

Starbucks Australia

Professional Advantage implements Microsoft Dynamics GP (formally Microsoft Great Plains) at Starbucks Australia to support their rapid expansion



Starbucks sources and roasts high-quality arabica coffee beans for its fresh, rich-brewed Italian style espresso beverages and range of blended and single origin whole bean coffees which are retailed alongside a variety of selected and complementary fresh food items, and coffee-related merchandise.

In Australia, Starbucks opened its first retail store in July 2000 and now has 43 stores across New South Wales, Queensland, Victoria and the Australian Capital Territory. The 43rd store was opened on 16th October in the Knox City Shopping Centre, Melbourne.

Starbucks employs approximately 500 staff in Australia. Its Support Centre (head office) is based in Frenchs Forest, Sydney, NSW.

Choosing Microsoft Dynamics GP

In late 2001, Danielle Baigent-Garvey, financial controller of Starbucks, faced a fiscal dilemma. The rapid growth of Starbucks operations in Australia had overwhelmed the original financial reporting software package. Danielle estimated that with the existing software, Starbucks would need to hire a new data entry accounts employee for every five new stores opened.

Given Starbucks aggressive Australian store expansion plans, Danielle decided to replace the software. She considered three systems. Her criteria was simple - the new package needed to be able to grow with the organization and be easy to use.

"We chose Microsoft Dynamics GP because it was a scalable package, with the right functionality," she said.

The selection of new financial software was made for a full-scale upgrade of Starbucks financial, inventory and point of sale systems.

Technology Scope

The Microsoft Dynamics GP implementation began in mid July 2002 and was completed on time, and under budget, for a "go live" date of 2nd September 2002. This included the completion of training for the entire finance team. The timeframe was so tight that the project team was implementing, testing and training staff at the same time.

Starbucks implemented the purchasing, fixed assets, cash management and extended reporting modules as part of their phase one upgrade at their Frenchs Forest Support Centre.

In addition to Microsoft Dynamics GP, Starbucks also purchased Microsoft's Service Management to manage their equipment servicing requirements, and Professional Advantage's Webhouse software to provide business intelligence capabilities.



Benefits

Microsoft Dynamics GP provided a solid platform for Starbucks integrated system. The excel-based interface linked to the POS solution eliminated the need to enter the same transaction multiple times. This offered easy access to data to simplify reporting and analysis requirements.

"Microsoft Dynamics GP has made our work much easier for the Starbucks financial team. We are no longer spending significant time typing in repetitive data entries from our three main suppliers. In the past, this meant entering three complete sets of data."

"For example, information such as inventory price updates or weekly purchases, with up to 6000 odd lines of transactions each week, have to be entered into the accounting system. Microsoft Dynamics GP now allows us to upload this information in less than half an hour, instead of the two days it previously took us."

"Being able to quickly upload inventory prices allows us to quickly assess the impact on the bottom line," Danielle commented.

Starbucks monthly reports are now completed in less than five days.

"The culture of the finance team has changed too. We are now managers instead of data entry clerks. The time that the new software saves us has meant we can manage supplier relationships and really add value to the business by providing analysis on the financials."

Microsoft Dynamics GP enables Starbucks to have exact budget and forecast figures readily accessible. This is important for maintaining firm internal controls - they know who is spending what, where, when and why.

Each transaction forms lines on a general journal entry which can be analysed by Webhouse: sales by mix category, discounts, gift vouchers, unit measurement, cup count, trading hours, trading days, transaction numbers, cash receipting (cash, credit cards) as well as daily under and overs.

"This exact detail also assists our auditors as they review our accounts," Danielle said.

"The Professional Advantage project team has managed our expectations through a well defined process that involved detailed implementation workshops. Even after the implementation was completed, they continue to add value through their quality customer support, quarterly user group meetings and online WebEx sessions."

WebEx sessions provide a useful update on the latest technology and how it can help improve the business bottom line.

"Online training and demonstration sessions easily support our decisions on when to upgrade and what additional functionality we might need to add to our operations," Danielle said.

John Hibbett, account manager, Professional Advantage said that he was pleased to see that the new software had been adopted so readily by Starbucks. "You know that you have got it right when the customer tells you the new software is like a breath of fresh air."

“ Having decided on Microsoft Dynamics GP, we needed a strong implementation partner to meet a very tight deadline. We found Professional Advantage to have the resources on the ground to support the implementation in a whole-of-environment manner. ”

Danielle Baigent-Garvey
Starbucks Australia

The Future

Starbucks is planning to upgrade to Dynamics GP version 7.5 in March next year. Between now and then, Danielle and her team will be driving new analysis capabilities and added service functionality from the Service Management and Webhouse software.

"Being able to analyse the makeup of sales on a daily basis will help us to make better business decisions and assist our strong category growth," Danielle concluded.

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