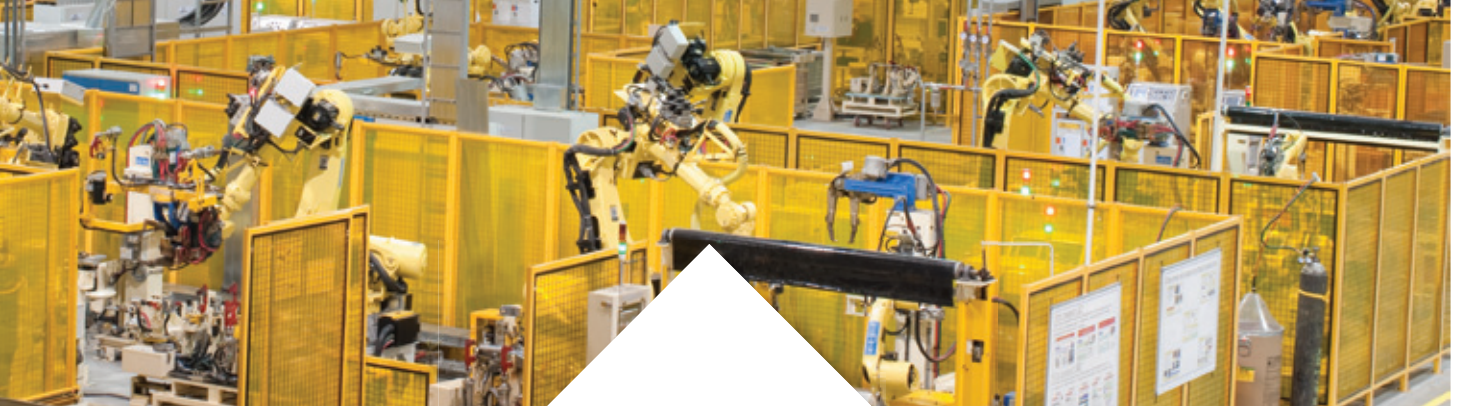


# ELIMINATING RISKS FOR MANUFACTURING COMPANIES IMPLEMENTING MICROSOFT DYNAMICS AX



**Columbus** *Manufacturing*<sup>®</sup>  
Once you *know* how...



## AVOID ERP IMPLEMENTATION FAILURE

Why and when do manufacturing companies adopt new ERP systems? In our experience, not all of them always take the time to consider all the goals and reasons for this effort. Many of them move forward when decision-makers feel that the urgency to do so is critical. Until that time, IT and business groups make the best of the technology resources that are already present as long as they can, patching and customizing software tools as long as they can. Legacy systems in place for many years may no longer be performing well and might not integrate with other technologies, but they are likely well-known and often passively supported through an organizational preference for the status quo.

Technology managers and users easily fall into the habit of creating work-arounds, accepting a certain level of inefficiency, and overlooking the cumulative effect that the limited productivity of people and business activities can have. It often takes increasing customer dissatisfaction, dramatic process failures, or quickly mounting costs before an organization decides to commit the resources to review vendors and their solutions. Thus, when the time comes to implement the new ERP solution, many stakeholders feel that the company is already way behind: The deployment should have happened a long time ago. The emphasis falls on implementing the technology quickly, fitting current practices to it, and rolling it out to users as soon as possible.

### About *ColumbusManufacturing*

*ColumbusManufacturing* is widely recognized worldwide as a leading software solution that meets the specific needs of manufacturing and distribution companies. Built on Microsoft Dynamics AX and designed for affordability, flexibility and outstanding user experience, it meets specific manufacturing requirements and scales and upgrades with minimal customizations. Optimizing production, managing product complexity and meeting customer requirements are just some of the benefits touted by *ColumbusManufacturing* clients.



*“Companies can make immediate and sustained improvements in organizational effectiveness by leveraging their business processes to bridge the gap between strategy and execution.”*



This common approach to implementing ERP is very risky. If a company does not consider ERP strategically and with clearly defined goals, the effort and expenses incurred in selecting, purchasing, and deploying an ERP system may be in an inverse ratio to the resulting benefits. The ERP investment is not closely connected to the organization's direction, and the new ERP system becomes a wrapper around business activities that are largely unchanged. If processes were disparate and inefficient before, they will continue that way with the new technology.

## NOBODY BENEFITS FROM RUSHED, PURELY TACTICAL ERP PROJECTS

For many manufacturers, a lack of a clear ERP strategy combined with haste often means that not all business stakeholders receive due consideration. In addition, many companies tend to cut corners when it is time to familiarize employees with the new software tools, even when they have performed an otherwise sound implementation. These two factors combine to ill effect. Employees gain a new set of tools that may not be easier to work with than what they are used to, only different. Especially workers outside of the back office—for example, sales, manufacturing, or distribution—may avoid adopting the new Microsoft Dynamics AX system and continue much as they have done in the past. Without proving to business stakeholders and technology users that their needs have been met in the new solution, and without providing relevant, practical training, user acceptance may never get beyond a low threshold. Poor user adoption, on the other hand, can have a snowball effect, prompting more people to disregard the new software tools.

It is not unusual that ERP projects not driven by a well-articulated strategy never quite reach completion, and that companies do not experience a worthwhile return on their large investment. A year or more into the process, the IT group and technology providers may still be pursuing the implementation, introducing customizations, and tweaking capabilities. Eventually, new owners or a change in leadership may prompt a change in direction, mandate a new technology, or drop the entire effort. Companies may even start over with another ERP provider without taking the time to define their strategy.

## Five High-Risk Practices in ERP Deployments...

- ✓ ERP not considered strategically
- ✓ Focus on technology features instead of business requirements
- ✓ No complete understanding of business processes
- ✓ Rush to results, with the most desirable outcome perceived as rapid roll-out to users
- ✓ Shortcuts in training and user familiarization

### ...and their Likely Outcomes

- ✓ Limited or late return on high investment
- ✓ Solution does not fit business model and processes
- ✓ Instead of workflow and process optimization, company activities are basically unchanged
- ✓ Poor user comfort and low satisfaction, erodes user adoption, among business stakeholders
- ✓ Deployment may take longer, consume more resources, or never complete

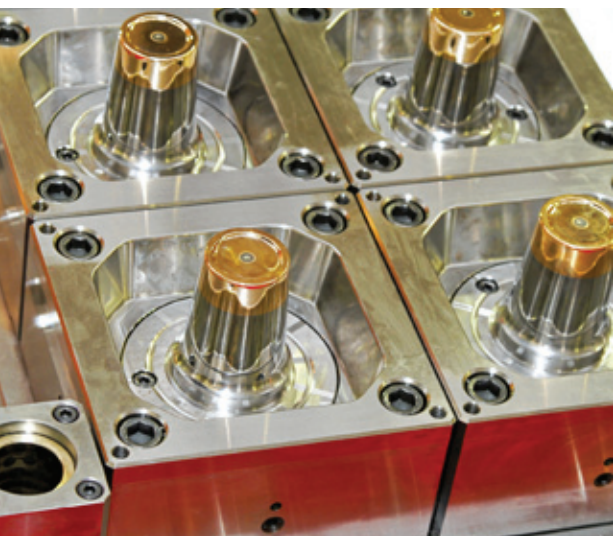


**///** *BPM considers business processes as strategic assets of an organization, therefore they have to be documented, understood, and managed."*

Too many times, technology consultants and implementers looking for fast results push companies along an unproductive path, focusing mainly on technologies and software capabilities, with surprisingly limited appreciation of the manufacturing environment, business models, and processes. In new implementations as well as in Microsoft Dynamics AX upgrades, companies and their technology providers often are tempted to settle for what they think of as the easiest achievable outcome. Often, that means the promise of Microsoft Dynamics AX never translates into business advantages and implementations fail. Even from an IT perspective, when the ERP strategy is not well stated and understood, critical integrations and data migrations may not always happen or, if they do, they may be more complex and error-plagued than they should be.

## WITH BPM EVERY ACTIVITY BECOMES STRATEGIC

The key is in setting the right priorities and in properly aligning your business goals, processes, resources, and technology systems. That means business process management (BPM) takes a central role in your Microsoft Dynamics AX project. BPM can help you minimize the risk of Microsoft Dynamics AX manufacturing implementations by avoiding the traps we mentioned. What's more, it can simplify and accelerate your deployment. In the enterprise realm, BPM has been a business management discipline for many years. Often associated with academic research and such disciplines as lean or Six Sigma, all BPM approaches have in common that they consider business processes as strategic assets of an organization. Therefore, processes have to be documented, understood, and managed. Manufacturing companies can make immediate and sustained improvements in organizational effectiveness by leveraging their business processes to bridge the gap between strategy and execution.





*“ Columbus clearly knew manufacturing well and very quickly understood our business. Our data is far more accurate, our processes more efficient.”*

A Columbus customer

The BPM tool used by Columbus consultants, Columbus RapidValue for Manufacturing, is designed to restore the focus on the strategic advantage of Microsoft Dynamics AX implementations. Understanding and documenting companies' business processes and identifying ways to make them better are critical early steps in your ERP project. Incorporating business goals and processes into Microsoft Dynamics AX, value driven BPM can show its value as soon as a new implementation or major upgrade of Microsoft Dynamics AX begins.

Business and ERP experts have sometimes asserted that an organization needs to have achieved a certain stage of maturity before it embraces BPM. That has often been interpreted to imply a certain age or size. However, we find that startups as well as long-established companies can benefit from BPM. What matters most is the willingness of the business stakeholders to analyze a company's business processes, identify opportunities for improvement, and realize them practically through the effective use of technology.

## CENTRALIZED KNOWLEDGE MANAGEMENT

Throughout an implementation project, RapidValue for Manufacturing serves as a centralized knowledge and content management resource for all stakeholders. Process flowcharts, role definitions, project milestones, success criteria, schedules, and all other information can be readily available within the tool. The tool becomes a reference for a company's optimized processes as well as for Microsoft Dynamics AX. As a consequence, when Microsoft Dynamics AX users need training or new employees have to become familiar with tasks they need to perform and processes they are involved in, RapidValue for Manufacturing makes it easy to create, publish, and localize the Microsoft Dynamics AX help and process guidance that help people work productively.





## STANDARDIZED, PROVEN PROCESSES AND SOLID SOLUTION MODELING

Too often, as-is overrules what could be when companies reduce the effectiveness of Microsoft Dynamics AX by insisting on re-creating their processes in the system instead of acting on opportunities to make them simpler or more productive. While every company is unique, as much as 80 to 85 percent of the processes that occur in a manufacturer are much like the same processes in similar companies. A unique process may not necessarily add value to a company's operations and customers. Standardizing on the most efficient processes known can make business activities faster and less resource-intensive, and will also help simplify your Microsoft Dynamics AX project. If your technology consultants understand your industry and business model, they can help you implement these processes in your Microsoft Dynamics AX system with ease and focus on managing the non-standard exceptions. Columbus RapidValue already contains hundreds of proven process models across the manufacturing industry. As you implement them in Microsoft Dynamics AX, your deployment becomes more robust and more likely to produce the results you look for, and, for the IT team, the solution is easier and less costly to manage and evolve as the business grows and changes.



**///** *Columbus has great industry and business experience and I am happy to recommend them to manufacturing organizations."*

A Columbus customer

## How Value-Driven BPM Helps Manufacturing Companies Mitigate Risk

The benefits include:

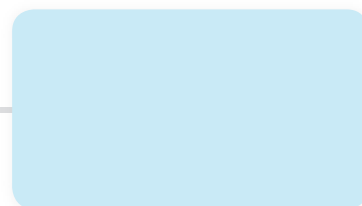
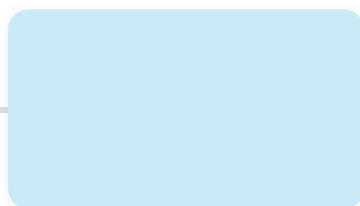
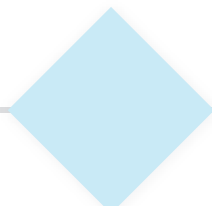
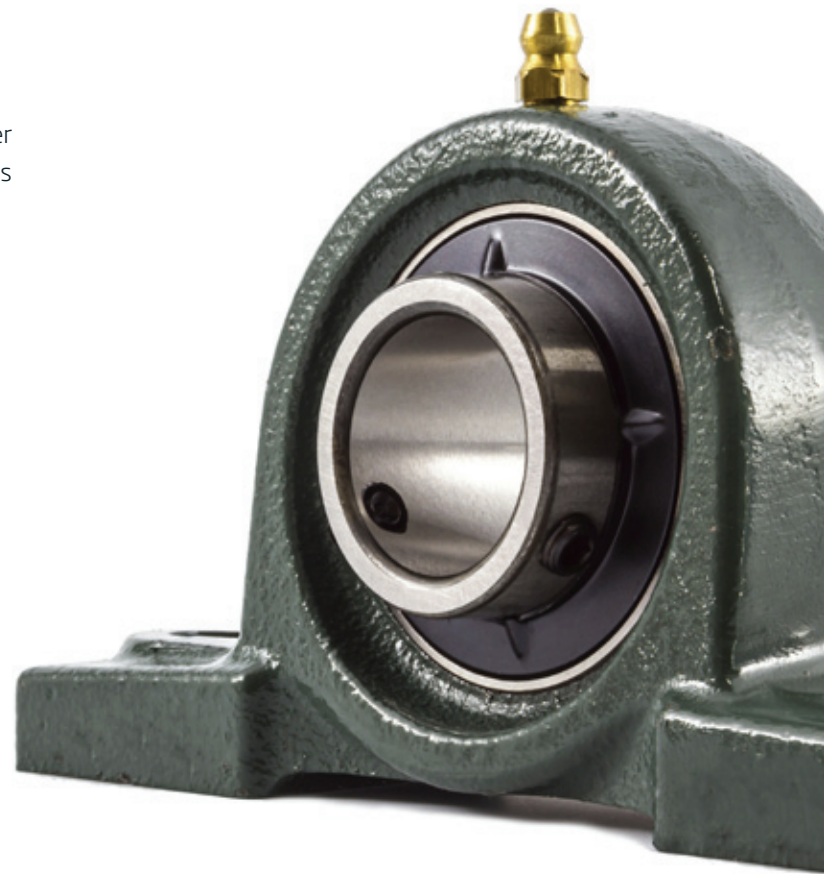
- ✓ Strategic approach syncs company strategy, processes, and technology systems from the beginning of a project
- ✓ Proven, standardized process and practices streamline ERP deployment
- ✓ Process modeling and analysis with fit and gap documentation translate directly into the solution
- ✓ Stakeholders have a tool to collaborate and ensure their needs are met, and can refer to the same, centralized process and solution content
- ✓ Clearly defined milestones, schedules, and success criteria keep the project on track
- ✓ Contextual, role-specific help and process guidance eases user familiarization with ERP and promotes wide adoption of the technology



RapidValue for Manufacturing allows you to maintain consistency throughout the Microsoft Dynamics AX implementation or upgrade. Your consultants collaborate with you to model your processes and build your Microsoft Dynamics AX system within the BPM tool, analyze any gaps in solution functionality, and verify the solution's fit with your processes and objectives. The well-tested model you develop early on can drive the deployment through its milestones to completion and sign-off. The BPM approach is holistic, and your initial strategic and process analysis references the needs of all Microsoft Dynamics AX users, key business roles, and business groups. This also means BPM powered by RapidValue for Manufacturing effectively helps people and teams transcend organizational silos and connect to move the organization forward. As your project proceeds, stakeholders can easily verify that the model and the resulting deployment meet their needs. As a consequence, user adoption is faster and higher than in conventional ERP implementations that are not as inclusive of actual user and business requirements.

*“The way Columbus used RapidValue, they could draw on proven processes they had already modeled within the tool, and were able to also contribute their business and technology insight and understanding of our industry.”*

A Columbus customer



## WANT TO KNOW MORE?

For more information about Columbus, visit [www.columbusglobal.com/manufacturing](http://www.columbusglobal.com/manufacturing)

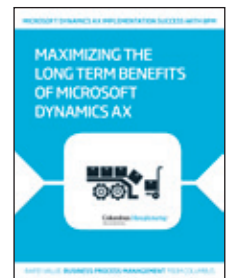
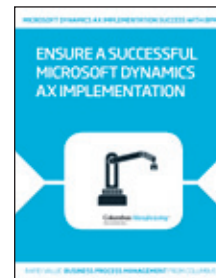
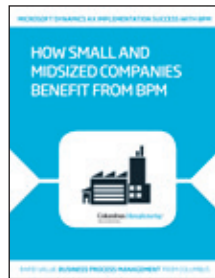
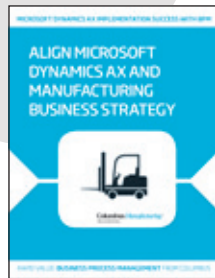
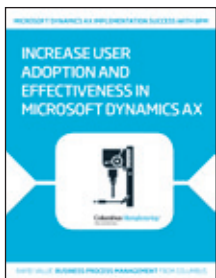
## NEXT STEPS

As companies newly implement or upgrade their solution, they can take advantage of value-driven BPM and Columbus RapidValue to transform business processes for greater productivity and ensure success by fully aligning their strategy, processes, resources, and technology systems. A Microsoft Dynamics AX deployment is a major milestone in the life of an organization. When done well, it can position a company for long-term viability, increased competitiveness, and sustained growth. More powerful and productive than any other approach, value-driven BPM helps you realize high-value, low-risk Microsoft Dynamics AX deployments or upgrades.



To view a fourteen minute RapidValue demo, go to: [www.columbusglobal.com/rvdemo](http://www.columbusglobal.com/rvdemo) or visit [www.columbusglobal.com](http://www.columbusglobal.com) to find out more about RapidValue for Manufacturing.

## The Microsoft Dynamics AX implementation success with BPM series also includes:



**Thanks to our contributing authors:** John Robinson, Norman Carmichael, John Petersen, Bjørn Pedersen and Petur Snaeland

### ABOUT COLUMBUS

Columbus is an industry-based consultancy and award-winning technology developer focused on the manufacturing, food processing, and retail industries. We are the preferred consultancy for ambitious companies wanting to streamline business processes, improve operational efficiencies, reduce costs, and improve visibility into their businesses.

Our approach to solving our clients' issues can best be described as proactive. We challenge our clients' traditional ways of thinking, help them see new opportunities for improvements, and take responsibility to drive change in their organizations. We've delivered these business benefits for over 25 years to many of the leading companies worldwide.

'Columbus' is a part of the registered trademark 'Columbus IT'



**Columbus**<sup>®</sup>