

VIEWPOINT



The Sally Beauty Holdings International AX Team

Sally Beauty Holdings, Inc., a specialty retailer of beauty supply products based in Denton, Texas, faced a tangled mess in dealing with international product and service management. CIO Chad Ehmke discusses this competitive environment and how Microsoft Dynamics helps the company manage their business operations, which last year generated \$3.3 billion in sales across more than 16,000 SKUs.

FOR MORE INFORMATION:

Visit www.microsoft.com/dynamics, www.sallybeautyholdings.com and <http://us.hitachidynamics.com/>.



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Sally Beauty Global Gets Microsoft Dynamics Makeover

What makes the global beauty supply industry so unique?

Beauty needs vary from country to country, so we always have to stay on top of local trends. Also, government regulations regarding different products we have for sale among our Sally Beauty Supply and Beauty Systems Group units can vary.

In other respects, we face the same obstacles as many retailers and distributors: Continuing to deliver high-quality service and grow not only our base of customers, but their purchase frequency as well.

Can you share the most challenging part of meeting these demands?

Keeping all of these balls in the air with separate processes and software has proven to be difficult, if not impossible. For instance, each international region is supposed to roll up sales and report to headquarters. That's hard when each country uses a different system and reporting timeframe such as periodic vs. monthly. Success means being able to capitalize on scale and operate a multinational, multicurrency environment with the fewest people.

You recently deployed Microsoft Dynamics to your businesses in Mexico. Can you describe the rollout so far?

We did a total replacement of their systems and plan to do the same in other countries. We've made the decision to use Microsoft Dynamics AX a key part of our international growth strategy. Everybody from the merchants that do the ordering to the warehouses that receive and ship products to the store employees use Microsoft Dynamics AX. All operations are run in a common way, which speeds our decision-making and raises the quality of information flowing to and from

our business units. We expect to see more of those gains as we go forward.

Was Microsoft Dynamics AX difficult to deploy?

No, the model is simple and straightforward, and it has the look and feel of other Microsoft desktop software we use. We took our time gathering requirements and will build on our implementations country to country. For instance, Mexico doesn't run as many promotions as other countries, so we didn't spend as much time testing that function as we will with other implementations. We are definitely following an iterative process. Our CEO was clear: 'We sell shampoo, so let's not overcomplicate this.' Microsoft has delivered the ease of use in Microsoft Dynamics AX for us to follow his advice.

What are your plans for Microsoft Dynamics AX as you roll it out in Europe and elsewhere?

We are excited for all the positive features of Microsoft Dynamics AX 2012, as we currently and have used previous versions of Microsoft Dynamics AX. Already, we see out-of-the-box advantages that won't require custom development. The remote monitoring capabilities will enable us to spot system issues before they impact customers. We are also evaluating some other companion products and modules for potential use in the U.S.

What advice do you have for your peers considering Microsoft Dynamics?

Our experience with the platform and support structure has been fantastic. Just make sure that you have business leaders involved from the very beginning to determine requirements. If you don't ask for input early on, you'll certainly get it after it's too late. ■