

UVET VIAGI TURISMO Romania Monitors the Cost and Profit Centers using Microsoft Dynamics NAV

About the Organization

UVET VIAGGI TURISMO ROMANIA is part of the Italian UVET group, established in the '50s, with more than 60 years of experience on the tourist services market. The group includes: UVET VIAGGI TURISMO, UVET Travel Network and Uvet American Express Corporate Travel.

Since 2002, UVET group developed an extended collaboration with American Express for the delivery of complex tourist services to the corporate environment. Uvet is number 1 on the Italian specialized market and has more than 140 territorial agencies.

The branch in Bucharest opened in 2004 and renders outsourcing services for the other companies of the group. The local UVET branch manages several activities transferred from Italy, both tourist services (car rentals, hotel and plane tickets booking, on any available channel: telephone, e-mail, etc.) for external customers, as well as financial-accounting management services for the group. The local team is made up of more than 100 people and Romania was selected for the employees' ability to fluently and correctly speak Italian.

Initial Status

In 2004, when the Romanian branch opened, the activity began on a smaller scale, with approximately 10-15 employees. For the management of this branch, the company turned to the financial-accounting services of external providers, namely an Italian company with an office opened in Bucharest. This company provided both the financial-accounting management, as well as the human resources management. After 2005, UVET's activity in Romania intensified and the number of employees and the transaction volume increased significantly.

Thus, the head office management decided to establish an internal financial-accounting department. Furthermore, there were numerous reasons for dissatisfaction with the services rendered by the outsourcer, related to the lack of real-time data as well as latency times in delivering the information.

'The increase in the number of employees and activity level justified the development of an internal financial-accounting department and implicitly the insourcing of these services. Another reason, just as important, is represented by the delays in receiving reports. We had to make some decisions fast and we did not have the necessary data, and receiving them in a few days didn't help much', stated Donzelli Paolo, Financial Manager UVET VIAGGI TURISMO.

In this context, UVET VIAGGI TURISMO Romania considers that the implementation of an IT solution is necessary to take advantage of real-time financial information, reports and analyses, as well as of a data structure similar to the one in Italy.

Solution

To solve the managerial issues the Romanian team was facing, UVET VIAGGI TURISMO chose Microsoft Dynamics NAV, a solution used by the Italian company for managing the head office activity.

Q'NET INTERNATIONAL, one of Microsoft's partners was selected to manage both the implementation project of Dynamics NAV, as well as the hardware infrastructure development.

'We wanted the same IT solution used in Italy, considering especially the fact that an informational system consolidation project was developed on group level, by generalizing the use of Microsoft Dynamics NAV" stated Donzelli Paolo.

The solution provided by Q'NET INTERNATIONAL relied on the Microsoft Dynamics NAV Service Pack 1, version 5.0, with financial-accounting, Sales, Inventories, Client Management, Supplier Management, Treasury and Bank Management, Fixed Assets modules.

'In Romania we found a partner for Microsoft Dynamics NAV, which made me take a fancy for this solution over the one used in Italy. Unlike in Italy, here I never heard the phrase: it's impossibile", said Donzelli Paolo.

Microsoft Dynamics NAV was complementary integrated with a salary management application. Also, several customized developments were executed.

Project Development

The project began in December 2009, with the business analysis and the hardware infrastructure configuration effectively developed in January 2010, when the application was installed and parametrized and the employees were trained.

A month later, on February 1st, 2010 the prompt planning and execution of these activities allowed the implementation of the Microsoft Dynamics NAV solution. Furthermore the supplier, Q'NET INTERNATIONAL, provided free online support for the application registration of all activities and the accounting management of month end close procedures up to March, inclusively.

The project development within such a short period of time was possible through the implementation in Italy, since the two applications had the same structure and worked with the same data. A series of standard modules already existing in Microsoft Dynamics NAV were implemented (Financial-Accounting, Sales, Inventories, Client Management, Supplier Management, Treasury and Bank Management, Fixed Assets). In addition, Q'NET INTERNATIONAL team rendered several local developments requested by the beneficiary.

Thus, a series of customization procedures took place, allowing the automating processing of service invoices sent from Italy, rendering the perfect mapping of the invoice parameters matrix from the real business (service types, prices, countries) with the invoicing parameters from the application, functionalities which allowed the automation of the invoicing activity. Also, a complex system of cost and income centers was defined specifically for the entire group, allowing the facile distribution and monitoring of expenditures and cash collection.

For this purpose Q'NET INTERNATIONAL developed a management accounting module allowing the integration of the financial results of the Romanian branch in the centralized group data. For the salary management Q'NET INTERNATIONAL implemented and integrated into Microsoft Dynamics NAV, a specialized module developed by Nexus Romsystem. This module registers the employees and workload quota, the invoicing and management accounting only with data access, thus eliminating redundant recordings. Complementary, a series of managerial reports specific to the UVET VIAGGI TURISMO activity were developed.

Obtained Benefits

The solution developed by Q'NET INTERNATIONAL, based on Microsoft Dynamics NAV allowed reaching all the initial objectives established by UVET Viaggi Turismo within the project, both regarding the real-time access to information and the detailed monitoring of the cost and profit centers.

The main benefits of the client were:

- **Management improvement by real-time access to the information.**

'Now we have immediate data access, which is probably the most important advantage of the investment in Microsoft Dynamics NAV. Furthermore, we can decide the data and the format to be delivered.' said Donzelli Paolo.

- **Decision support based on real and consolidated data.**

'We can take rapid decisions based on managerial data received through Dynamics NAV, without requesting and calling an external service provider', said Donzelli Paolo.

- **Increasing the company's profitability by carefully monitoring economic indicators, both on customer and on department level.**

'With access to detailed information, we can realize if certain activities are justified or if some customers are profitable. Thus, we can make decisions for ceasing some activities or to capitalize them', said Donzelli Paolo.

- **Supporting the company's development.** The detailed reports delivered by Microsoft Dynamics NAV allow a better understanding of the activity rendered in Romania and the identification of development opportunities.

'The understanding of the operations' financial status in Romania shall allows us to relocated some of the less profitable services to Italy. For this purpose, we need detailed and very accurate information, to be able to compare the profitability of an activity we similarly render in Italy and Romania', stated Donzelli Paolo.

- **Cutting back on operational costs by the automation of certain activities, such as the invoicing activity.**

- **Quality improvement for the services rendered for the clients.**

'We can deliver better services for our customers, being aware of the detailed costs', Donzelli Paolo.

- **Improvement of the local activity transparency by carefully monitoring the cost and**

profit centers, on service, client, department or employee level. Microsoft Dynamics NAV brought a higher transparency regarding the cost and profit centers with an excellent granularity of these analyses.

- **Fast investment recovery.**

„Even if for now the investment costs in NAV were higher than the payment of the service provider, the advantages on the long term are indisputable. According to the plan I foresee a ROI (Return on Investment) of maximum 1 year", stated Donzelli Paolo.

- **Productivity increase by eliminating data registration redundancies.** For example, the employees and workload quota are introduced only in the salary module, while the other modules only have access to this information.

The activity in Romania is very important for the UVET group. Microsoft Dynamics NAV provides a real image of this activity in cost and profit terms, as well as the monitoring of the services and customers' profitability. Based on this information, the company can make extremely important decisions regarding the relocation of some activities in Romania, the improvement or suspension of some services and even the collaboration manner with certain customers.

All these decisions must be supported by relevant information, most of the time available in real time.

'Microsoft Dynamics NAV and Q'NET have gained my trust and all the subsequent achievements confirmed that this was the right choice', stated Donzelli Paolo, Financial Manager, Uvet Grand Viaggio.