

# Microsoft Dynamics AX

## Customer Solution Case Study



### Overview

**Country or Region:** South Africa

**Industry:** Distribution – Steel Products

#### Customer Profile

BSI Steel limited is an AltX listed South African based organization, with strong ties to the South African markets. Its primary product range is made up of mild (carbon) steel in all its different forms. The company's strength lies in its diverse product range, as well as its differing trading styles.

#### Business Situation

BSI steel has implemented AX 2009 but since the implementation it was struggling with Inventory costing. Specific areas which required fixation were Purchase Price Variance (PPV), Transfer order miscellaneous charges, Weighted average model, ware house and removal of existing proprietary inventory solutions.

#### Solution

Working with MazikGlobal, BSI was able to optimize their inventory system by fixing the existing customizations made by the implementation partner, implemented the inventory costing system, simplifying and automating their purchasing and warehouse structure.

#### Benefits

- ❖ Simplified inventory costing – No more inventory ledger adjustments
- ❖ Reduced warehouse count - From three to two figures
- ❖ Ease in administrative tasks – Workflows for invoice, advance handling for miscellaneous charges
- ❖ Increased system performance

Mazik Global helped out Steel Distribution Industry in Advanced Inventory Management, Warehouse Operations and system optimization

“It’s been great working with Mazik on this project, we now feel we are getting some value out of AX, issues are being dealt with finally”.

*Andrew Wood, Group IT Manager , BSI Steel –South Africa.*

BSI Steel is an AltX listed South African based organization, with operations spread across all African countries with strong market ties. After having implemented Dynamics AX 2009 and other proprietary solutions, the organisation was facing issues related to customizations around inventory costing area. The company was looking for an AX partner who can help them resolve their existing issues.

Mazik Global, a Microsoft Gold Certified Partner and technologically adept in AX solutions, was approached by BSI Steel in late January 2011 and was asked to provide help in the following areas:

- Propose and develop Inventory Solution
- Restructure and Implement Warehouse Solution
- Remove existing 3<sup>rd</sup> party Inventory Solution from production environment
- Fix existing customizations in the supply chain area
- Develop miscellaneous customizations around purchasing and inventory areas

Within a short span of around 2 months period, Mazik helped BSI resolve their issues by delivering required solutions, which are going live during the 3<sup>rd</sup> week of April 2011. The solution was designed and implemented by Mazik ensuring reduced upgrade cost, increased system stability with better performance and providing a secured application with long term usability,

“BSI is impressed by the level of detail that Mazik drills down to in order to offer a complete and sustainable solution”

*Bronwyn, Supply Chain Manager, BSI Steel*

## Situation

BSI requested MazikGlobal to help them stabilize their AX system by removing existing 3<sup>rd</sup> party Inventory solutions, review and fix other existing customizations, proposed and developed alternative solutions for Inventory Costing problems, provide expert opinion and implement the new warehouse and purchasing structure. With 3<sup>rd</sup> party customization. It was becoming extremely difficult for BSI to keep track of stock costing variations and adjustments that AX was generating, BSI wanted to get rid of these adjustments and inventory closing to simplify the costing process with running average in place as the preferred inventory costing model.

The customizations rolled out to production at BSI using some 3<sup>rd</sup> party inventory solutions were reaching the low bar in quality with thousands of best practices warnings and several compilation errors. The overall system performance was quite low because of poor database indexing and improper cache settings, business logic was written on forms with no framework standards, use of non-optimized SQL statements and not leveraging benefits of existing frameworks and functionalities etc. All of these were creating unnecessary delays in daily data entry tasks, data retrievals, and generating reports.

With their current warehousing model, BSI was using large number of warehouses. With transit warehouses, the number was approaching almost double and was reaching to more than 200 virtual warehouses. It was becoming quite difficult for the sales group to easily find numbers for on-hand inventory residing in a specific warehouse which was leading to wrong commitments with the customers for certain stocks. This was creating a chaos in overall organization operations with increase in frustration levels, poor quality of service and ultimately bringing down the overall customer confidence in BSI.

BSI also wanted to have some enhancements in their existing purchasing and stock transfer processes. For purchase and transfer orders, miscellaneous expenses were required to be invoiced separately for third party vendors along with updated invoice and transfer order overview reports. Approval workflow for vendor invoices was required to get more internal control on invoicing. In order to avoid their staff which were sending multiple copies of vendor invoices and stock transfer orders to customers and warehouses. BSI asked MazikGlobal to provide a complete functionality with specific reports.

## Solution

MazikGlobal did a comprehensive analysis for existing customized solutions residing on BUS layer in their production environment. The analysis was done at the very application object level to make sure that removing the 3<sup>rd</sup> party customization object will not break the existing functionality and at the same time the proposed costing solution works well with the overall system. The costing system proposed and developed by MazikGlobal removed the need of generating adjustments and inventory closing and gave BSI a better and simplified solution that is easy to understand, configure and maintain. Now BSI does not need to do inventory closing as the system always keeps the current cost for stock, where financial issues are the same as financial receipts.

With the competency in Dynamics AX development, MazikGlobal was able to fix these errors with best practice deviations in due time. Using standard tools for performance analysis, coding analysis and expertise in application development, MazikGlobal was able deliver the fixed customizations without breaking any existing functionality.

“We found Mazik different from other software vendors; They are easy to communicate due to great business understanding and excellent Dynamics AX knowledge. In fact Mazik saved our failed implementation.”

*Andrew Wood, Group IT Manager, BSI Steel*

“Our goal from the very beginning was to provide a solution that would help BSI manage accurate Inventory, reduce upgrade cost, and increase system reliability and performance. We are very happy to see that BSI is completely satisfied with the solution that we have implemented and is now able to focus on their core business.”

*Sid Siddiqui, President, MazikGlobal*

Warehouse restructuring solution proposed by MazikGlobal helped BSI simplify their warehouse structure by removing the need of unnecessary virtual warehouses. The new solution development by MazikGlobal for on-hand inventory inquiry with multiple inventory breakdown views helped the BSI sales team make firm commitments with customers. The users can have more drilled down view of on-hand inventory with existing inquiry that they never able to do with their old customization.

Having years of experience in core Dynamics AX application and technologically adept in AX development, MazikGlobal managed leverage the benefits of standard application functionality, frameworks, coding patterns and best practices to design and develop the proposed solution for BSI Steel. This project helped in adding value to BSI business and increased their confidence on product capabilities and the entire solution.

## Benefits

### [Simplified inventory costing – No more inventory ledger adjustments](#)

BSI Steel relies heavily on physical costing of the items and before the financial costs are updated with AP Invoices, their products are normally sold and therefore, they required a solution that would ensure the physical costing of the items is carried forward to the financial costing and all the differences are charged to expense account. In addition to the differences in item unit prices, Misc. charges also play role in the difference between physical and financial amount of an item. Customizations by MazikGlobal ensured that all these requirements are taken care of in accordance with the international accounting standards. This customization also helped them reduce the need to perform inventory closing (leading to retrospective transaction adjustments) since all the costing would be based on real-time running average.

### [Reduced warehouse count - From three to two figures](#)

Multiple business units operate under the umbrella of BSI Steel and the identification of responsibility of on-hand inventory in the warehouses is as important as the bifurcation of individual business unit sales. In order to accomplish this, BSI earlier had been using a combination of virtual sites and warehouses to ensure inventory is maintained for each business unit. With the increasing number of transactions and the required number of inventory transfers between virtual sites and warehouses, the solution reduced the process productivity. The new solution proposed and developed by MazikGlobal was more focused on use of locations rather than sites and warehouses, leading to drastic decrease in the number of warehouses thus, increasing operational efficiencies and lower administrative tasks to maintain the on-hand inventory.

### [Ease in administrative tasks – Workflows for invoice, advance handling for miscellaneous charges](#)

A number of customizations have been performed by Mazik including enabling of workflows on invoices and development of automated invoicing of third party misc. charges (for freight and transportation) from Transfer Orders and Purchase Orders. The solutions have been designed to make administrative tasks easier, curtail paper work, enhance internal control and avoid duplication of efforts.

### [Increased system performance](#)

Well written, documented code considering all the best practices, design standards and coding patterns and guidelines led to more secure and optimized code that is easy to maintain and upgrade.

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## About Microsoft Dynamics

Microsoft Dynamics is a line of integrated adaptable business management solutions that enables you and your people to make the business decisions with greater confidence. Microsoft Dynamics works like familiar Microsoft Software such as Microsoft Office, which means less of a learning curve for your people, so they can get up and running quickly and focus on what is most important. And because it is from Microsoft, its easily works with the systems that your company already has implemented. By automating and streamlining financial, customer relationship and supply chain processes, Microsoft Dynamics brings together people, processes, and technologies, increasing the productivity and effectiveness of your business, and helping you drive business success.

For more information about Microsoft Dynamics, go to [www.microsoft.com/dynamics](http://www.microsoft.com/dynamics)

## About Mazik Global

Founded in 1994, MazikGlobal has over 15 years of product development experience. A key contributor in Microsoft Dynamics AX public sector project and worked on 148 different features in the Microsoft Dynamics AX 6. Headquartered in Chicago, we are globally located in 6 different locations including, Asia, Middle East, Europe and North America. A trusted business partner to many of the world's leading technology, media, manufacturing, financial services and public sector organizations.

Our long term goal is to ensure that we continue to establish ourselves as a key Microsoft development partner. As Microsoft Dynamics AX 6 gets ready to hit the road, our team of over 200+ employees across 4 regions will be very focused in developing, implementing and supporting this product around the world. Besides Microsoft Dynamics AX development, we are also specialized in SharePoint development, Silverlight, .NET Enterprise development, Database development/Management, Project Management, Reporting solutions, and Vendor Management.

For More Information about MazikGlobal, got to [www.mazikglobal.com](http://www.mazikglobal.com)

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