

Dubai Duty Free Boosts Revenue by 20% in 12 Months without Increasing Back Office Costs



Dubai Duty Free
Dubai International Airport, United
Arab Emirates
www.dubaidutyfree.com

Industry:

Retail & Distribution

Annual Revenue:

US\$100 million to US\$500 million

Employees:

500-1,999

Oracle Products & Services:

Oracle Order Management
Oracle Inventory Optimization
Oracle Purchasing
Oracle iProcurement
Oracle Human Resources
Oracle Payroll
Oracle Financials
Oracle General Ledger
Oracle Payables
Oracle Assets
Oracle Cash Management

"Oracle's integrated information architecture has enabled us to analyze and optimize all our business processes and helped us achieve record sales of \$306 million in 2002." -- Colm McLoughlin, Managing Director, Dubai Duty Free

Dubai Duty Free is one of the top airport retail operations in the world. Based at Dubai International Airport in the United Arab Emirates, it is the Middle East's premier and busiest airport. Dubai Duty Free has won more than 70 top international awards since its creation in 1983 and recently was named "Best Duty Free Shopping" by *Business Traveller* magazine.

In line with a directive from the government of Dubai to move to an e-business environment within 18 months, Dubai Duty Free sought to replace its disparate legacy systems with a Web-enabled, integrated suite of applications. "Our aim was to automate transaction processing, analyze sales and stock levels in real time, and continue our rapid growth without increasing back office overheads," said George Horan, general manager for Dubai Duty Free and executive sponsor of the project. "We also wanted to implement a single set of applications enterprise-wide to integrate procurement processes with business-to-business marketplaces and cut the cost of IT maintenance and support," added Ramesh Cidambi, senior manager of systems and IT.

To achieve these goals, Dubai Duty Free implemented Oracle E-Business Suite, including Oracle Financials, Inventory Management, Procurement, Order Management, Sales Analyzer, Financial Analyzer, Discoverer, Human Resources (HRMS), and Payroll.

Out-of-the-Box Functionality Enables Seamless, One-Day Switchover

After an eight-month implementation period, all the Oracle E-Business Suite applications went live on schedule on a single day at Dubai Duty Free. Oracle's integrated, ready-to-go applications ensured a smooth migration to the new infrastructure with no disruption to day-to-day operations.

Key Benefits:

- Revenue up 20% in 12 months without increasing back office overhead
- Monthly close time down by 50%
- Stock figures updated two minutes after sale
- Order processing time cut from two hours to two minutes
- Faster tracking and replenishing of products for sale
- Lower IT support and maintenance costs
- Administrative costs cut through self-service applications

Dubai Duty Free based its processes on standard Oracle applications, so it needed to make few customizations to the software. This approach lowered IT support costs and will enable Dubai Duty Free to upgrade to new Oracle versions without the need to rewrite its applications.

Monthly Close Time Halved, Stock Figures Updated in Real Time

Oracle Financials has centralized and automated financial management processes across all Dubai Duty Free's retail outlets, cutting the monthly close time from 15 days to seven. Managers have access to accurate, up-to-date information on sales and stock levels and can analyze sales performance for each individual product, category, or retail outlet.

"The integration of real-time information across all parts of the business is a key efficiency driver," Cidambi said. "With our legacy systems, we could only view sales figures or stock levels separately, and data was not available until eight hours after we sold the product. Oracle E-Business Suite allows us to link sales and stock information in a single view and it is up-to-date to within two minutes of a sale."

Centralizing All Purchases with Oracle Procurement

Dubai Duty Free has streamlined purchasing goods for resale and office use with Oracle Procurement, which provides a single interface for raising purchase requisitions, placing orders to suppliers, and paying invoices. Orders can be combined across all retail outlets and departments and placed just in time, improving cash flow and reducing the need to hold large stocks of inventory.

Integration with the Middle East's Premier Online Marketplace

Oracle Procurement also integrates seamlessly with Tejari.com, the Middle East's leading business-to-business marketplace, which is built on Oracle Exchange. Thanks to this easy integration, Dubai Duty Free's buyers can transmit requests for quotations, conduct tenders electronically and process transactions directly through Oracle Financials.

"Integration with Tejari.com allows us to trade with a rapidly growing number of suppliers without increasing our staff," Cidambi said. "Like our Oracle E-Business Suite applications, it

enables us to do more with less. We increased revenue by 20% without increasing back office costs."

Why Oracle?

Having evaluated solutions from several vendors, Dubai Duty Free chose Oracle for its comprehensive, integrated suite of applications with a clearly defined upgrade path.

"Oracle understands the Middle Eastern market and has a stronger presence here than its competitors," Cidambi said. "Oracle also is constantly extending the breadth and depth of its applications to match the challenges of modern organizations in all industry sectors. In addition to improving processes and delivering cost savings, Oracle E-Business Suite adds long-term strategic value by giving us the ability to do business in new ways.