

Michael Hill optimises  
inventory allocation  
and boosts sales with  
Microsoft Dynamics  
365 Commerce

CUSTOMER  
**Michael Hill**

LOCATION  
**Brisbane, Australia**

INDUSTRY  
**Consumer and Retail**





## Challenge

- To manage global store operations and deliver better customer experiences at scale
- To increase visibility across supply chain and inventory availability
- Global challenges required immediate response to avoid damage to business and brand



## Solution

- A single, centralised retail operations platform
- Microsoft Dynamics 365 Commerce and Microsoft Power Apps
- Dynamics 365 Finance and Dynamics 365 Supply Chain Management



## Results

- More efficiency, improved margins and stellar customer experiences
- Economies of scale with digital assets aiding business strategies
- Optimised retail operations and processes from end to end



## Michael Hill optimises inventory allocation and boosts sales with Microsoft Dynamics 365 Commerce

Australia-based jeweller Michael Hill is known for high-quality, exceptional service and long-term customer loyalty. To sustain its reputation, the company used Microsoft Dynamics 365 Commerce to build a digital retail operations platform with end-to-end, multichannel capabilities and connected processes. By optimising in-store operations, customer service, and other retail processes, Michael Hill has been able to successfully drive efficiencies, improve margins, and deliver stellar customer experiences.

“Taking advantage of the capabilities of Dynamics 365 and working seamlessly with some of the best-of-breed retail management platforms has put us in a much, much stronger position.”

— **Matt Keays**  
Chief information officer,  
Michael Hill

### Big opportunities in one platform

They say that big things come in small packages. A diamond engagement ring, a string of pearls, or a gentlemen’s gold signet all make eyes sparkle, warm hearts, and build loving memories—in any box. That’s why jewellers and their customers often build lifelong relationships—and Michael Hill is no exception. Founded in New Zealand in 1979, Michael Hill is one of the largest high-end jewellers in the world. With close to 300 retail locations across Australia, New Zealand, and Canada, the company has faithfully maintained exclusive, long-term relationships with its customers, some for more than 40 years.

Michael Hill has always recognised that a great in-store retail experience helps to drive customer loyalty, and the company wanted to increase efficiency in its shipping and warehousing processes to architect the retail experiences it envisioned. To manage global store operations and deliver better customer experiences at scale, Michael Hill decided to replace its legacy retail operations platform with a platform that could deliver end-to-end multichannel capabilities and connected processes. So, the company worked with its implementation partner DXC Technology and Microsoft to build a retail operations platform on Microsoft Dynamics 365 Commerce and other Dynamics 365 business applications.

“Visual merchandising is very important to us, and consistency in visual merchandising is the key business goal. We can now stitch together the views of all the stores and allow our experts to review and critique and identify training opportunities for various stores. And the native look and feel and UX of Power Apps for certain business processes in stores have made it a really, really good choice for us.”

— **Matt Keays**  
Chief information officer,  
Michael Hill

“Michael Hill has been running a transformation journey to completely change our operating paradigm so that we put the customer first at the very beginning, from production to fulfillment,” says Matt Keays, Chief Information Officer at Michael Hill. “We’ve developed a five-year relationship with Microsoft, and we saw how we could use the out-of-the-box interoperability in Dynamics 365 to help us make the business more agile and innovative.”

## Optimising supply chain warehousing and shipping

Michael Hill began by launching an internal initiative called Project Obsidian to optimise in-store retail operations, customer service, warehousing, inventory, stock movement, and other retail processes by using Dynamics 365 Finance and Dynamics 365 Supply Chain Management to expand its retail operations platform. The company had initially planned to make these changes by March 2020, but COVID-19 drove faster action. With valuable stock across nearly 300 stores—many temporarily closed—and shipping complications that forced indirect, inefficient, and expensive routing of merchandise to its global customers, the international jeweller needed to act quickly to avoid damage to its business and its brand.

Almost immediately, Michael Hill used Dynamics 365 to increase visibility across its supply chain and inventory availability. That made it possible to manage each individual retail store as a warehouse location, so customers can now order jewellery online and pick it up

at the retail location of their choice or have that location ship the product.

“We use the ship-from-store capability in Dynamics 365 to fulfill demand from many locations, rather than requiring human intervention whenever stock is transferred,” says Keays. “That helps us reduce how many hops it takes to put a piece into the hands of the customers, and that’s our end game—a better experience.”

The company is using Dynamics 365 Supply Chain Management to support its warehouse management system (WMS), transform its supply chain, and connect production, inventory, and distribution directly to in-store operations and customer fulfillment. “Now that we have established Dynamics 365 as our operating WMS, the world is our oyster,” says Nat Cooper, General Manager of Global Logistics at Michael Hill. “Now we can deliver agile flow solutions that we could only dream of with our legacy systems.”

With every store integrated with production, warehousing, distribution, and online payments through Dynamics 365, Michael Hill added curbside pickup in Canada to give customers a contactless option for picking up their orders. Although the company made this change as a response to COVID-19, it is planning to continue the practice after the pandemic is over.

“Our innovation and strategy teams are already thinking about where curbside pickup can apply permanently and in what models,” says Keays. “We know we can bring it to life with the agility we’ve built by running all of our customer fulfillment processes on one platform with Dynamics 365.”

By building a single, centralised retail operations platform on Dynamics 365, Michael Hill will optimise its retail operations and processes from end to end, sustain lasting, meaningful relationships with its customers, and help them enhance their lives—all in small packages.

## Powering daily in-store retail operations

Michael Hill also uses Microsoft Power Apps to extend its Dynamics 365 platform and accomplish day-to-day tasks in its retail stores. For example, each store manager now has a merchandising compliance app built on Power Apps. They use the app to take photos of jewellery case and store window displays and then submit the photos to the corporate merchandising team to check for alignment with current Michael Hill marketing guidelines.

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Another app built with Power Apps is launching in early 2021. Retail management will use the RM Hub app to completely digitise a previously manual quality management process. Through the simplicity of the Power

Apps user experience, Michael Hill will be able to accelerate business performance by capturing important operational data aligned with business improvement strategies.

Michael Hill also creates many bespoke pieces of jewellery for customers, and when someone comes into one of the company's retail stores to inquire about one of these special orders, the sales staff needs an easy way to look up the status. With manufacturing and supply chain activities all managed through Dynamics 365, the store salespeople can use a Power Apps app on the front end to quickly see whether a custom item has been completed and when it will be shipped or ready for pickup.



With helpful tools and easy access to information on a single platform, Michael Hill retail managers and sales staff are able to provide the best possible customer experience

“We are seeing economies of scale with the use of skills and talent across our singular platform on Dynamics 365, providing great confidence that these digital assets are being put to work for our business strategies.”

— Matt Keays, Chief information officer, Michael Hill

## Boosting customer retention with stronger loyalty programs

With more than 500,000 customers in its loyalty program database, the company wanted a better way to manage those programs and keep customers happy. “Any given transaction coming through the warehouse is likely to be one of those loyal customers who we certainly do not want to disappoint, because they’ve committed to us as a brand,” says Keays.

The company began using the loyalty feature in Dynamics 365 Commerce to manage its loyalty programs and has since tied it into Adobe Campaign. In February 2020, Michael Hill went live with the loyalty program in its stores, enabling loyalty program members to take advantage of pricing benefits that have been configured in Dynamics 365.

Michael Hill also uses its retail operations platform to take a new approach to customer service by generating better insights about what customers are looking for. “The really exciting part about using Dynamics 365 is how fast we can adapt to changing business needs,” says Ian Dallas, Program Manager of Supply Chain and Finance at Michael Hill. “We are driving efficiencies in our warehouse, trialling new fulfilment models, and unlocking deeper insights into customer experiences faster than ever before.”

## Making an impact with a stronger in-store retail platform

With helpful tools and easy access to information on a single platform, Michael Hill retail managers and sales staff are able to provide the best possible customer experience. At the back end, the company can match invoices and process payments easily and quickly across its supply chain and vendor networks.

By building a single, centralised retail operations platform on Dynamics 365, Michael Hill will optimise its retail operations and processes from end to end, sustain lasting, meaningful relationships with its customers, and help them enhance their lives—all in small packages.

Concludes Keays, “We are seeing economies of scale with the use of skills and talent across our singular platform on Dynamics 365, providing great confidence that these digital assets are being put to work for our business strategies.”

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