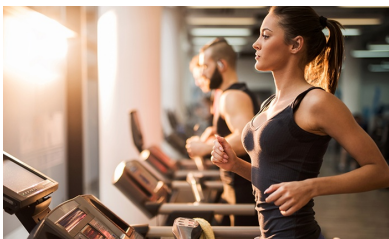


## Case study



**Customer** The Mad Group  
**Location** UK HQ with customers throughout Europe  
**Industry** Fitness and Leisure  
**Software** AGR  
**ERP** Microsoft Dynamics NAV



### Company profile

The Mad Group was originally established in 1923 and over the years has evolved into new markets. The group now encompasses Fitness Mad, Yoga-Mad and Pilates Mad offering the most comprehensive and competitively priced to the European sports and leisure industry.

Pilates Mad is Europe's premier Pilates equipment specialist and, together with sister brand Align Pilates, supplies Pilates Studios, commercial gyms and health clubs with everything from Pilates mats and simple accessories to studio quality apparatus such as wall unites, barrels, chairs, arcs, rotational disks and spine correctors.

# Inventory management from AGR Dynamics supports rapidly expanding and diverse customer

The Mad Group was originally established in 1923 and today encompasses Fitness Mad, Yoga Mad, and Pilates Mad offering the most comprehensive and competitively priced products to the European sports and leisure industry. Its goal is to offer high performance fitness equipment at affordable prices.

All Mad products are carefully selected to provide optimum performance and the majority are designed for commercial use and are widely used and trusted by some of the leading Studios, Clubs, and Fitness professionals in the industry.

Pilates Mad offers unrivalled value for money, typically being 25-50% cheaper than the US competition because there is no middleman and no double shipping. The company's long-established reputation for supplying high quality products has made it Europe's premier Pilates equipment specialist.

In 2011, The Mad Group turned to supply chain planning and software specialist AGR Dynamics to help manage inventory levels for over 1.000 yoga, Pilates and fitness products and better serve its growing and diverse network of wholesalers, independent sports and leisure retailers plus an emerging online business. Since that time, the company has transformed its approach to managing stock levels, implementing the AGR solution to minimise inventory and stock-outs while the group's overall business has doubled.

### Meeting the supply chain needs of an increasingly successful leisure business

According to David Elliott, Managing Director of The Mad Group, "Our business faced fresh challenges. It was becoming more successful, attracting a larger and more diverse set of customers with differing buying patterns and purchasing needs. In addition, our rapidly expanding product portfolio meant sourcing manufacturers from countries as far away as India or the Far East with lead times varying from 90 to 135 days. The time had come to introduce new ways of planning and optimising our inventory in order to manage the expectations of our growing business and increasingly complex customer base."

**Microsoft Partner**  
Gold Application Development

## Case study



### Challenges

- Managing inventory levels and stock forecasts for over 1,000 products
- Supporting a rapidly growing business
- Serving the difference needs of an increasingly complex and diverse customer base

### Benefits

- Since implementing AGR, turnover has doubled whilst inventory levels remain stable and stock-outs are minimised
- High level of graphical visibility provided by AGR facilitates efficient inventory management
- Automation produces significant time savings
- Ability to manage stock and set expectations accurately boosts customer loyalty
- Cost-efficiencies through integration with in-house ERP system

Demand for The Mad Group's products can be difficult to forecast. For example, one customer might sell only one item from the group's total portfolio although sales of that particular item might be four-times higher than from other customers selling a more comprehensive range of items. It was important for David and his team to be able to establish buying patterns so that they could better forecast demand, set expectations for the delivery of existing and new products and so maintain good customer service and boost customer loyalty.

### Changing customer base prompts transformation of stock control processes

Historically The Mad Group had relied on a semi-manual system based on spread sheets and specific SQL queries to manage the company's stock control. It then upgraded to the well-established Enterprise Resource Planning (ERP) solution Microsoft Dynamics NAV 2009, subsequently combining it with a business intelligence platform from Jet Reports.

However, business expansion and an increasingly complex customer base highlighted the limitations of The Mad Group's initial investment in technology as David Elliot explains, "Our original system was both labour-intensive and provided a hotchpotch of flat data that couldn't factor in essential details like lost sales. Even with the addition of major new ERP functionality and clever business intelligence reporting, we still lacked the flexibility and granularity of information, graphically presented, that was essential to gaining complete control over our stock control processes."

### Real-world success stories pave the way for AGR

David and his team sought to improve their inventory management operations in a bid to meet the demands and expectations of The Mad Group's expanding, prestigious customer base. They were looking for a solution that could help analyse the segment its various customers, integrating them with the right parts of the planning process to provide accurate inventory forecasts.

The turning point came during a demonstration of the AGR solution at a NAV customer event. David Elliot continued, "I was impressed by the level of automation and technology could deliver. It was very graphical and could provide the dynamic data we needed in a single, easy-to-use, integrated solution. AGR offered an easy to use option that was cost-efficient and blended well with our existing ERP environment. It came highly recommended by our Microsoft partner and encouraged by the success stories of other AGR users, we believed that the AGR system fitted our requirements and was the perfect solution for taking our business forward in the future."

### Speedy implementation, quick results and time saved

With the help of AGR Dynamics' consultancy team, it took The Mad Group just ten days to implement the new solution and link it seamlessly with the company's existing Microsoft Dynamics NAV platform. The Managing Director and Senior Buyer of The Mad Group are the primary users of the AGR solution with the sales force referring to the system before committing to very large orders that might negatively impact other regular customers. For example, this means the sales team can quickly establish how much product they can afford to offer a major customer which wants to sell 1,000 hula hoops in one week compared with just a couple of hundred the whole year round,

## Case study



“...AGR Dynamics’ technology and customer service have delivered an impressive set of results. Thanks to the high visibility provided by the AGR system, we can now manage our inventory and customer expectations quickly and effectively. AGR’s graphical interface is a huge benefit for us. At a glance, we have complete clarity of what we can sell at any one time, saving us time and boosting customer loyalty. Since implementing AGR, we have doubled our turnover without doubling our inventory, the perfect combination...”

**David Elliott**  
Managing Director, The Mad Group

potentially leading to stock outs and leaving other faithful customers high and dry.

The implementation of the AGR solution has contributed to the success of The Mad Group as David Elliott explains, “AGR Dynamics’ technology and customer service have delivered an impressive set of results. Thanks to the high visibility provided by the AGR system, we can now manage our inventory and customer expectations quickly and effectively. AGR’s graphical interface is a huge benefit for us. At a glance, we have complete clarity of what we can sell at any one time, saving us time and boosting our customer loyalty.”

David continued, “Replenishment is a key task and vital to our business, until recently this took up a large part of my time. With the AGR system in place, once we have validated the order, I am comfortable moving this responsibility to others to deal with. The exception reporting in the system still keeps me involved but overall the time saved is immense. Since implementing AGR, we have doubled our turnover without doubling our inventory, the perfect combination.”

### Fast forward to the future

In time, The Mad Group aims to build on the success and stability of the initial AGR deployment by moving to the latest and embedded NAV version to create a fully integrated inventory management platform. David and his team also aim to learn from other AGR users, sharing their knowledge and experience to drive continual improvements in technology and the service they deliver to customers.

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AGR Dynamics is a supply chain planning specialist offering solutions that optimise the flow of goods throughout the supply chain for distribution, retail and manufacturing companies. The AGR solution increases profits by eliminating unnecessary costs from the supply chain. It uses raw data from any ERP system and automatically selects the best-fitting forecasting method to estimate future demand.

## Case study

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