

AX7 in only 10 weeks

Microsoft Dynamics AX

Microsoft Dynamics AX7 in only 10 weeks

Microsoft solutions are popular in Denmark, and the use of Microsoft Dynamics AX (Operations in Dynamics 365) is widespread among Fortune 500 companies. On a Nordic level, we can also witness a widespread use of Microsoft's ERP solutions.

Most of the solutions are based on the companies' own IT-infrastructure. This is because they can maintain and run a locally installed solution and therefore live up to the motto "we need to be able to do a lot of it ourselves."

Now, with Microsoft having released its Cloud-based version of AX; "The New Microsoft Dynamics AX" (more popularly known as AX7, and from 1st of November 2016: Dynamics 365 for Operations), companies must begin to think differently in relation to the procuring and implementation of a new ERP-platform on this basis.

Most companies follow the traditional approach to getting a new ERP-system. They are typically assisted by external consultants who swear by the importance of knowing requirements and processes, carefully selecting a platform and finding a partner to implement it.

The traditional approach also includes the methods for operation, maintenance and customisation/new features.

The big question is, however, if you should follow the traditional approach when you are to build a business infrastructure that can run and develop the company where it is required to be agile and adaptable, and where the demands for effective processes are ever-growing.





How can you think outside the box?

Most decision makers in companies are familiar with the concept "Pay-as-you-go" from Apple iTunes, and they have no problem with using their credit card and acquiring an app which makes their daily lives more efficient. The same decision makers might have a basic idea of what they could need an app for, and they accept what the app can and cannot do. In return, they expect an on-going development of new features, and they replace the app with another if it no longer meets their needs.

However, when it comes to a company's ERP-system, it is a different story.

Microsoft's new cloud-based AX challenges many of the traditional IT organisations that are based on locally installed solutions with one large annual update or release. The features which are missing in the standard package are often built into the platform based on what tools are available. The same companies are sitting on solutions customised for the requirements

of the past, but which find it difficult to keep pace with the constant innovation we see in the market today. Thus, the companies miss out on the opportunity to take advantage of the kind of development that Microsoft provides across its platforms, where new features are continually released 6-12 times per year.

One of our clients in Norway was faced with a challenge: The company's senior management had made the decision to start a new business concept in order to test it on the market. The requirements were quite simple - to be able to buy and manage inventory and sell it through a POS-system and to be able to receive payments and pay suppliers.

The company had the choice of going with the traditional approach and expanding its current Dynamics AX 2009 platform to meet the requirements of the new business concept. This would mean, however, that the company would quickly find itself having to deal with existing processes that were designed for another kind of business.

As one of the IT department employees put it: "I've been here for so long that I no longer know what is standard AX 2009 and what is our own customisations." Many IT specialists presumably have the same problem, and will sometimes have to say no to the company's requested changes, because it would mean fundamental alterations to the IT infrastructure which has been created over a long period of time.

Instead, the company chose an approach where they set a deadline for when the new concept would go live. The processes were based on what a standard cloud-based Microsoft Dynamics AX could provide for an integrated retail solution, covering everything from purchasing, supply chain management, marketing and financial reporting.

What challenges did we face?

When a supplier of IT solutions is faced with such a task, it is important that targets and expectations are agreed upon beforehand. It is also important that, as a customer, one is aiming to ensure that the core processes are supported and not burdened by unnecessary complexity.

Microsoft's cloud-based solution is different in a number of technical areas, but the major difference is that Microsoft owns the operations part of the product platform and that configuration and installation is delivered through data packages to the production environment.

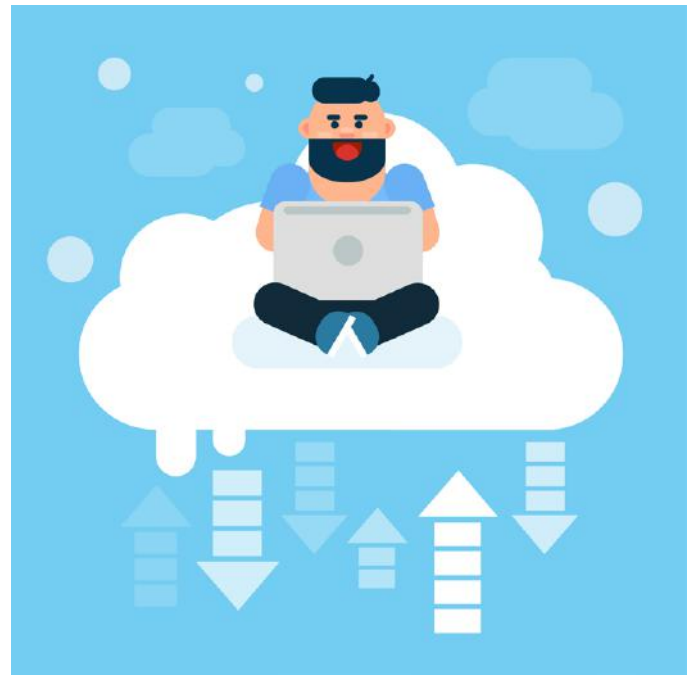
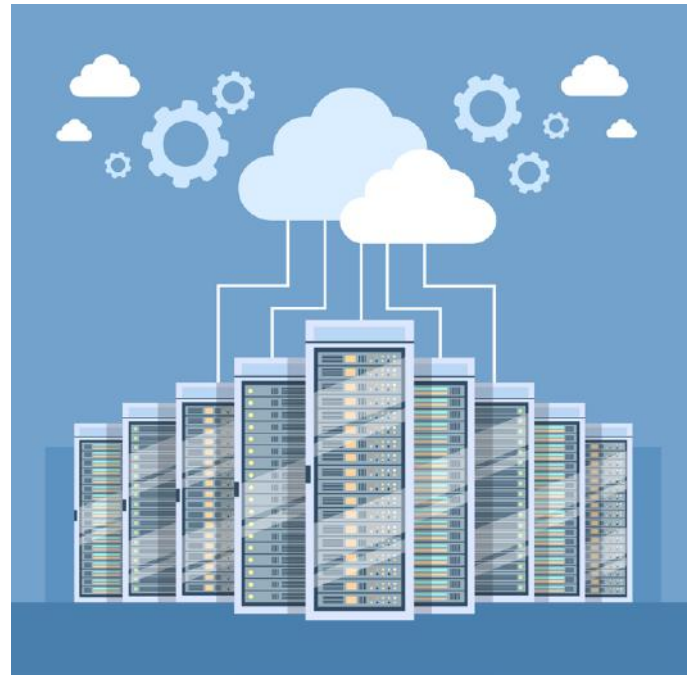
Also, as you do not have access to the SQL-database in Azure or access rights to code small scripts that correct faulty data in the system, you need to plan and not at least test the processes and configurations thoroughly, before data is deployed to the production environment.

It is therefore important to test the deployment processes of the data multiple times and to make sure that the test cases clearly reveal that the solution is working as intended. The lack of access to the SQL-database on the supplier and client side prevents using a simple "backup and restore" between the environments. It therefore must be part of the planning process that such operations are now done through opening a support ticket with Microsoft. Depending on what kind of service level agreement the company has with Microsoft, the backup will be completed within 48 hours or less.

How does Microsoft Cloud affect the IT-organisation?

One of the primary pillars of Microsoft's cloud-based solution and Microsoft's strategy of 'cloud first' across platforms is to ensure an agile environment for the customers, particularly when it comes to new functions and opportunities being more frequently released.

The standard solution offers a lot more today than it used to, and the things which are missing are presumably going to be provided within 3-6 months,



as Microsoft continues releasing new features for the platform. This forces companies to think more in terms of solution governance and support and release management, rather than having the internal IT capacity to customise the ERP-platform.

Whereas previously the IT organisation had to make sure that the ERP-platform was stable, that backups were taken and that the infrastructure worked, now it is more a matter of making sure that one has effective ITIL and support ticket processes.

Known bugs and defects in the standard product must now to a much greater extent be reported to Microsoft; this ensures that errors are solved by the supplier of the product and not, as it is now, where many issues are solved by the IT department and thereby potentially bypassing the opportunity to get a fix from Microsoft installed.



How does Microsoft Cloud impact the business?

Integrated IT is becoming increasingly important for the ability of companies to run an efficient business with LEAN processes. The process owners must to a far greater extent come up with more effective processes using IT, but they are continually provided with information and inspiration for new approaches concurrently with new features being added to the platform.

What might be a burdensome process right now is perhaps solved in a new release 2 months down the road when the "monthly update" on the AX is released from Microsoft. Release-planning of new features and opportunities therefore become an important part of the process owners' work.



Microsoft Dynamics AX7



How did we achieve our goal?

Implementing a new system in 10 weeks is an accomplishment in itself, but it also requires that – as a company – one has the necessary capacity to drive the process forwards, and not least, be ready to accept change.

In the case at hand, the company had the courage to test a new business concept in interior design and housing accessories. The concept was closely related to the existing business model selling furniture, but was markedly different in that one was not dealing with private customer orders, but instead a more traditional cash and carry model.

The implementation itself was kept to a small team consisting of consultants from AlfaPeople who were specialists in retail and standard AX, in addition to a small team from the client's side with IT architects and infrastructure specialists.

A large part of the effort involved getting a firm grip on the master data, where we had to ensure that we built a structure which solved the immediate requirements, but at the same time, did not limit the opportunity to move the rest of the business over to the new platform.

In the end, it was all about including only the necessary features and finding workarounds for the problems which presented themselves during the course of the project.

One of our key objectives was to carry out the implementation without any adaptations to the system at all, but instead focus on integration and data migrations.

This objective proved itself to be an important factor in reaching our goal. We avoided adding unnecessary complexity during the test and deployment phase during implementation, as this could have contributed to the project not being completed on schedule.

What did we gain from it?

It has definitely been an advantage being able to test the new solution in a small scale setup where we have been through the core processes driving the company. It has also been an advantage that we could carry out this implementation in a standard setup. This again proves what the standard solution is capable of if you are willing to adapt to the specifications. Furthermore, it has made the dialogue with Microsoft Support easier when dealing with the software issues we have had to overcome, since we have not made any customisations that had to be explained to the support staff.

We have certainly gained valuable insights into Microsoft Lifecycle Services, which is the key player in the deployment of solutions and hotfixes for the product. There is no doubt that in the long run, Microsoft is on to something here which compels customers to think in terms of standard solutions and processes. We have been surprised, however, at how much you must consider during the planning stage when you are not directly responsible for the production environments. It adds a bit to the project time estimates, so it is critical that you plan the testing rounds carefully and reserves capacity with Microsoft ahead of time. When doing that, however, everything seems to work just fine.



GLOBAL OFFICES

AlfaPeople - Headquarters

Teglholm Allé 13
2450 København SV.

Denmark

Phone: +45 70 20 27 40
Email: info@alfapeople.com

AlfaPeople United Kingdom

Century House
100 Oxford Street
W1D 1LL, **London**

United Kingdom
Phone: +44 2072 551 228

AlfaPeople Brazil

Av. Maria Coelho Aguiar, 215
Jd. São Luiz - **São Paulo**/SP
CEP: 05805-000

Phone: +55 (11) 3741-5181
Email: info.br@alfapeople.com

AlfaPeople Germany

Elsbach Haus, Goebenstraße 3-7
32052 **Herford**

Phone: +49 5221 28440-0
Fax +49 5221 28440-44
Email: info.de@alfapeople.com

AlfaPeople Switzerland

Hohenbühlstrasse 2
8152 **Glattbrugg**

Phone: +41 43 355 30 60
Fax: +41 43 355 30 61
Email: info.ch@alfapeople.com

AlfaPeople US

Chrysler Building
405 Lexington Avenue, 26th Floor
NY 10174

Phone: +1 (917) 368-8088
info.us@alfapeople.com

AlfaPeople Chile

Avda. Nueva de Lyon 072
Oficina 801, Piso 8
Providencia, **Santiago**

Phone: +56 (2) 2 751 90 00
Mobile: +56 9 75296062

AlfaPeople Colombia

Ave Cra 9 # 123-86
Edificio Uraki - Ofi 401

Bogotá
Phone: +571 6054222
Fax: + 571 2082198
Email: info.co@alfapeople.com

AlfaPeople Mexico

Baja California # 245 Piso 8
Colonia Hipódromo.
Condesa C.P. 06170

México, D.F.
Phone: +55 5265 6030 Ext.878
Email: info.mx@alfapeople.com

AlfaPeople Costa Rica

Calle 36. Av 4 y 6.
Edificio Don Bosco. Tercer Piso

San Jose
Phone: +506 2233 7000
Fax +506 2233 3238

AlfaPeople Guatemala

5ta Avenida 4-55 Zona 14
Edificio Europlaza Torre 1, 2do
Nivel, Oficina 208/209

Phone: +502 2386 9981
Fax: +502 2386 8800
Email: info.gt@alfapeople.com

AlfaPeople China

Four Seasons Square, Building 2
No. 503 NingGuo Road,

Shanghai
200090
Phone: +966 2 6929450

AlfaPeople India - Gurgaon

Landmark Tower, 4th Floor,
Plot No. 2, Ashok Marg,
C - Block, South City - I

Gurgaon - 122001
Phone: +919811089731
Email: info.in@alfapeople.com

AlfaPeople India - Bangalore

#26/1, 1st floor,
Regus gem business centre,
Ibis hotel, Bommanahalli,
Hosur road, **Bangalore** - 560068

Phone: +918040980841
Email: info.in@alfapeople.com

AlfaPeople Saudi Arabia

King Road Tower (1106)
King Abdulaziz Road - **Jeddah**
PO Box 11787, Jeddah 21463

Phone: +966 2 6929450
Fax: +966 2 6068744
Email: info.me@alfapeople.com

AlfaPeople United Arab Emirates

Sidra Tower (1503)
Sheikh Zayed Road
PO Box 9588, **Dubai**

Phone: +971 4 5585066
Fax: +971444405988
Email: info.me@alfapeople.com