THE VALUE OF MICROSOFT DYNAMICS NAV
FOR MANUFACTURERS

Microsoft Dynamics NAV helps mid-sized manufacturers increase visibility and productivity, driving higher margins, increased profitability, and, ultimately, business growth.

Microsoft Dynamics NAV is business management application for mid-sized businesses that support financial management, supply chain management, manufacturing, business intelligence, project management, human resource management, and service management. Key manufacturing capabilities within the application include order promising, exceptions handling, supply planning, demand forecasting, capacity requirements planning, and warehouse and inventory management. Microsoft Dynamics NAV delivers additional incremental usability and integration capabilities include:

- Personalized role centers for 21 key job functions.
- New business intelligence and analytics capabilities.
- Web Services to enable partners and customers to integrate Microsoft Dynamics NAV with other applications.

In ERP deployments including Microsoft Dynamics NAV, it is found that integration and flexibility enable Microsoft Dynamics NAV customers to rapidly deploy the solution and achieve ROI from increased visibility across the business, increased productivity and reduced costs.

THE CHALLENGE

Visibility is a key challenge for many businesses today, and in the midmarket, **many manufacturers who haven't invested in an integrated ERP application find themselves with limited access to the information they need to make good business decisions**. Different employees need access to different data to do their jobs, and without a centralized source of information they often have to juggle between applications, develop and manually generate reports, or rely on IT to deliver the information they need. **While traditional ERP systems have been too expensive and risky to deploy for small and mid-size manufacturers,** Microsoft Dynamics NAV was designed to be quick to deploy, easy to customize, and flexible to change over time as business needs change. Additionally, integration of Microsoft Dynamics NAV with Microsoft Office Excel and Windows Office SharePoint Server makes it easy for users to access and share the information they need without manual workarounds.

Once they can access the information and collaborate around it, users can spend less time gathering and analyzing data and more time making decisions that positively impact the business.

KEY BENEFITS

Many companies deploying Microsoft Dynamics NAV find the application helps them to grow their business by driving improved visibility and agility, increased user productivity, improved customer relationship management, improved inventory management, and reduced IT costs.

Improves visibility and agility

Having a central source of data, enabling users to have their own role-based views of information, and providing access to real-time data and user-friendly analytical and reporting tools gives manufacturers deploying Microsoft Dynamics NAV greater visibility into their business and greater ability to make informed decisions. In fact, it is found that greater visibility and access to information for decision making was a key motivator for many Microsoft Dynamics NAV purchasers. This greater visibility and agility generally results in two key return areas:

- Increased staff productivity related to reporting. Staff spends less time searching for, compiling, and analyzing data and information and can focus on growing the business.
- Direct cost savings. With greater visibility into spending across the supply chain, manufacturers can identify where they can eliminate or reduce costs. For some Microsoft Dynamics NAV customers, this meant reduction in freight and shipping costs; for others, more than a five percent reduction in overall cost of goods manufactured was realized.

A reduction in freight and shipping costs was a common benefit Microsoft Dynamics NAV customers achieved through greater visibility into order and shipping cycles.

Greater agility was another often-cited benefit of Microsoft Dynamics NAV users, who found that greater visibility and the ability to analyze information in the system enabled them to make better, faster decisions about products, processes, and partners. This can be particularly important for manufacturers that must show their ability to manage product recalls: one user, for example, reduced recall time from 48 hours to five minutes.

Increases productivity
Increased visibility goes hand in hand with increasing productivity, as users spend less time seeking and analyzing data and less time manually entering and reconciling data into different systems. In addition, Microsoft has invested to make Microsoft Dynamics NAV easier and more intuitive to use with role-based views, role-tailored home pages, and connection with the Microsoft Office system and Microsoft Office SharePoint Server, driving greater productivity.

Manufacturers moving from disparate systems can expect to increase Microsoft Dynamics NAV user productivity by up to 20 percent.

A common source of information reduces the amount of time spent manually rekeying or verifying information between systems:
- One manufacturer moving from accounting system software to Microsoft Dynamics NAV found, "*It saves us across all our different departments 10 to 20 hours per week. We're saving as much as a week per month over what we would be doing if we didn't have it.*"
- Another said, *"We didn't really have a lot of data before. It would be all hand compiled reports and some pivot tables for reporting that had to be aggregated so there wasn't much detail. Microsoft Dynamics NAV allows us to capture data in a very granular and detailed way.*"
- Another said, "*When we started with Microsoft Dynamics NAV we were fewer than Rs.200 Crore [in revenues] and we're in the Rs.400 Crore range now and we haven't increased our staff. We could double and still keep administrative staff flat.*"

In some cases, Microsoft Dynamics NAV customers were able to grow revenues by more than double without a corresponding increase in administrative staff.

Improves customer relationship management

Microsoft Dynamics NAV enables manufacturers to make processes more flexible and agile so they can rapidly respond to new initiatives and customer requests. Greater visibility into operations enables manufacturers to increase the accuracy of promised orders, quickly respond to customer questions

about order status and delivery, and handle changes and exceptions. Companies typically find they can increase both sales and customer service productivity with Microsoft Dynamics NAV:

- "*In customer service alone, our order volume has grown from 75 a day to around 120 on average and we've only added one person [to a staff of five] to support that additional volume.*"
- "*Before, orders were entered manually. That could take a week and a half. Now point of sales is tied into ERP so there's no need for human intervention.*"

Improves inventory management

Greater visibility across warehousing and manufacturing, supply planning capabilities, and up-to-date inventory information enables Microsoft Dynamics NAV users to reduce their inventory while maintaining or even improving the ability to deliver to customers. This often results in a combination of reduced shrinkage as well as reduced cost of goods sold:

- "*We used to do inventory count once a year, and now we do several counts daily.*"
- "*Our bills of materials (BOMs) are all online and available to our operators, and if an error is found in a BOM, it can be fixed very quickly. There's not a lot of paper shuffling back and forth. We were tracking a 5 percent per year reduction in our cost of goods sold and we've done that.*"

Reduces IT cost

Many manufacturers adopting Microsoft Dynamics NAV are moving from a combination of point solutions, manual processes, and spreadsheets. They are often able to take advantage of the integrated and flexible nature of Microsoft Dynamics NAV to reduce IT costs in two key areas:

- Connection with the Microsoft Office system, CRM, and other systems reduces the time needed to support the manual re-entry of data into systems.
- Companies moving from another application were able to re-deploy hardware, eliminate license maintenance fees, and re-devote IT support resources to other projects.

Companies also find the robust reporting capabilities and intuitive nature of the application enables IT to spend less time building reports and training users.

CONCLUSION

In an economic environment where many small and mid-sized enterprises are struggling, Manufacturing companies found many Microsoft Dynamics NAV customers were able to support significant growth by streamlining order entry and customer management; reducing the manual data entry burden for IT, finance, and accounting; and automating other processes that used to require significant staff time. Beyond automation of basic tasks, Microsoft Dynamics NAV also enables customers to have greater visibility into inventory and the supply chain, to improve customer service and quote accuracy while accelerating transactions. Manufacturers without a centralized ERP application that deploy Microsoft Dynamics NAV are likely to rapidly achieve a positive ROI from productivity and cost savings alone. Properly deployed, Microsoft Dynamics NAV can deliver payback in fewer than 12 months.