

MGI Spa

www.morettigroup.com

www.eidosis.com



At A Glance:

- **Company:** MGI Spa
- **Location:** Rome, Italy
- **Industry:** Manufacturing; Wholesale/Distribution; Electronic Commerce
- **Challenge:** Simplify and speed up the way distributors order products, while cutting administrative costs and improving business intelligence
- **Results with NetSuite:**
 - 30 percent savings in administrative costs
 - Distributors can now order items online, eliminating need for sales staff to travel to far-flung locations
 - Access to more detailed, real-time sales data enables better forecasting and planning



“ *It’s difficult to think that there is something out there that is your back office, Web store, and marketing campaigns all together. But NetSuite does it, and it has automated our whole selling process.* ”

— *Claudio Petruccelli, Director of IT*
MGI Spa

The Results:

Since implementing NetSuite in February 2004, MGI Spa has been able to cut its administrative costs by approximately 30 percent. Distributors can now order items through NetSuite’s Web-based Customer Center—which means MGI Spa no longer needs to send salespeople to far-off locations. Not only does that save costs—and time—but it also means that new distributors can quickly come online no matter where they are. Already, NetSuite has helped MGI expand into Europe.

“NetSuite lets us build and service our distributor network faster and more efficiently. It’s helped us expand in Europe, and we think it’s going to help us expand into the United States,” says Claudio Petruccelli, Director of IT at MGI Spa.

Other efficiencies have been realized, as well. Since distributors can now check inventory in MGI Spa’s central warehouse online, in real-time, two employees who had been needed just to give inventory levels over the phone have been reassigned to other duties—saving more costs.

“It’s difficult to think that there is something out there that is your back office, Web store, and marketing campaigns all together,” says Claudio. “But NetSuite does it, and it has automated our whole selling process.”

The Challenges:

Rome wasn’t built in a day, so perhaps it wasn’t surprising that expanding beyond Rome took time for MGI Spa, a family-owned distributor of sport bags and apparel. The company had been successful moving beyond its home city—by early 2004, it had dozens of distributors throughout Europe, but it wanted more distributors, in more locations.

That wasn’t going to be easy. Sales to distributors were made in person, by an MGI sales staff that not only had to travel, but had to speak English. “It was a painful process,” says Claudio, “and a big problem.”

 Find out more: contact Aim (NetSuite UK solution provider) on 0845 838 1843 or visit www.123aim.co.uk

“When we saw NetSuite, with its Web-based access and its Matrix items feature, our first reaction was, ‘this is too good to be true.’ We didn’t have to look at anything else.”

— Claudio Petruccelli,
Director of IT,
MGI Spa

Compounding matters was another problem: how to forecast more accurately which products and styles to sell in each country. “One item can come in seven sizes and ten colors,” says Claudio. “That’s 70 different variations. We needed better business intelligence, a system that could tell us which colors were popular in which countries, so we could plan better. Because we didn’t have it, we’d simply hope for the best. It was guesswork.”

The first part of the solution was clear: MGI Spa’s current system for tracking inventory—a proprietary solution that couldn’t give the business data it urgently needed—had to go. The second part—finding a replacement—was the tricky part. Fortunately, it didn’t stay tricky for long. “When we saw NetSuite, with its Web-based access and its Matrix items feature, our first reaction was, ‘this is too good to be true,’” says Claudio. “We knew exactly what we wanted and after seeing NetSuite, we knew we didn’t have to look at anything else.”

The Solution:

With NetSuite, MGI Spa has been able to simplify—while at the same time improving—the way it interacts with its distributors. No more does sales staff have to travel to each distributor’s location. Instead, the distributor can order inventory online, via the Customer Center in NetSuite.

NetSuite has also enabled MGI Spa to build a two-tiered Web presence—one for distributors and one for consumers, displaying different products and price points for each group. “Distributors order through the Customer Center, consumers through the Web Store,” says Claudio. “This lets us offer some prices and items just for distributors.”

For distributors, the online purchasing that NetSuite enables means faster, easier ordering. For MGI Spa, this isn’t simply a convenience, but a sales tool—helping it woo new distributors, because location and language are now irrelevant. No longer must distributors wait for, and interact with, salespeople; instead, orders can be placed immediately, at any time, from any place, via NetSuite. Distributors can be up and running much sooner, as well. “All we have to do is send them a password they can use to log into the Customer Center, and they’re a distributor,” says Claudio.

NetSuite also provides the business intelligence that MGI Spa so urgently needed. Using NetSuite’s Matrix module, sales can be tracked for each variation of a product in each geographic location, and trends quickly pinpointed—and exploited. “We learned a lot of things, such as in Northern Europe, they don’t like bright colors,” says Claudio. “This lets us know what colors and sizes are popular in each country and plan accordingly. That’s crucial when you are an international business. With NetSuite, we can make better decisions—and we can grow our business.”

NetSuite was implemented at MGI Spa by International Business Strategies (IBS)—Eidos PMI consulting, a NetSuite Global Solution Provider.

“With a profound knowledge of the business processes and an unrivalled knowledge of the NetSuite product, IBS-Eidos PMI allowed us to be up and running in less than one month,” says Claudio.

 Find out more: contact Aim (NetSuite UK solution provider) on 0845 838 1843 or visit www.123aim.co.uk