Introduction to Microsoft Dynamics AX2012 for Manufacturing Organizations

November 17, 2011
Welcome!

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Presenter

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Bob a director with the Technology Solutions Practice bringing more than 29 years experience in system design and applying technologies for ERP and supply chain solutions for various industries, including: manufacturing, food and beverage, consumer packaged goods, chemical, multi-channel retail, apparel and textile, transportation and logistics, wholesale distribution and professional services.

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Teri is a Microsoft Dynamics AX Solution Architect with over 20 years experience in the ERP implementation space and specializes in providing leading-edge, information technology solutions to clients on a variety of platforms, including Microsoft Dynamics AX. She focuses on understanding client requirements and needs, providing business process analysis and crafting technology solutions.
44% of manufacturers and distributors report to be “thriving and growing”

- Pricing
- Procurement
- Investment
- Process

Source: McGladrey Manufacturing & Distribution Monitor
Our Agenda Today

Global business imperatives

- Global trends and business challenges
- A new generation of enterprise resource planning (ERP)

How Microsoft Dynamics AX 2012 can help

- Powerful
- Agile
- Simple

Key solution advantages

Demonstration
Global Business and IT Trends

- Global competition and global expansion
- Organizational change
- Outsourcing and complex value chains
- Changing supply and demand
- Fluctuating workforce demographics
- Increasing need for compliance and transparency
- Keeping pace with trends and competition with legacy systems
- Need for IT governance and to modernize, simplify, and standardize
- Enabling users of consumer devices and social networking technologies
- Changing role of IT
Challenges for Organizations

- Achieve operational insight across the organization
- Need for business agility
- Reduce operational costs
- Align IT and business objectives

- Increase ERP adoption
- Reduce IT operational costs
- Enable business strategy and respond quickly to line-of-business (LOB) requests
Challenges for Enterprise Applications

Figure 1: Enterprise Applications Have Several Key Challenges

“Considering your existing enterprise app implementations, how significant are the following business problems?”

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Very Significant</th>
<th>Significant</th>
<th>Not Significant or Slightly Significant</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>High cost of business requirements</td>
<td>52%</td>
<td>32%</td>
<td>7%</td>
<td>3%</td>
</tr>
<tr>
<td>Difficult to upgrade</td>
<td>42%</td>
<td>44%</td>
<td>0%</td>
<td>2%</td>
</tr>
<tr>
<td>Poor cross-functional processes</td>
<td>42%</td>
<td>44%</td>
<td>9%</td>
<td>5%</td>
</tr>
</tbody>
</table>

- Process change: 42% very significant, 25% significant, 24% not significant or slightly significant, 5% don’t know.
- Lack of visibility into process results: 36% very significant, 31% significant, 27% not significant or slightly significant, 6% don’t know.
- Poor internal/external collaboration controls: 24% very significant, 36% significant, 37% not significant or slightly significant, 3% don’t know.
- Poor industry-specific functionality: 21% very significant, 25% significant, 46% not significant or slightly significant, 8% don’t know.
- Can’t extend process to external partners: 16% very significant, 28% significant, 49% not significant or slightly significant, 7% don’t know.
- Support for unstructured content: 11% very significant, 42% significant, 39% not significant or slightly significant, 8% don’t know.

Base: 117 business process and applications professionals (percentages may not total 100 because of rounding)

Source: Forrester Research, Inc.
Today’s Needs, Yesterday’s Solutions

1980s Enterprise Resource Planning (ERP) architecture still deployed today

- Intertwined spaghetti code and parameters
- Duplicated data structures
- Middleware and batch processes
- Functionality in separate applications
- Business intelligence (BI) an afterthought
- Task-oriented user experience

The result: Complexity and inflexibility
A new generation of ERP
That works for you, not against you

Applications that are an asset
Simplicity and agility
Complete industry-specific solutions
Powerful embedded analytics and BI

Works the way you need it to
Simple to use
Tailored to meet your needs
Get the right data to decision makers
Powerfully Simple

Powerful

Simple

Agile

Microsoft Dynamics AX 2012
Microsoft Dynamics AX 2012

Helps manufacturing organizations embrace the Dynamic Businesses vision

- Purposely Built for the Manufacturing Industry
- Unleashes the power of Global Manufacturing
- Enables Green and Efficient Manufacturing Enterprise

- Flexible Manufacturing Models
- Supports Collaborative Manufacturing
- Rapid Responsiveness to demand changes

- Supports multiple Industry role Centers
- Familiar User Experience makes it simple to learn and intuitive to use
- Improves User Productivity

Microsoft Dynamics AX 2012 is Microsoft’s ERP solution for global enterprises that empowers your people to anticipate and embrace change
Meet *traditional as well as emerging manufacturing challenges*

**Purposely Built for the Manufacturing Industry**
- 500+ Mfg industry capabilities with industry best practices
- Shared product definitions across legal entities
- Better manage customer and vendor agreements
- Unified Discrete, process and lean manufacturing methods

**Unleashes the power of Global Manufacturing**
- Unified operations resources model enables global manufacturing
- Multi-Language/Multi-Currency
- Enables low cost country (LCC) sourcing through global vendors
- Pre-built country specific localizations for 38 countries

**Enables Green and Efficient Mfg Enterprise**
- Environment Management Dashboards
- Improves operations efficiencies through 5Rs – Reduce, Recover, Reuse, Recycle, and Renew
- Lean Manufacturing
From reactive to proactive

**Flexible Manufacturing Models**
- Unified Model for Global Manufacturing
- Convergent & Divergent Bills of Materials
- Simultaneous discrete, process & lean manufacturing
- Multiple Manufacturing approaches – build to stock, built to order, engineered to order models

**Supports Collaborative Manufacturing**
- Leveraging other Microsoft Products – Sharepoint, Office, Lync, workflows, search and site services, etc.
- Portals for quotes, procurement, inventory and WIP
- Real time, adhoc/standard BI reports through Microsoft office integration e.g.: customer orders with delivery status, WIP status etc.,

**Rapid Responsiveness to Demand Changes**
- Rapid vendor onboarding to manage demand spikes
- Any team member can pick a task from task list. (work orders, inspections, etc.)
- Flexible resource deployment across multiple routings
- Finite capacity scheduling on shop floor
- Planning based on customer order decoupling point
Simple

Easy, familiar, and productive

Supports multiple industry role centers

- 10+ out of the box mfg industry tailored roles like plant operator, manufacturing manager with pre-defined tasks and privileges
- Single sign on and role based security ensures segregation of duty

Familiar User Experience makes it simple to learn and intuitive to use

- Common, innovative user interface concepts incl. visualizations, Microsoft Office “look-and-feel” and common UI across web browser and Windows UI accelerate ramp-up time of all generation users
- 15+ new User experience features
  - Visual Kanbans
  - Visual Gannt Charts
  - Touch screens for shop floor control

Improves User Productivity

- Real time task sharing within teams through workflows
- Vendor self service on issues like obtaining quotations etc. reduces own employee workload
Workflow Usage In Microsoft Dynamics AX 2012

- Financial journals
- Purchase requisition
- Free text invoice
- Invoice posting
- New user approval
- Budget transactions
- Procurement catalog import
- Expense report (line item)
- Documents
- Expense report
- Timesheet
- Signing limits
- Confirmation of receipt
- Purchase requisition (line item)
- Purchase order (line item)
- Vendor requests
- Audit cases
- Time & attendance
Workflow Approval

Approve Purchase Requisition (PR)

Create and Submit PR

Adjust PR

Manually Approve PR

PR Approved!

Flowchart:
1. Employee creates and submits PR.
2. Purchasing Agent checks PR.
3. If PR data is valid, it proceeds to the Purchasing Manager.
4. If PR data is not valid, it returns to the Employee for adjustment.
5. If PR data is valid, it moves to the Purchasing Manager for approval.
6. If Purchasing Manager approves, it is auto-approved.
7. If Purchasing Manager does not approve, it returns to the Employee for adjustment.
8. If Purchasing Manager approves, it is auto-approved.
9. If Purchasing Manager does not approve, it returns to the Employee for adjustment.
10. If Purchasing Manager approves, it is auto-approved.
11. PR is approved and processed.
DEMO
### Microsoft Dynamics AX 2012 BI Capabilities & Tools

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>BUSINESS INTELLIGENCE TOOL</th>
<th>CAPABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>QUERY</strong></td>
<td>PRE-DEFINED QUERY</td>
<td>Query &amp; filter data&lt;br&gt;Drill down to detailed queries</td>
</tr>
<tr>
<td></td>
<td>• List pages&lt;br&gt;• Cues</td>
<td></td>
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<tr>
<td></td>
<td>AD-HOC SEARCH</td>
<td>Search within data and reports</td>
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<tr>
<td></td>
<td>AD-HOC QUERY</td>
<td>MS Office Add-in for Microsoft Dynamics AX 2012</td>
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<tr>
<td></td>
<td>• Refreshable export to Excel&lt;br&gt;• Auto-report</td>
<td></td>
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<tr>
<td><strong>REPORTING</strong></td>
<td>Office Templates</td>
<td>Create documents such as Sales Quotations, Collections Letters</td>
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<tr>
<td></td>
<td>Ad-hoc Reporting</td>
<td>Create SSRS reports using Cubes and SQL Report Builder</td>
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<tr>
<td></td>
<td>Statutory &amp; Financial Reports</td>
<td>Create Cash flow statement</td>
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<td></td>
<td>Production SSRS Reports</td>
<td>Generate List of invoices</td>
</tr>
<tr>
<td><strong>ANALYSIS</strong></td>
<td>Key Performance Indicators, Scorecards</td>
<td>Financial Indicators (profitability)&lt;br&gt;Balanced scorecards</td>
</tr>
<tr>
<td></td>
<td>Ad hoc summarization and exploration</td>
<td>Budget variance analysis</td>
</tr>
<tr>
<td><strong>ANALYTICAL</strong></td>
<td>Multi-system Financials Consolidation</td>
<td>Financial statements across different systems</td>
</tr>
<tr>
<td></td>
<td>Integrate with a Data warehouse</td>
<td>ETL based data integration into an existing Data</td>
</tr>
</tbody>
</table>
A Powerful, Pre-built BI Solution
That answers most business questions

- 35 pre-built Role Centers targeted towards personas across the organization
- ~ 150 Analytic Reports
- 11 Cube schemas in Finance, Supply chain, Services and workflow domains that provide aggregate data
- Secure access to production data
- Collaborate, Share using MS SharePoint
- MS Excel based report templates
- 800+ Production Reports

AX 2012
McGladrey
Resources

- McGladrey’s 2011 Manufacturing & Wholesale Distribution Study

- Manufacturing Blog
  - http://mcgladrey.com/blogs/manufacturing-blog
Q & A

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