

Driving Greater Value from Microsoft Dynamics® AX through Transactional Document Automation



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Overcoming ROI Fears about Microsoft Dynamics AX 2009

By Dan Gangai, Director of Product Management, Bottomline Technologies
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Whenever the conversation turns to changing or upgrading ERP systems, the question seemingly on the tip of everyone's tongue has to do with ROI: "How am I going to get a return on my investment and how soon can I expect it?" I think it's safe to say that since its introduction over the summer, Microsoft Dynamics AX 2009 has been well received. But interest and buzz aren't enough to quell those persistent fears that attaining ROI from an ERP system just isn't a reality.

As a provider of document process automation solutions, we've had the opportunity to work with a number of Microsoft Business Solutions Partners in an effort to help their clients extend the value of a Dynamics AX investment. So this month, I thought we'd take a different approach to this column, and share an interview my colleague Jon Rivers recently conducted on the topic of ROI as it relates to AX 2009 with Dave Weiner, Dynamics AX Division President of New York City-based Cole Systems Associates.

Q: Dave, given your experience with Microsoft Dynamics AX, what would you estimate to be the length of time required for an organization to realize a return on their investment?

With the right approach, I believe companies using Microsoft Dynamics AX can attain a return on their investment in 12 months or less. Our organization, for example, has successfully applied a pre- and post-implementation process that enables us to develop and track specific metrics with our customers that we ultimately use to measure ROI.

For instance, at the beginning of the process we work closely with our clients to create a business case around Microsoft Dynamics AX, taking into consideration the client-identified value opportunities (i.e. re-allocation of headcount, improvement of the cash-to-cash cycle, etc.) and comparing those goals to benchmarks we've established with other clients. This type of approach allows us to calculate an anticipated ROI from which we can measure results at the conclusion of the implementation. It also allows stake holders on both sides to fully understand the project's success metrics.

Q: Reducing costs and improving performance continue to be business priorities. For organizations implementing AX 2009, how do you think new features such as Role Centers and the BI framework will impact return on investment?

The beauty of the role-tailored client is that it's available straight out of the box. Plus the use of 32 different 'personas' featured in the Role Centers ensures that everyone within an organization will be able to identify with at least one of the roles from day one. In the past, it would take weeks, and even months in some cases, to build a similar environment in which you could put relevant information at a user's fingertips so quickly.

The workflow component of the Role Centers also has a positive impact on ROI because it helps to bring tasks forward, enabling users to create a work-ready list of activities, for them to better understand what tasks need to be addressed next and which tasks have fallen behind the intended completion date.

Q: How critical is the new role-tailored client in supporting an organization's goal of ensuring that core business units are as productive as possible?

For many organizations today, having the ability to view business-critical information in real-time is a top priority. With the role-tailored client, AX 2009 users are able to make better, more informed decisions because the data most relevant to their roles is at their fingertips. This enables users to become more productive and proactive in their job functions.

Q: What do you think are some best practice approaches businesses should be adopting in order to maximize success with AX?

Implementing an ERP is no small task. It requires expertise and dedicated resources, which is why most companies chose to work with a consulting firm. When it comes to choosing a consulting firm, I can't stress enough the importance of identifying one that can demonstrate their knowledge of not only AX but of the customer's specific industry, and provide multiple reference customers.

I also recommend to our clients that they explore the use of certified third-party products. For all of the business benefits associated with AX, there are functionality gaps where a proven third-party product can help accelerate implementation time, improve existing business processes and reduce risk. A perfect example is using a document process automation solution to enhance reporting.

Typically, improving the look and feel of a document such as an invoice or account statement requires extensive custom programming. But solutions such as Create!form from Bottomline, allow users to bypass that customization, and quickly design and distribute documents through different electronic channels. In some cases, the use of document process automation solutions have shown to reduce forms-related costs by a 2-to-1 margin. It's a win-win for the partner as well because we can focus our resources on more pressing issues associated with the implementation.

Q: Are there other specific benefits of AX 2009 that will be major contributors in generating a return on investment?

In addition to the Role Centers and BI framework, another highlight of AX 2009 is the Compliance Center. Companies that have been through any type of compliance audit can attest to the time and resources required to gather the necessary data. With this feature, users gain the ability to create a full audit trail, which will allow them to more quickly comply with different regulatory mandates, such as Sarbanes-Oxley. Incidentally, compliance is also an area where third-party document process automation solutions can provide additional capabilities. Being able to transition away from paper-based documents opens the door for greater visibility into historical business information.

Achieving a return on investment from an ERP implementation is perhaps one of the most difficult business challenges any IT/IS team faces. But as Dave has outlined, the new features and functionality inherent in Microsoft Dynamics AX 2009 are creating exciting new possibilities. When combined with an experienced consulting firm and third-party solutions that can further extend the Dynamics investment, reaching that ROI summit is getting a whole lot easier.

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Money Talks, So Why Are Your Microsoft Dynamics AX Payment Documents Whispering?

By Dan Gangai, Director of Product Management, Bottomline Technologies

Published: October 19, 2008

Of all the documents your business distributes, whether it's to suppliers, partners, or employees, perhaps none has a higher read-rate than payments. That shouldn't come as a surprise--after all who doesn't like to get paid? But unlike other types of documents (i.e. invoices, monthly statements), which are used to communicate a wide variety of messages and notifications, the information contained within a payment pales in comparison. For many organizations, providing the information relative to the payment - and nothing else - represents a missed opportunity, one that can lead to reducing operational costs and improving sales.

Providing More Than a Dollar Amount

Processing outbound payments has traditionally been viewed as a process with little value-add, and an overhead cost that needs to be minimized. As a result, many organizations have adopted a 'just the facts approach' to payment information, choosing a one-size-fits-all payment details section that accompanies a check or payment voucher. Among businesses' core constituencies, however, there is an opportunity to deliver targeted messages or information to specific recipients. Let's take vendors, customers, partners and employees, for example. For those four audiences, expanding the scope of information included with payments could manifest itself in the following ways:

Vendors:

- A warning message to 1099 vendors that future payments may be delayed if a tax ID is not provided.
- A summary of year-to-date and life-to-date payments made to remind vendors of your business's loyalty, for future negotiation of payment terms.

Customers:

- Highlighting discount offers or an apology letter to a credit/refund, payment to strengthen customer relationships.
- Adding up-sell marketing information for items related to a rebate payment.

Partners/Independent Contractors:

- Informing resellers of special incentive programs that would raise their commission/discount percentage by comparing earning potential to current payment.
- Provide an indication of compliance with contractual sales requirements, along with a measurement of status.

Employees:

- Expense reimbursements listing the associated submitted expense reports, as well as year-to-date totals by expense category, to encourage compliance with company policies.
- Sales commission payments listing orders associated with the commission calculation, as well as quota information for restating the importance of attaining sales goals.

While these are only a few of the many scenarios that can be created, they underscore the potential for cost savings and efficiency gains that can be achieved. In the instance of a 1099 vendor, for instance, a message that results in the vendor proactively providing a valid tax ID would prevent the need for finance department personnel to resolve the issue, saving both time and money.

Using the Right Tools to Create a New Approach

While the native payment processing capabilities of Microsoft Dynamics® AX are adequate for formatting a check or EFT transaction properly, changing the format of the associated payment detail requires more technical knowledge than most report customizations. The check report is unique in AX because the content for the payment detail is generated directly from X++ code, making it more costly to maintain and enhance the report.

At the same time, the way in which Microsoft Dynamics AX approaches check processing utilizes check numbers unnecessarily with voided check numbers whenever the payment detail is continued on additional pages. To resolve these technical challenges and achieve the benefits outlined above, Microsoft Dynamics AX organizations should work through their certified partner to evaluate third-party add-on products such as document process automation solutions, which help facilitate rapid implementation without committing valuable time and resources to customization of the AX code base.

Document process automation solutions possess the capabilities required to pull data from disparate sources as well as the ability to attach related documents to the payment document, which means businesses can quickly and easily add targeted messages to payees. Additionally, most document process automation solutions have advanced repagination logic that allows the pages that contain a tear-off check/payment advice stub to be different from continuation pages. Not only does this prevent voided check numbers but it helps to reduce paper usage and mailing costs.

Payment documents may not seem like an obvious candidate for conveying different messages to core audiences, but with the right solution, and expertise of your Microsoft Dynamics AX partner, it's possible to devise a new approach to document output and reporting that will not only help you reduce costs and increase sales, but improve relationships with customers, vendors and employees as well.

Successfully Navigate the Transactional Document and Reporting Challenges of International Trade Using Microsoft Dynamics AX

By Dan Gangai, Director of Product Management, Bottomline Technologies

Published: August 4, 2008

Last month I described how companies leveraging Microsoft Dynamics AX could increase the benefits associated with their accounts receivable output through different transactional document process automation (DPA) projects.

Given all the ways in which globalization is quickly reshaping long-standing business practices, I thought this would be an ideal time to take a closer look at some of the document and reporting challenges that can be created as a result of international trade. And how, with help from a Microsoft Dynamics AX partner, along with an add-on DPA solution for more sophisticated enhancements, organizations can drive new process efficiency gains to reduce costs and enhance customer services.

Where domestic trade is concerned, the transactional documents most associated with exchanging goods and/or services with a customer include sales confirmation, picking lists, packing slips, bills of lading and invoices. When you throw cross-border trade into the mix -- be it to South America, Europe or Asia Pacific -- that manageable universe of ERP output expands to include import/export documentation, which is always complex.

But that's not all. There can also be a language barrier to consider. Accommodating other languages such as Spanish or French could likely force your business to maintain pre-printed forms in more than one language.

In working with a broad range of Microsoft Dynamics AX users, I've had the opportunity to see different approaches to addressing output inefficiencies for international business up close. One such example involves an organization that had developed a proprietary piece of software for document generation and output, and relied on fax machines for document delivery to customers and suppliers.

While this approach was functional, the less-than-seamless integration between the home-grown application and Microsoft Dynamics AX meant that shipping personnel, for instance, had to manually re-key pertinent data into the proprietary system before creating the necessary export documentation for shipping and customs. With its international business quickly expanding, the manual data exchange between the two systems ultimately proved to be too cumbersome.

With the assistance of a Microsoft Dynamics AX partner, the organization implemented a document process automation solution, which allowed it to streamline the creation of various export-related documents using standardized formats. Not only was the manual re-keying of data eliminated thanks to the seamless integration between Microsoft Dynamics AX and the document output solution, but the ability to create documents 'on the fly' meant that changes to language, for example, could be accomplished quickly and easily.

This example illustrates two important issues; the first is the difficulty inherent in attempting to transform Microsoft Dynamics AX output to suit an organization's business needs for documents and reports without the assistance of a Microsoft Business Solutions Partner; and secondly, the potential for process improvements around transactional documents tied to international commerce to increase overall return on investment.

A typical approach to creating a well-oiled document processing solution is to produce export documentation automatically when packing slips or sales invoices are generated in Microsoft Dynamics AX. Both of these documents contain the key data elements required for export documentation. Data found in the header of these documents, such as 'Ship-To Country' for example, can be used by a DPA solution to automatically generate the appropriate version of a customs form -- in the proper language -- which can then be attached to create a shipping document package that includes all of the documentation necessary to export an order. While this export document package could be printed as a direct result of posting the packing slip or invoice in Microsoft Dynamics AX, users would also have the option to simultaneously email the documentation to the outbound customs broker or perhaps even fax the information to the inbound customs broker.

Conducting business on an international scale is complex and ever changing. And trying to manage the different documents behind the scenes can often compound the situation. But with the right solution and expertise of your Microsoft Dynamics AX partner, it's possible to devise a new approach to document output and reporting that will not only help you reduce costs and improve workflow, but improve relationships with customers and suppliers across the globe.

Use Microsoft Dynamics AX to Speed Collections with More 'Dynamic' AR Statements

By Dan Gangai, Director of Product Management, Bottomline Technologies

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One of the first casualties of the current economic weakness is often Accounts. Collection times have a way of lengthening, as cash conservation becomes an ever-more-important goal for many companies.

This is the time when something we call transactional document automation projects can be extremely important. Through the use of add-on document process automation solutions, it's possible to quickly create document-centric applets without the more costly X++ coding required to make corresponding customizations to Microsoft Dynamics AX.

In this column, I focus on Accounts Receivable (AR) Statements. The ROI that can be achieved by transforming your approach to these statements is quickly realized when Days Sales Outstanding (DSO) is reduced by even a few days. The objective of this process is to encourage customers to pay sooner by tailoring the appearance and delivery of the statement to effectively communicate receivables due and payment expectations. This can be as simple as displaying the appropriate branding so that recipients know where the invoice should be directed for approval or including supporting documentation to avoid unnecessary customer service inquiries.

Maximizing Your Brand Identity

Within Microsoft Dynamics AX, the most commonly used report for customer statements is the "customer external account statement," which is launched from the AR-Reports-External menu item. Quite often the only customization done to this report is to add a company logo. Adding one logo per company account is easily done via the Company Information form under the Basic-Setup menu item. Besides basic branding, other enhancements to consider include:

- Changing branding based on customer type or customer location
- Changing payment reminder messages based on past due status
- Adding attachments to statements (e.g. related invoices, collection notices, newsletters, marketing collateral)
- Using bulk delivery based on recipient's preference

Branding is an important component in making sure statements end up in the correct hands for expedited processing. When your products and/or services are associated with a specific logo or marketing tag line, this can help to provide a visual queue during the statement receipt process and possibly expedite the approval process. Since one company account in Microsoft Dynamics AX may be used to process statements going to different customer types or regions, branding should not be solely based on the selected company account, but rather to suit their diversity.

Providing Customers with Better Information

While Microsoft Dynamics AX offers a robust feature for producing collection notices, users must run a separate report and either manually collate with corresponding statements or produce a separate mailing. By adding a collection message in a prominent place at the top of the statement, you will increase the likelihood that the statement will be acted upon more quickly when received. And with conditional logic, messages can automatically become more demanding as the past due period increases.

Your interaction with customers can be further enhanced by including supporting details with AR statements. While it would be considered impractical to manually filter the invoice journal and print the corresponding invoices for each customer statement, adding the capabilities to print invoices automatically appended to the statements helps make the addition of supporting detail a reality. The benefit? By providing clients with more detailed information about services rendered, payment terms, etc., you can reduce the number of incoming calls from clients with standard questions about their statement.

Catering to Customer Preferences

Preferences for receiving information inevitably vary from one business to the next. The ability to send statements individually via e-mail and fax to multiple recipients per company, especially when there are a large number of attachments, improves the effectiveness of the collections process. While Microsoft Dynamics AX has a great standard print management function for specifying the delivery preferences of customers, the statement report is produced as a single report even when running a batch of statements for multiple customer accounts. This means that statements have to be run one customer at a time in order to be delivered electronically, thereby creating a lengthy and inefficient process. Automating this process to introduce the ability to distribute documents via email, fax, etc., does take a more sophisticated level of customization, but the reduced manual effort needed to ensure customers receive their AR statements according to their business preference makes the investment worthwhile.

For many organizations looking to improve their Dynamics AX output, the cost and level of effort required to implement the necessary application changes can be intimidating. But by focusing on specific documents with the help of your Microsoft Business Partner and the use of a certified document process automation solution, your business can quickly transform its transactional documents and enhance its collection activities.



Bottomline Technologies provides collaborative payment, invoice and document automation solutions to corporations, financial institutions and banks around the world. The company's solutions are used to streamline, automate and manage processes involving payments, global cash management, transactional documents and invoice approval. Organizations trust these solutions to meet their needs for cost reduction, competitive differentiation and optimization of working capital. Headquartered in the United States, Bottomline also maintains offices in Europe and Asia-Pacific.

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