Why CFOs Choose mcaConnect and Microsoft Dynamics AX

Successful CFOs leverage technology and business transformation to mine hidden profits and power bottom line results.
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Situation  In today's business environment, the only constant is change. The approaches that worked in the past are inadequate to carry a company into a viable future. To survive and thrive, companies need to be agile. They require technology solutions that are not just better and faster, but also have been built and architected with the future in mind.

Challenge  Finance executives need information systems that support changing roles and market dynamics. But improving technology isn't just about getting faster – it's also about how the company can work smarter: improve productivity, reduce waste, drive return on investment and increase profitability. To vault a business into the future, Today's Chief Financial Officer (CFO) needs to accelerate not just processing speed, but also the speed of insight and action.

Solution  Successful CFOs need tools that turn data clues into key facts and actionable information they can use to direct corporate strategy and refocus rapidly, without waiting for the month, quarter, or year to close. And they want more than to churn out numbers – CFOs and their business managers want the story behind the numbers. They want to be able to integrate financial and operational data in ways that get at the real change drivers for the business, and reveal opportunities for innovation.

Microsoft Dynamics AX business solutions provide the capabilities organizations need to meet today's requirements and position themselves to compete and grow in the years ahead. Dynamics AX offers ease of use, flexibility and low TCO. Just as important, Dynamics enterprise solutions are built on a strong foundation of proven technology and continuous research and development to ensure and secure your business future.

Results  ERP is a strategic investment that should help you increase profits and reduce risk. mcaConnect works with CFOs who like knowing that they have made technology decisions that position their companies for long-term success. Every day, mcaConnect helps companies make the most of Microsoft Dynamics AX ERP functionality and lean capabilities to meet today's challenges and anticipate tomorrow's business needs. Just as important, the companies and executives we work with can chart continuous improvement, agility and responsiveness that save money, improve productivity, and keep the bottom line healthy. Today and in the future.
Introduction

It is change, continuing change, inevitable change that is the dominant factor in society today. No sensible decision can be made any longer without taking into account not only the world as it is, but the world as it will be.

— Isaac Asimov

Our dynamic business environment is a cauldron of change. To survive and thrive in these accelerating and volatile conditions, companies need to be agile. They must transform rapidly to maintain or improve their standing in competitive global markets and respond to the advent of new technologies. Seldom do you see a viable company that looks today as it did three years ago; those that are successful today won’t look the same three years from now.

Chief Financial Officers (CFOs) can resonate with Asimov’s point about change, particularly when it comes to their enterprise transactional systems. Today’s CFOs need technology that enables them to not only manage existing requirements and challenges, but also anticipate their “world as it will be”.

The good news? After years of domination by a few well-known software companies, the landscape in enterprise resource planning (ERP) is changing: The world as it has been is giving way to the world as it is becoming.

Historically, a typical ERP implementation would proceed as if the business existed in a static state. That’s why so many ERP implementations turned into the equivalent of “electronic concrete.” The implementation process gave the impression of flexibility, but once the implementation (i.e., “the pour”) was done, the system hardened, becoming rigid and unwieldy in the process.

This approach to implementing systems and automating processes worked just fine in the accounting software space, because business processes didn’t tend to change remarkably over time. Those were different times.

Companies still spend millions of dollars implementing the same processes that worked in the past. That limited view of “better sameness” has opportunity costs. Growing enterprises aiming for top performance and market dominance need to rapidly transform their information technology (IT) experience to both represent today’s market realities and anticipate tomorrow’s.

The bottom line: That was then; this is now. What was won’t do anymore.
WHY CFOS CHOOSE MCACONNECT AND MICROSOFT DYNAMICS AX

Enterprises of a certain size and complexity have specific business needs that require specific ERP capabilities. For years, a few legacy systems were able to totally dominate this space.

Now these enterprises have an alternative that offers compelling benefits in today’s frenetic global markets: Microsoft Dynamics AX.

By leveraging the Microsoft DNA of software that is easy to use, Dynamics AX demystifies the complex transactions behind traditional ERP, making it easier for users to understand processes, manage outcomes and take appropriate action.

Dynamics AX business solutions are simple, easy to use, flexible, and affordable, providing the capabilities businesses need to meet today’s requirements and position themselves to compete and grow in the years ahead.

Less complexity, greater simplicity, lower TCO
Traditional ERP systems touted the depth and breadth of functionality they delivered. How much of this proved extraneous to essential business operations? In fact, this over-engineered approach produced systems that couldn’t really deliver on promises of lower costs and higher productivity.

For CFOs looking to control costs and improve time-to-value from their IT assets, extraneous depth and breadth of functionality doesn’t add up to bottom-line results.

Microsoft Dynamics AX has changed the game; by delivering robust industry-specific capabilities and core ERP functionality in a single, easily comprehensible, global solution, Dynamics AX promotes fast time-to-value.

Simple to learn and use, it provides the agility companies need to expand business opportunities, modify processes, and differentiate their businesses. With pervasive interoperability, they can take advantage of existing investments, lower the total cost of ownership (TCO), and support innovation across the organization.

Microsoft Dynamics AX Highlights

- Easy to use, highly configurable and scalable as your business grows and changes
- Integration with Microsoft productivity tools, from MS Office and MS Project, to SharePoint and others
- Global capabilities adapt to the unique functionality, usability and compliance requirements of different departments, business units and geographies across multiple sites, entities, countries, currencies and languages
- More than 50 preconfigured roles, including CFO, Project Manager, Accounts Payable and more
- Embedded capabilities that support lean practices and enable lean business transformation
Real flexibility
Change is a fact of business that demands flexibility from an organization's core business systems. But with high-cost deployments and long deployment cycles, legacy ERP systems can hold organizations back instead of supporting them in times of change. Not so with Dynamics AX, which is designed to allow companies to tailor processes, workflows, and other activities quickly and efficiently so they can anticipate and keep up with the pace of change.

Ease of use
The Microsoft look and feel that everyone has become familiar with has been extended into the ERP, and what that means is the user is predisposed to be more familiar with the Dynamics AX application. Any user, regardless of the discipline they manage within the business, sees a screen that is fairly intuitive and designed around the way they work. Users can quickly figure out what they need to do and when, following consistent, uniform processes.

Employees want tools that empower them to be more productive. Many legacy systems offer rich functionality but that means nothing if the enterprise encounters significant issues with the user experience that drain productivity and leave people feeling disempowered. In contrast, Dynamics AX features a familiar, intuitive interface to help people find, sort, visualize, and share information quickly and easily—and act on that intelligence just as quickly and easily.

Microsoft cut the number of screens users have to look at to the minimum, while providing tremendous flexibility in terms of what data may be presented on the screens and how. This approach empowers users and facilitates workloads because an employee never has to hunt all over the system to find the information needed to execute. The result: superior user experience and enhanced productivity.

Dynamics AX empowers better decisions, faster:
Say your company is undertaking a re-organization in the next quarter.

Executives want to see what it would look like if the business unit structure was reorganized to better reflect how the business truly operates. In most legacy systems, that would require taking data out of the ERP and simulating it in Excel or some other program – which would mean having to do a lot of number crunching outside the system.

In Dynamics AX, the company can simply pick an as-of date, choose what the business might look like from a financial perspective as of that date, then simulate transactions while rooted in the accounting system, as opposed to simulating offline.

This enables the company to simulate potential future state operations in just minutes. Executives and managers have easy visibility into what-if financial simulations at any point in time that visibility is needed.
Lower costs
ERP initiatives should drive growth, not burden an organization with high cost of ownership. Contrast the costs of licensing, deployment, configuration, hardware, maintenance, training, support agreements, upgrades, and updates that come with traditional ERP with the open, transparent model of Microsoft Dynamics AX. Microsoft has learned how to reduce the ongoing costs of keeping up an ERP system, not just the cost of implementing the system. The difference in total cost of ownership is eye opening.

Powerful infrastructure
Other solutions may have 20 or 30 years of legacy thought – and legacy code – behind them. Dynamics AX is different due in part to its relatively recent development. Because Dynamics AX is a relatively young solution, Microsoft was able to architect it in a way that is more indicative of the current, real-world environment.

Add to this the power of the Microsoft technology stack: Dynamics AX is built on the familiar Microsoft platform, including Windows Server, SQL Server, and Office. With Dynamics AX, companies benefit from Microsoft’s investment in R&D and commitment to innovation. You get technology that works together, now and in the future.

Robust ecosystem
Microsoft is in a unique position in the marketplace: they own the business application in Dynamics AX, they own the database, and they also own the productivity tools, like Office and SharePoint. The result of all of these technologies working in unison is insights into all critical areas of the business natively in the ERP.

For example, any transaction a user would want to mine out of Dynamics AX will leverage the capabilities inherent in the SQL database. AX has capabilities to tie all the data together in a normalized way, and predispose it for human consumption. Microsoft leverages Excel to reconcile the data and present it on a home page or dashboard the user sets up to their role and preference. For the user, it’s very easy to draw upon this data, leveraging a technology stack that enables better, smarter, faster data analysis throughout the ERP experience.

Capabilities for unique business needs – Every single company has particular requirements that are unique to that organization. For example, you may require your accounting software to do things that are indicative of environmental realities for your business. You have a unique business process you need to be able to model in the application. Traditional legacy systems are challenged by these needs. First you have to invoke the change. Next, any time you add a service pack or an upgrade, or just go live with the application, that unique business process will cost you something extra.

With Dynamics AX, that is a thing of the past. Microsoft provides an excellent toolset that allows the Dynamics AX user to simulate a unique business process and do this in a “test case” (i.e., pre-production), then launch the process to a live active system and put it into production rapidly. This saves appreciable cost while significantly improving agility.
Eliminate Waste, Uncover Profits with Lean

As lean manufacturing methods and tools evolve, IT is taking on a broader and more strategic role in the lean business transformation.

The ability to capture and manage information has taken on growing significance as a critical component of successful lean implementations. Once marginalized by some Lean practitioners, enterprise technology is coming to be seen as an indispensable tool for supporting lean practices, and sustaining and enhancing lean operations over time.

Executing a lean transformation initiative means fundamentally changing your business processes. You will need to configure your ERP so it embraces the concept of a reduced number of transactions, eliminating waste. Microsoft recognized this, and built Lean configuration capabilities into the native toolset.

Many companies undertake lean transformation without ensuring that the changes are represented in their transactional systems. This approach can necessitate a great deal of manual processing to accurately close the books at the end of a period. These companies are not able to take full advantage of their ERP systems as indicative of the real-world environment.

The lean transformation is largely operational. But it’s still necessary to perform transactions. This is where mcaConnect adds real value. mcaConnect is the foremost expert in the market taking the results of a lean manufacturing transformation and representing them in the ERP rapidly.

Rapid is critical, because it’s not a “one and done” process. When you go through a lean transformation, you are constantly reanalyzing all your business processes to determine what steps can be eliminated. This is something you do not only operationally, but also in the ERP, because you still have to conduct transactions. You can’t just do the initiative in theory and not execute it on your business application.

Beyond technology
Lean can truly strengthen your company’s position in the competitive landscape. But the only way to do that successfully is to look beyond technology. The mistake many make is looking at the ERP system...
without the larger context. Focus on the three Ps – process, people, and performance – and then leverage technology to vault ahead in the marketplace. It’s an issue of change management. Pay attention to future state process models. How do processes need to be different moving forward? What will that do to productivity? How will it change required skillsets?

Put meaningful tracking in place across each process area, and make sure that what is done at the process level backs the strategic plan, five to eight years out. What key performance indicators (KPIs) are you getting out of the system, and how do you get them out easily?

The best of both worlds
Manufacturers don’t have to choose between embracing lean practices and leveraging technology to enable a lean transformation. In Dynamics AX, Microsoft has reconciled lean with ERP, not just for transaction purposes, but also for analysis and an accurate understanding of what is going on with the business. In fact, Dynamics AX is the only enterprise solution that truly embraces lean manufacturing concepts out of the box.

Microsoft also recognized when developing lean manufacturing execution capabilities that businesses change. mcaConnect embraces this perspective in working with clients to unify their lean and ERP initiatives. This is done by leveraging the combination of Microsoft technology and mcaConnect domain expertise, and fostering lean by permitting only required (i.e., necessary) transactions within the ERP system, so that the system is truly indicative of what’s going on in the business as it changes.

The mcaConnect team brings an innate knowledge of the types of data elements someone would need to look for, and the typical use cases in specific industries. For example, we have tools to look across the entire database, but we know for a manufacturing company it will be important to analyze the previous history of finished goods sold and how that impacts a potential supply schedule from vendors delivering raw materials. We can take that data and analyze it to enable better communications across the supply chain.

The future of business: Lean transformation
Many manufacturing enterprises, especially in North America, are embarking on initiatives to lean out their manufacturing processes in order to eliminate waste, reduce the number of transactions, and focus on transactions and actions that are necessary.

Based on our experience implementing lean for customers, mcaConnect believes most North American companies with growing market shares have probably already gone through at least an initial lean transformation.

We believe manufacturers that remain in business five years from now will have undergone a lean transformation.
A day-in-the-life with lean:

mcaConnect customer makes changes to ERP in near-real time, instead of months

The company has undergone a lean transformation; managers now regularly launch targeted kaizen events. In lean parlance, “kaizen” refers to any action whose output is intended to be an improvement to an existing process. Monday through Wednesday, managers conduct kaizen events, observe the deficiencies in their operation, and identify opportunities for process improvement.

On Thursday, they commit to putting the kaizen improvements into a test system in their Dynamics AX environment. Friday they test those new configurations and over the weekend they transform the changes into the live production system. It’s rare for a process improvement to actually require a software change given the flexibility of the Dynamics AX solution.

What just happened? With the agility of Dynamics AX, the company implemented the targeted process changes from the kaizen events into their ERP in near-real time.

In a typical legacy ERP application, a change like that would have to be simulated, with potentially a six-month lead time to be implemented into a live system. The cost of making the changes would be very high. The opportunity cost of waiting for the changes to be implemented? Immeasurable.
Summary and conclusion

The mcaConnect team brings an innate knowledge of the types of data elements someone would need to look for, and the typical use cases in specific industries. For example, we have tools to look across the entire database, but we know for a manufacturing company it will be important to analyze the previous history of finished goods sold and how that impacts a potential supply schedule from vendors delivering raw materials. We can take that data and analyze it to enable better communications across the supply chain.

CFOs need enterprise technology that enables them to not only manage today’s requirements and challenges, but also anticipate their “world as it will be”.

This is what Asimov was talking about. Not the stuff of science fiction, but rather having the facts necessary to make informed decisions in a dynamic environment. It’s the way forward-looking enterprises think about surviving and thriving in a world that turns on change.

Uncertainty and volatility in the business environment increase the need for decision makers to get faster access to information, perform better analyses, and make smarter decisions. Microsoft Dynamics AX provides ERP and lean capabilities that allow growing mid-size and enterprise companies to be agile, responsive and ready for the future. Dynamics AX helps organizations prepare for the future with confidence.

That’s why CFOs looking to use enterprise technology to drive organizational effectiveness and business performance are turning to Microsoft Dynamics AX as the solution of choice. For the CFO who wants to fully leverage that technology to steer their enterprise to a more competitive, profitable future, mcaConnect is the Microsoft partner of choice.

ERP is a major investment. Getting it right requires a lot more than infrastructure, integration and system competence. Our professionals come from industry, and have the business acumen and understanding of financial and operating metrics necessary to help companies like yours realize measurable, meaningful business benefits that align with business strategy.

At mcaConnect we lead our clients beyond viewing ERP and lean as simply technology projects, to taking advantage of opportunities for business transformation. That’s why mcaConnect customers rely on us to help them maximize the value of their Microsoft Dynamics AX solutions, build innovative business strategies, and achieve exceptional results.
Find out more

See what mcaConnect can do for your business.

Contact mcaConnect today: solutions@mcaconnect.com or +1-866-622-0669

About the authors
Mike Green is responsible for solution architecture, and business process alignment for ERP clients. Green has over 25 years of experience in manufacturing, MRP, ERP and the Microsoft Dynamics platform. Green has worked with multiple ERP platforms, as well as advanced planning and scheduling, and product configuration technologies over his career, making him an invaluable resource for our clients, and our ERP strategy.

Douglas C. Hatfield specializes in helping companies transform and accelerate their strategic business processes by leveraging technology to achieve corporate goals and objectives. At mcaConnect, he leads the team that envisions client solutions with the ideal combination of strategy, services and software to deliver exceptional business results. Hatfield brings over 25 years of experience in ERP, supply chain planning and execution, and customer relationship management (CRM) solutions.

About mcaConnect LLC
mcaConnect has more than 25 years' experience delivering innovative ERP and CRM solutions built on Microsoft technologies to manufacturing, energy, and distribution companies around the world. We help businesses establish competitive advantage and operational excellence by delivering solutions that combine and align business strategy, process efficiency, technology capability, and performance measurement. mcaConnect is one of the largest Gold Certified Microsoft Dynamics AX and CRM partners in the United States who supports multi-national implementations. mcaConnect holds both the 2014 U.S. Microsoft Dynamics Reseller of the Year and Microsoft Dynamics AX FY14 US Manufacturing Partner of the Year awards. Learn more at: www.mcaconnect.com

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