withum+

NETSUITE SERVICES

AUCTION HOUSE ADOPTS NETSUITE'S MODERN BUSINESS PLATFORM, ENHANCING PROCESSES AND IMPROVING CUSTOMER EXPERIENCES

Withum simplifies a client's complex auction workflow through automation and integration of systems, activities and resources.

EXECUTIVE SUMMARY

Withum's Management Consulting Services (MCS) Team used the Customer Journey technique to quickly understand a wine seller's international auction business operations, challenges and risks. Next, the team executed the consequent design to implement operational changes from a people, process, technology and data perspective. A unique auction solution was built to embrace industry best practices and maintain the differentiation factors of the business in terms of its activities, resources, systems, products and value chain.

THE CLIENT

The client is a family-owned international wine retailer and auction house headquartered in New York with locations in the U.S. Europe and Asia. The wine retailer is a trusted and preferred choice for buying, collecting and consigning fine wines.

THE CHALLENGE

Relying formerly on heavily customized SAP ERP and warehouse software, the wine retailer was mired in countless manual complex processes that had opportunities to become more simplified, accessible and streamlined. Over time, what started out as a straightforward process morphed into an overly complicated unmanageable costly journey riddled with failure risks. One operating unit of the business included on-line auction, amongst

CASE BRIEF

CLIENT: A family-owned international wine retailer and auction house, operating in the US, EU and Asia.

STRENGTH: Long-standing history of success in the industry with recent growth into the European marketplace.

CHALLENGE: Countless manual processes and disparate systems, creating a bottleneck for various aspects of the business.

OPPORTUNITY: Create a single source of truth for the company's auction operations.

OUTCOME: Integrated systems that saved time and money spent on manual processes, enhanced employees' ability to use clean data for improving auctions and customer experience.

retail and storage lines of business, in which a completely integrated and automated mix of **NetSuite ERP** and CRM, E-commerce, Merchant Services and Warehousing Management platforms were used to leverage existing data to elevate the overall performance of their auction operations with stellar consignor experience improvement.

Within the Global Auction process, the company had a complex arrangement of both proprietary and external systems that formerly did not "talk" with one another, limiting the function and value of employees' roles. Before the NetSuite implementation, the auction team could not view property, consignment or auctions in a single view, nor could they view different entities uniformly.

The global nature of the company could not be adequately accommodated by the prior systematic and operational structure. The auction capabilities were bottlenecked by being unable to launch their Euro Site, experiencing currency limitations, performing disjointed pre-auction processes outside of the system, relying on multiple databases, and manually reproducing pre-existing data by separate teams.

> **"No more worrying about spreadsheets crashing and losing data."** *~Auction Operations Leader*

THE APPROACH AND SOLUTION

The Auction solution is a unique blend of sales, valuation, auction prepping, front-end web, and warehousing that is a distinct model from other aspects of the company like retail and storage. The appraisal and consignment operations in the auction process flow through the cycle of asset transfer, valuation, quoting and negotiations. This inspired Withum to model the Auction Process solution to reflect the traditional services sales cycle (Opportunity Tracking Model). The auction piece itself ties the quoting and inspection module that ingests the asset's attributes (such as the SKUs associated with the items) to the front-end website.

The auction bidding software is tightly connected. Once the auction proceeds, background information, like Lot information resting in NetSuite, must also feed back into the front-end platform to enable a smooth bidding operation. The bidding results are then received back into the NetSuite solution to process front-end updates and financial transactions. A multi-path integration was suited to the model as opposed to the former linear structure.

By tying the quoting, valuation, inspection, auction prep, warehousing, finance and front-end web elements all to each other, Withum's MCS Team created a unified process that allowed separate teams to see and function beyond the silos they were in previously. This enabled everyone to become proactive in their approaches rather than reactive.

withum

Behavioral changes occurred with the operational transformation, such as the introduction of self-service activities that caused team members to be less reliant upon others for sources of data; thus they developed more acuity in their professional judgment. The teams consequently took greater ownership of the project, the processes involved, and the internal initiatives to improve their business line on a go-forward basis.

THE RESULTS

The new global view, presented by the Auction process solution, introduced far more data, data breakdowns, KPIs and reporting that equipped the auction team to become decision-makers as well as executors as their tasks shifted from data entry to business analysis. NetSuite served the function of several of the formerly instituted systems. Valuation of consigned items was augmented in accuracy due to visibility into SKUs' historical trends, Lots and Stock IDs that employees could then leverage.

The measurable benefits that were observed from incorporating NetSuite included:

- The team consigning the property was moved off of spreadsheets, which saved the level of effort equivalent to 2-2.5 FTEs (Full Time Employees) due to eliminating manual data entry and duplicate work.
- Formerly, multiple countries were not able to evaluate transactions and data in different currencies and they relied on spreadsheets instead of using the proposals/appraisals process in place at the time. Now, they are equally integrated within the system and can perform this functionality without many workarounds.
- Prior to implementing the Auction solutions, if a lot was unsold in a previous auction and was to be re-sold in another auction, this would again undergo the entire stickering process. Now, the lot is simply re-assigned to a new auction, which saved approximately 12 hours per auction depending on the number of re-offers. This poses less risk of duplicate data.
- There are many more achievements, along with risk avoidance examples that can fill another half page. Withum essentially supported a Rethink How Works Gets Done program using modern software and tools.

NetSuite removed the bottlenecks created by previous disparate systems and created a cohesive process where teams could collaborate using a single source of truth and better support their international operations to yield higher performance and cost savings.

"Love that we are saving paper by not having to print tons of tons of pages!" *~Auction Operations Leader*

**Joe Riccie, CPA, Partner, Market Leader
Management Consulting Services**
T (609) 514 5597
jriccie@withum.com

**Walter Merkas, MBA, Senior Manager, Market Leader
Management Consulting Services**
T (609) 514 5597
wmerkas@withum.com

withum