



Cloud-based retail solution supports mission of building stronger communities

Client name: Goodwill of Central and Northern Arizona

Location: Phoenix

Industry: Nonprofit retail

Challenge

- Replace aging legacy system to keep up with business growth
- Update point-of-sale (POS) system to improve sell-through and reduce discounting
- Gain better insight with enhanced business intelligence and analytics

Solution

- Partnered with DXC to implement Microsoft Dynamics 365 for Retail
- Adopted DXC Retail Toolkit Fundamentals
- Prepared for future capabilities with Dynamics 365 platform

Results

- Improved point-of-sale (POS) capabilities, maximizing cash donations and revenue
- Gained greater visibility at point-of-sale (POS) and enhanced data analytics
- Reduced IT costs by eliminating unnecessary servers

Goodwill of Central and Northern Arizona (GCNA) is an integral part of the communities it serves. The organization sells donated goods to fund job training to employment services to serve the community.

With nearly \$200 million in revenue, GCNA is a member of Goodwill Industries International Inc., a U.S. nonprofit organization and one of the world's largest thrift retailers, with more than \$6 billion in revenue. Besides benefiting individuals, Goodwill estimates that by facilitating the reuse of donated goods, it diverts millions of pounds of materials from going directly to landfills each year.

Since utilizing a point-of-sale (POS) GCNA's success led to accelerated growth, with the organization expanding from 20 to nearly 100 stores. However, the organization could no longer purchase additional licenses for its point-of-sale (POS) system and was struggling to find a suitable partner to support the aging solution, which posed a major risk to its business. As GCNA began to reach the limits of its retail management system, it was clearly time to shed the legacy environment and look for something new to support continued growth.

The organization ultimately decided to modernize its infrastructure, update its point-of-sale (POS) system and migrate to Microsoft Dynamics 365 to achieve scalability and improved reliability. This cloud-based solution implemented by DXC Technology, enabled GCNA to improve business processes, enhance data analytics capabilities and enrich the customer experience to optimize the business.

"Right from the beginning it was clear this was not just going to be an IT project, but an enterprise-wide initiative," says Bill Serva, GCNA's vice president of IT. "We needed the right solution and the right partner to support that." That partner was DXC.

The deployment plan

DXC helped GCNA implement Microsoft Dynamics 365 as its retail management and point-of-sale (POS) solution as part of a larger enterprise resource planning (ERP) system, to consolidate all business functions and simplify and streamline operations. The idea was to start with the capabilities needed immediately and then build out the solution as requirements evolved.

To ensure a smooth deployment, GCNA partnered with DXC to put together a comprehensive although tight schedule. GCNA had a fixed deployment date because of a new store opening for which it could not buy additional licenses — it was imperative the deployment coincide with that store's grand opening.

Along with Dynamics 365, GCNA deployed DXC Retail Toolkit Fundamentals for extended functionality to enhance the customer experience. The end-to-end retail solution enables many new options and functionality, including new personal identification number (PIN) pads, tabletop and card scales, in-house return cards and gift cards, discount schedules and coupon capabilities.

Implementing the solution at a pace of two stores per day, the deployment was completed within 6 weeks for nearly 100 stores. But the real benefits were yet to come.

GCNA's unique challenges

“Our business is unique in that we don’t have control over what kind of product we get, so to be able to give back to the community we need to maximize every dollar from the donations we receive,” says Dan Felzke, GCNA’s senior director of IT. “It all comes down to how well we price our items. Inventory turn time is vitally important, so we need to make sure we mark the right price to maximize revenue.”

The key was improving the process for tracking products. Today, every item that GCNA processes is assigned a unique serial number that enables the organization to get full sell-through analytics — where the item was donated, how the item was processed, where it was processed, who priced it and for how much, where it was sold and for how much.

Empowered with detailed information about the price point at which a product was added to the store floor, how fast it sold, and whether there was a price reduction, GCNA can minimize discounting by pricing items optimally when they first come into the store.

GCNA can also combine product information with sales information, identify the ZIP codes that provide the most valuable home pickups (most profitable donated items) and focus its attention on those geographic areas. And with improved point-of-sale (POS) capabilities, GCNA can process cross-store returns, a nice win when it comes to improving the customer experience.

A smarter approach to cash donations

One important process improvement made possible with Dynamics 365 addressed how cash donations to GCNA are solicited at the register during checkout, one of the largest revenue sources for GCNA. Instead of asking for a \$1 donation, as was traditionally done, cashiers can now simply offer to round up the purchase price, an approach which customers are more likely to agree to.

“This is huge in terms of increasing cash donations,” Serva says. “Small amounts can quickly add up to millions of dollars in donations annually, which can be reinvested back into services that support the community.” GCNA administers several register cash donation campaigns to raise funds to support other local non-profits as well throughout the year, such as food banks and health associations.

Besides gaining enhanced retail functionality and analytics with Dynamics 365, GCNA also realized significant cost savings by no longer needing a separate server in each store: Now, all data is centrally stored in the cloud.

Continuing GCNA's digital transformation

With the Dynamics 365 foundation and enhanced point-of-sale (POS) capabilities in place, GCNA is now working with DXC to optimize its customer loyalty program and explore new warehouse options. GCNA is also looking to license the solution to other Goodwill members across North America, especially some of the smaller Goodwill operations that may not have the funds or IT resources to support an all-out implementation.

“Many separately run Goodwill organizations have consolidated over the past few years,” says Serva. “By sharing technology and hosting data centrally, other Goodwill organizations can more easily tap into better functionality and take advantage of cost savings that come from having these systems now already in place.”

The ultimate goal, he says, is to share technology and best practices to help Goodwill maximize donations in support of its vision to end poverty through the power of work.

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