CASE STUDY: HICKORY FARMS

Overview

After a thorough, nine month software selection process, Hickory Farms, LLC, America’s most famous holiday food gift brand retailer, selected RSM US LLP to implement Microsoft Dynamics 365 for Operations (formerly Microsoft Dynamics AX) as their enterprise resource planning (ERP) business solution and single system of record.

This implementation plan will replace four main legacy core business systems: BPCS for financials and wholesale distribution, Ecometry for e-commerce fulfillment, call center and order management, Snap Fulfill for warehouse management and inventory control, and a homegrown point-of-sale (POS) retail application. This new ERP system will position their retail, catalog and distribution channels for long-term growth.

Background

Hickory Farms is a holiday food gift retailer of cheese, meats, fruit and nuts with 65 full-time and over 4,000 seasonal employees and multiple selling channels. Ninety percent of its business is generated during the holiday season, starting in late November. Each year, Hickory Farms opens and closes approximately 500 seasonal retail stores within the United States and Canada for the holiday season, so the solution had to be scalable to support the extra demand on the system.

In use today are four main legacy systems supporting the business which were built up in silos as the business grew over the years: BPCS, Ecometry, a homegrown POS solution and Snap Fulfill, with 14 different integration points between the systems. BPCS is used for financials, wholesale fulfillment, inventory management and shop orders. Snap Fulfill manages Hickory Farms’ warehouse, and has some integration with BPCS but that has proven not to be very effective. Ecometry manages merchandising, customer service and order entry for all their direct marketing channels, such as catalog, call center, e-commerce and its recently-launched corporate fulfillment program. While each system has performed well in its silo, the cross-channel integration requires manual transactions to get to transparency across all operations.
The disparate systems make it challenging for Hickory Farms to serve their customer base without a holistic 360-degree view of the company’s operations, including but not limited to, sales, inventory management, forecasting, financials, and reporting. Hickory Farms is focused on implementing a consolidated, holistic system to serve all channels in order to scale efficiently and drive growth across all channels.

**Project**

Hickory Farms will implement Microsoft Dynamics 365 for Operations on Azure, using a two-phase approach. The project’s first phase is corporate ERP, including call center, customer service, ecommerce, supply chain, distribution, while the second is retail POS for the more than 500 retail stores and kiosks.

A key factor in selecting Microsoft Dynamics 365 for Operations on Azure was consideration of the company’s peak, extremely high-volume winter season. A significant portion of Hickory Farms’ annual revenue is generated during the last five weeks of the year, so management of the demand on their system is important, in addition to the ability to streamline its business processes so the company can leverage technology to do more business.

“**Our employees think of RSM as part of the team. They challenge parts of the business in a good way, and help us think about what we really need from a solution. RSM knew what questions to ask—they understand the language, the lingo and the processes.**”

**MATT JAMES, CHIEF OPERATING OFFICER, HICKORY FARMS**

Some critical areas of the business that warranted special consideration are its product assortment, and more specifically, how products are maintained in inventory. Visibility and throughput of expiration-date and gift-driven products is also critical to the business and being able to manage and move products across all applicable fulfillment and distribution channels is pivotal to having a successful customer experience.

Other ERP solutions, including Oracle and NetSuite, were also considered in the software selection process. The critical factors in selecting the right system for Hickory Farms were the total cost of ownership, proven deployments in its industry, ease of use, system flexibility and scalability, need for customizations (lack thereof), availability of add-on solutions and implementation time. Additionally, Hickory Farms identified the following as primary business objectives to achieve as a result of the ERP deployment initiative:

**Future state**

- Provide a single, comprehensive and integrated solution to manage all of the organization’s business functions
- Eliminate the need for redundant data entry
- Provide omnichannel order and cross-channel fulfillment functionality in support of a seamless inventory integration and customer experience, including buy and return anywhere, ship to and from anywhere and pickup from anywhere
- Gain increased 360-degree supply chain visibility, including inventory and customer information (particularly from sales), order entry, customer service and operational interfaces, across all channels from any device
- Streamline business processes through automation, integration and improved business workflow, including a simplified financial year-end close, especially during peak business systems so they can do more business
- Improve delivery time between channels and across the departments for real-time inventory reporting
- Position the company for growth by choosing a solution that can scale through additional channels, new markets and increased production

RSM was selected as Hickory Farms’ preferred implementer due to its breadth of knowledge and industry experience deploying Microsoft Dynamics 365 for operations in the omnichannel marketplace.