at that time were running different accounting systems. And consolidating the financial statements of the various subsidiaries was no easy task.

"We needed to source for another system which was more flexible and which could cater for future expansion," says Lee.

## Solution

By mid 2001, MPH had evaluated Microsoft Dynamics NAV and other competing solutions. It also considered having a customized solution developed by a third party. In fact, Microsoft Dynamics NAV was already deployed at MPH's headquarters in Singapore.

Deciding it was also the best fit for its business requirements in Malaysia, MPH opted for the Microsoft Dynamics NAV solution.

Lee says that Microsoft Dynamics NAV had all the functionalities required by MPH yet cost only about 25 per cent compared to other competing offerings. "From a purely cost perspective, it was a very straight forward decision, he explains.

However, the lower total cost of ownership was not the only criteria.

Microsoft Dynamics NAV's flexibility and ability to integrate easily with other systems was also a key factor in MPH's decision. At that time MPH was developing its online book sales business and Microsoft Dynamics NAV was able to interface with the online business' accounting application.

Being ODBC compliance also meant that SQL Server could 'talk' to other third party applications, eliminating the prospect of incompatibility issues. "I can use any ODBC compliant software to extract information from SQL Server and that is very important," says Lee.

The Microsoft Dynamics NAV modules currently deployed include the general ledger, cash manager, sales receivables, purchase payable and multi currency modules. The modules run on Microsoft Windows 2000 and SQL Server 7 on a single Hewlett-Packard server.

[Microsoft partner Synergistic Innovations Sdn Bhd was appointed to handle the deployment which began end 2001 and was completed by April 2002. Synergistic Innovations also helped to customize additional functionalities for the solutions, says Lee](#)

[According to Lee, several vendors approached MPH to implement the project but Synergistic Innovations was chosen "because we found them to be more knowledgeable about Microsoft Dynamics NAV, most importantly they understood our requirements and problems, and demonstrated capability to help us to resolve it within very short period of time."](#)

The implementation of Microsoft Dynamics NAV has helped improve a number of business processes at MPH. For one, it has simplified the management of databases.

Under the previous solution, there was a raft of information silos as separate database was created for each branch unlike Microsoft Dynamics NAV which utilizes a centralized database. This provides management and staff with easier and faster access to the company's financial information.

Microsoft Dynamics NAV is able to capture much more information and this provides the management with greater insight into its business. "For example, when we process an invoice we can see from the system if there are any claims pending. This helps in determining whether the invoice can be paid. This enables the staff to manage the accounts better," he adds.

## **BENEFITS**

### **Improves Productivity, Reduces Manual Processes**

Microsoft Dynamics NAV has significantly improved productivity at MPH through automating a number of processes. Under the old DOS-based system, the accounts staff often had to manually search files or source documents for verification purposes.

"With Microsoft Dynamics NAV, they can drilldown to the source level documents. This makes it very easy for the staff to check the necessary documents, especially where payment is concerned." Lee says staff can now spend more time doing checking and less time looking for the source documents.

Issuing of payment vouchers has also been speeded up with Microsoft Dynamics NAV. Details of the payments used to be written out by hand and it was "a tedious exercise," says Soo Kam Hoo, Senior Accountant, MPH Bookstores.

Now, Microsoft Dynamics NAV enables the payment vouchers to be printed out with just a few clicks of the mouse. "This helps save a lot of time for the staff," Soo adds.

Re-keying in of data has also been reduced as Microsoft Dynamics NAV allows for both import and export of files. This flexibility is especially useful for consolidation where the import and export of data in a meaningful format is important, says Lee.

### **Easy Access to Business Information**

As Microsoft Dynamics NAV allows for more data fields, it is able to capture much more information compared to

the previous solution. Detailed information on promotional and sales campaigns, book purchases and suppliers are input into a single SQL database and are directly accessed by the management and staff.

Previously, getting such information was problematic as it was "parked in different databases." "At that time we had 17 branches, so we had to pull out the information from 17 databases, add it up and analyze it with Microsoft Excel before printing it out," Lee explains.

"But with Microsoft Dynamics NAV, we have a single database that caters to all the branches. Opening a branch is also very easy – you just enter the dimension number and a new department code, and that's it," he adds.

This means that accessing information from the various branches has now been simplified. "Previously if you wanted to see the accounts of a particular branch, you need to call up the relevant accounts staff to get a hardcopy or a soft copy in a disk. With Microsoft Dynamics NAV, you just key in the branch code and the branch data will be instantly available."

### **Faster Turnaround for Financial Reports**

With Microsoft Dynamics NAV, MPH is now able to produce financial reports on a more timely basis and this has helped the company to make better and faster business decisions.

Under the previous ponderous system, MPH could only manage to churn out reports such as nett purchases by supplier either at quarterly or half-yearly intervals. But with Microsoft Dynamics NAV, MPH is able to churn out the reports on a monthly basis.

Soo adds that Microsoft Dynamics NAV is able to produce the reports much faster because all the relevant information is in a single database. Though the reports are churned out on a monthly basis, the management can actually get the reports earlier – as soon as the accounts are closed.

## **Ideal Platform for Expansion**

"SQL Server is one of the most cost effective and reliable databases available. It can easily handle huge volumes of data," he says. When the Microsoft Dynamics NAV solution was first deployed, MPH then had 17 branches. Today, it has 29 branches and has proven it can easily handle even more business from new branches. Lee acknowledges he doesn't have to worry about needing to switch to another database to cope with business expansion.

"Being on the Windows platform, you just need to buy more memory and a faster server. It is an easy choice," he adds.

The comprehensive range of Microsoft Dynamics NAV modules available such as Customer Relationship Management (CRM), Enterprise Resource Management, Supply Chain Management means that MPH can easily add on new functionalities whenever the needs arises.

"Microsoft Dynamics NAV is very scalable and provides the option for us to add and integrate new modules as and when we require it," says Lee, adding that Microsoft Dynamics NAV will accommodate the growth of MPH's business in the future.

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