



Crafting success

Hobbycraft and K3 Retail
Case Study



An overview

Founded in 1995, Hobbycraft is now the largest arts and crafts retailer in the UK with a turnover of £120m, 75 stores and ambitious growth plans. With over 30,000 products, Hobbycraft are passionate about crafting.

The challenge for Hobbycraft

Catriona Marshall, Chief Executive of Hobbycraft, says: "Hobbycraft's owners had invested to grow the business dramatically and although the system's platform worked, it was not feasible to continue with it for our growth plans."

It had become very fragmented, with many parts in place for numerous years, with the result that they had been changed over time and become hugely bespoke.

Mike Thomas, IT Director at Hobbycraft, says: "There was no real core system, no purchase ordering systems and store replenishment was done by each store, including the ranging. The store system was the only supported version in the UK of Torex's Oscar (Point-of-Sale) solution."

K3 Retail's benefits for Hobbycraft

- Focus & understanding of the sector
- Strong references
- IT Platform to support aggressive growth plans
- Easy to use, familiar Microsoft based systems
- An integrated solution supporting the whole business
- Cost savings & increased business efficiency

Platforms and modules used by Hobbycraft

1. K3 Retail Dynamics NAV for Retail
2. LS NAV from LS Retail
3. Ecommerce, POS & Store Management, Dynamics CRM, BI

We had over 50,000 SKUs and had too much stock in the wrong places. We'd had to live with the constraints on stock that the old system had created.

Catriona Marshall
CEO, Hobbycraft

Crafted for success

Hobbycraft and K3 Retail

Such was the magnitude of the ambition for developing the Hobbycraft business that virtually all its existing IT systems were deemed to be constraining its future growth and a decision to replace almost its entire infrastructure was undertaken in 2011.

Business needs

Rather than going through an extensive search and evaluation process Mike Thomas, IT Director at Hobbycraft, says: "There was an immediate recognition that Hobbycraft was not in the market for a tier one enterprise system and therefore it could discount SAP, Oracle, Dynamics AX and others whose time and costs were beyond us."

"The obvious first place to look for a solution was with a broader Navision (that had become Microsoft Dynamics NAV) platform, and we also wanted to find a partner who could provide the broadest footprint – including head office, warehouse, websites and in-store systems," Thomas says.

K3 had taken the core Dynamics NAV with LS Retail product, which does not include warehouse management and a website, and had integrated other solutions to "pull together a whole retail platform and hosting service that's a one-stop-shop with the Microsoft look and feel".

Delivering the answers

The new supply chain process would involve all orders from suppliers, with replenishment to meet store demand all managed centrally. Marshall says: "We had over 50,000 SKUs and the store managers could range and order so we had too much stock in the wrong places. We'd had to live with the constraints on stock that the old system had created."

The tight time-frame involved a 15-month target for implementation—beginning in July 2011 and completing in September 2012 ahead of the run in to the vital Christmas period. "We believe you need to do implementations as fast as possible because the world changes," says Thomas, who set up a programme office to house the programme team. By sourcing individuals from across the business on a secondment basis - "pulling them from their day jobs" - to join the programme team was a huge advantage, according to Thomas, who says this ensured they were fully engaged.

Everybody came away engaged and saw that K3 Retail and LS NAV was all very much joined up.

Mike Thomas
IT Director, Hobbycraft



The Hobbycraft logo is displayed in white lowercase letters within a dark red rectangular box that has a dashed white border and a small 'x' in the bottom right corner.

hobbycraft

New systems for
Hobbycrafts new
ambitions

Project manager, K3 Retail

The benefits

The first task handled by the programme team was the implementation of the new financial system, which was then followed by the warehousing module, then the core merchandising system - including supply chain and ranging - and next was the stores system.

Operational efficiencies for the entire business

Adding to the challenge was the fact that the underlying business was growing at a rapid rate during the whole of the implementation period. At the start of the process Hobbycraft was operating 50 stores whereas at the end it had climbed to 75 and the annual turnover had increased by 20% to £120 million.

Aligned objectives

Particularly helpful was the recognition that this was a long-term relationship between Hobbycraft and K3: "It's not just a case of this project but it's about the long-term. We've a good relationship with them and we work hard to keep it that way despite the occasional challenges along the way."

The website was launched in March 2013, helped by the fact much of the design work had been undertaken over the previous 12 months. It was "ticking along in the background" while the rest of the implementation was being undertaken, according to Marshall, who adds: "Attention had been spent on it in terms of its look and feel and structure. We'd built the whole thing over a number of months and we'd also prepared all the data."

Building on new foundations

Hobbycraft now plan to build on their end-to-end solution: "With Microsoft Dynamics NAV and LS Retail widely used and it receiving big support from Microsoft then we'll look to plug additional things into our solution." Marshall adds: "We'll go right through the system: maintaining it for the current job; looking where we can bring financial savings and more efficiency; and look at how to use the platform to create more value, which includes developing the multi-channel side of the company."

The intention is to add delivery to home and click & reserve in-store options and following that will come order-in-store whereby customers can place orders online in-store for goods not in stock or where, for example, the colour required is not held in that specific outlet. "These are standard features in the K3 system that we've not yet looked at yet. The next steps should be easy," she says.

K3 Retail partners with businesses to provide connected technologies, which ensure retailers can reach their goals now and in the future. We intelligently apply our technology to make retailers' lives easier and businesses more successful with tools designed to forever meet consumer demands.

We provide cutting edge technology and support to more than 400 national and international retail brands. Labels from Charles Tyrwhitt and The White Company to Ryman, Hobbycraft and Ted Baker are able to pursue their business goals with the expertise of K3 Retail in delivering the new possible. Part of the K3 Business Technology Group, K3 Retail is a Microsoft Gold Certified Partner and the UK's #1 Microsoft Dynamics partner.

The new possible to meet
the new demand.



LS RETAIL

Microsoft Partner
Gold Enterprise Resource Planning

0845 055 6231
k3retail.com

k3 retail 
the new possible