



# ArcherPoint Replaces SAP with Microsoft Dynamics and LS Retail for Ten Thousand Villages

## The Challenge

Ten Thousand Villages is a retail distributor that sells through 17 company owned stores nationally, five seasonal pop-up stores, 38 board stores (similar to franchise stores), and online through its ecommerce site. Their products are also sold at hundreds of independent retailers across the U.S. Consumer interest in supporting fair-trade commerce is significant and the company is going strong with a reported revenue of more than \$15M in 2018.

From a technology and business aspect, the company supports hundreds of employees and volunteers at its headquarters, company owned stores, and board stores—all of which need to be able to communicate and share data. The company also supports two distinct business models and sets of customers: wholesale and retail.

Ten Thousand Villages' mission is to provide jobs and income for people overseas and to work with suppliers that provide fair wages and quality products—which requires smart buying, operational efficiencies, and accounting.

The organization had been using Microsoft Dynamics NAV 2003, which was dated and had been heavily customized with many third-party add-ons and integrations with home-grown applications. Upgrading was going to be challenging, along with other issues:

- **Reporting.** Data silos and multiple disparate systems impeded their ability to do accurate, consistent, timely reporting. One of the most important goals was to consolidate all that data and software into a single platform.
- **Multichannel.** Ten Thousand Villages relies on multiple business models: brick-and-mortar retail, eCommerce, and wholesale. Current systems didn't have the capability to easily support them.
- **Paper, paper, paper.** The organization relied heavily on manual, paper-based processes and Excel spreadsheets, which were slow, unreliable, and error-prone.
- **POS integration.** The POS system (SAP) was completely separate, with a home-grown integration to the back office, making it difficult and time-consuming to manage inventory.
- **Pricing/promotions controls.** The SAP POS system couldn't provide the additional financial controls, particularly around pricing and promotions, the organization needed.



ten thousand villages

### Ten Thousand Villages

Ten Thousand Villages is a nonprofit, fair-trade organization that markets handcrafted products made by disadvantaged artisans in more than 35 countries. Founded in 1946, Ten Thousand Villages was the first fair-trade organization in the U.S. and today is one of the world's largest. It cultivates long-term buying relationships in which artisans receive a fair price and work in safe conditions. Ten Thousand Villages is a founding member of the World Fair Trade Organization (WFTO) and a certified member of the Fair Trade Federation (FTF). The organization is proud to be known around the world as one of the most ethical organizations; many of the products they carry are made from recycled materials.

## The Solution

"After evaluating the products on the market, we determined that there were only a very small number that actually provided all of that functionality or did it natively," said Nate Shaffer, Consultant & Project Manager at Ten Thousand Villages. "There were lots of solutions that were very good at the retail end; there were others that were very good at the wholesale end, but we only came down to a few that were capable of doing it all."

They narrowed the field down to two solutions: Oracle NetSuite and Microsoft Dynamics NAV/LS NAV.

"Although NetSuite had all kinds of bells and whistles that made it appealing on the surface, it didn't offer the functionality and the flexibility we needed," Chad Warfel, CFO of Ten Thousand Villages. "The pricing and promotion engine in LS Retail was exactly what they were looking for, and it also offered a mobile POS solution as well as a foundation for centralizing customer data across all of our sales channels." They will also be switching from Five Stars to LS Loyalty for their customer loyalty program, which will centralize that component of the business into the single platform.

When it came time to choose a partner, Ten Thousand Villages looked at partners with the experience and expertise in NAV/Business Central as well as the retail industry. "We just really felt like, throughout that process, ArcherPoint delivered the kind of customer service we were looking for," said Tom Shaeffer, IT Manager. "We felt like they had what we needed, and they also offered up other clients to provide their honest feedback...which was definitely a win for us."

## The Success

Due to some specific requirements outlined by Ten Thousand Villages for the new solution and the need for LS Retail, ArcherPoint recommended a re-implementation rather than an upgrade. Upgrading involves merging customizations and transferring data over to the newer ERP version, while a re-implementation involves installing the latest ERP version and then setting up the database as an entirely new system. In this case, a "clean slate" was the smarter path.

Other than some initial growing pains associated with moving to a new platform, the implementation went very well. Nearly a year after the upgrade, Ten Thousand Villages is very happy with their solution and with ArcherPoint. Even with some organizational and strategic changes that resulted in adjustments to the project scope, ArcherPoint was supportive and adapted with professionalism.

"I've been doing this for more than 20 years and have worked with quite a number of partners, and I couldn't come up with a vendor that I have worked with in the past that was at the same level as ArcherPoint," continued Tom. "Some vendors are good at one thing but not another. ArcherPoint has been excellent across the board in terms of service and knowledge."

Ten Thousand Villages is very pleased with the benefits they've already gained from the move:

- A single data source they can rely on to understand and act on the needs of all areas of the organization. This benefits all areas, from forecasting to staffing.
- A POS system that is user friendly and has a mobile option—making it easier for staff to learn and use—and flexibility that allows the organization to operate the way they want to without having to do customizations, which was an overall goal for the new solution so that future upgrades would not be so painful.
- Automated replenishment that replaced a manual, multi-step process that was inaccurate, slow, and cumbersome. Today, 85-90 percent of weekly replenishment orders are generated by the new replenishment engine, which is supplemented by a Power BI dashboard that



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**Chad Warfel**  
CFO  
Ten Thousand Villages

pulls data directly out of NAV. This has streamlined the replenishment process across the board, and the organization has noticed that adjustments made have resulted in significantly increased sales.

- With the flexibility of the software and the single source of data now available, headquarters and managers at the stores are able to very quickly get a view of activities via a convenient, customized dashboard-style screen, then act on opportunities and address issues in real time, even during the biggest retail day of the year.

## What's Next

But there's more to come. As they become increasingly familiar with the solution, Ten Thousand Villages adjusts processes and implements new ones that it could not even imagine before. They are interviewing store employees and managers to measure and prioritize specific needs to hone the solution for greater productivity and to support unified commerce. They have also gained the ability to attribute actual costs for importing expenses to each product, rather than relying on average costing, which will provide much more accurate information on profitability.

"One thing that's unique to us is that we care as much about the people making the product as we do about profit, so when we're buying a product, it's not just about finding the best product at the cheapest price," said Chad. "We're concerned about the artisans we're intentionally working with, and that creates a complexity in our business model. With our technology solution, we get better visibility not only into profitability, but into sustainability, so we can stay in business and continue to help the artisans around the world that we support to stay in business—to provide a fair way to business. That's our whole mission."

## Learn More

To learn more about Ten Thousand Villages, please visit [www.tenthousandvillages.com](http://www.tenthousandvillages.com).

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### The ArcherPoint Difference

Our clients see their business systems as unique and important to their competitive position. They prefer software and technology to support their business processes, not the other way around. Our clients are looking for a strategic partnership with the company that implements their software, not just a vendor. They demand the most talented, experienced professionals who understand how to quickly, efficiently solve their business issues. If this describes you, we invite you to contact us to learn more about our people, company and solutions.

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