

Midsized Business Case Study



Spy Optic

Sunglasses Manufacturer Boosts Sales 29 Percent,
Aids Dealer Growth with CRM Software

Story at a Glance

Spy Optic, a manufacturer of sunglasses and goggles, scrambled to keep up with the rapid growth in the action-sports market and stay one step ahead of competitors. The marketing department needed better sales and inventory data to help salespeople push the hottest-selling items and keep them in stock. To gain control, Spy Optic deployed Microsoft® software that provides up-to-the-minute sales and inventory data for making smart marketing, sales, and development decisions. Spy Optic can help dealers stock the most popular items, which has helped boost sales by 29 percent. Also, operational costs are lower, thanks to automated efficiencies.

Flying Blind

Fran Richards, Vice President of Marketing for eyewear manufacturer Spy Optic, was flying blind. His company was soaring in the edgy outdoors market aimed at snowboard, water-sports, and extreme-sports enthusiasts. But like a snowboarder flying over a cornice into the unknown below, Spy Optic was operating on instinct rather than on solid information. “We didn’t have good data about regional tastes, sales, or even our own inventory,” he says. “We were making design, stock, and marketing decisions based on gut feel and assumptions.”

Spy Optic makes high-performance sunglasses, snow goggles, motocross goggles, clothing, and accessories for 20-somethings and the young at heart. It’s a demographic subject to constantly changing tastes, and Spy Optic didn’t have the insight it needed to keep close tabs on sales. Nor could it tune new-product development to the latest fads and keep dealers stocked

with top sellers. “There wasn’t a focus on what was selling,” Richards says. “We only looked at what we sold to retailers, not what was selling through, so we were out of touch with market changes. We were typically out of the top-50 SKUs, which disappointed dealers and limited revenue opportunities.”

Already in more than 5,000 U.S. retailers, Spy Optic was poised to expand outside the United States into Europe and Australia but wanted to get a handle on its data before multiplying problems across a larger dealer base.

Integrated Data

Spy Optic replaced its antiquated enterprise resource planning (ERP) application with Microsoft Dynamics® GP business software and deployed Microsoft Dynamics CRM for customer relationship management. “We liked the integration between the two programs and the way that Microsoft Dynamics CRM integrated with the Microsoft® Office Outlook® messaging and



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Vice President of Marketing,
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collaboration client,” Richards says. “Both programs were instantly familiar to our employees and allowed them to manage customer and sales data through Outlook, which sped adoption.”

FMT Consultants, LLC, a Microsoft Gold Certified Partner based in Spy Optic’s hometown of Carlsbad, California, helped with the implementation of both programs. Deployment took just a few weeks, and both programs have been live for a year.

Up on Dynamic Markets

Using live sales data, Richards and his staff can gain instant, up-to-date visibility into top-performing products; this lets them focus efforts on top sellers and keep inventory stocked with popular items. “We can see what styles are popular in New England versus California and online versus in stores,” Richards says. “We now make sure we never run out of our top-50 SKU colors and styles. We also use this data to drive product development. If we see that tortoise is outselling hot pink, we ramp up tortoise and come up with similar ideas.”

Better Service Fuels Growth

Spy Optic now has a single customer database from which to coordinate sales, marketing, and customer service activities. Salespeople can create a quote in Microsoft Dynamics CRM and convert the quote to an order that is automatically transferred into Microsoft Dynamics GP. Similarly, for contact management purposes, sales leads are automatically converted to customers, which eliminates data reentry.

“The whole company operates off the same set of data, which eliminates confusion and redundancy and speeds customer service,” Richards says. “Marketing can share customer records with accounting, and

salespeople can see inventory levels before they make commitments to customers. I use inventory data to launch promotions, which I can manage easily from within Microsoft Dynamics CRM.”

Spy Optic is also better able to help its dealers, many of which are young sports enthusiasts, often without a lot of business experience. “We’ve been able to create a sound business model for inexperienced dealers,” Richards says. “We can take successes from our most sophisticated dealers and distill winning techniques. We can now tell dealers which product models they should carry, in what quantities. We can help them see that if they replenish their top-10 sellers every week, and even increase the space devoted to sunglasses, they can increase sales. It’s completely changed the way we sell to dealers.”

Sales Up, Costs Down

After a year of making smarter use of sales and inventory data, Spy Optic has seen sales rise 29 percent. At the same time, operational expenses are down. “We used to have three people filling Web orders, but that’s down to one, thanks to new automated efficiencies,” Richards says. “We’ve moved those two people into customer service.”

Richards now steers Spy Optic with a clear eye into exciting new vistas.

Lessons Learned

- Select a local, knowledgeable reseller.
- Choose a solution with a familiar interface to speed user acceptance.
- Select a flexible solution that can grow with you.



Executive Biography

Fran Richards joined Spy Optic in 2006 as Vice President of Marketing, with over 20 years of action-sports and youth-culture marketing experience. He was Founding Publisher of Future USA’s action-sports media group and President of Modern World LLC, a youth marketing firm. From 1988 until 2003, Richards was a Marketing Executive at Transworld Media, the largest action-sports media company.

Customer Details:

Spy Optic
Phone: (800) spy-eyes
Company size: 320 employees
PC Count: 250
Web site: www.spyoptic.com

Software and Services

Microsoft Dynamics CRM 3.0
Microsoft Dynamics GP
Windows Server® 2003
Microsoft SQL Server® 2005

Need more information?

<http://www.microsoft.com/midsizebusiness>

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