



Microsoft Dynamics® AX 2012 Powerfully Simple

Manufacturing & Distribution

Nick Meredith – Microsoft Dynamics UK Sales Lead

Our Agenda

Manufacturing & Distribution Industry Outlook
Nick Hussey – Chairman, The Manufacturer Magazine

Fairfax Meadow
Tony Carlisle, IT Manager

JJ Food Service
Rif Kiamil, CIO

Q&A

Chief Wine Officer



IT and Manufacturing

Nick Hussey

Chairman

The Manufacturer



Summary

1. Who we are and what we do
2. Our analysis of key issue and trends
3. Role and position of IT within manufacturing
4. Why this is so important
5. The future



Who we are



The Manufacturer magazine

www.themanufacturer.com

The Lean Management Journal



Who we are

25 events per year including:

- The 12th Annual Manufacturer of the Year Awards
- 3rd Annual Manufacturing Directors Conference
- 3rd Annual Lean Manufacturing Conference
- Research Reports
- Site visits, Lean, OEE and Visualisation master-classes and many more

THE MANUFACTURER OF THE YEAR AWARDS 2010
a night to remember

The annual event brought the best firms in the industry into one place, and what a celebration that was. Roberto Pichola reports.

HOSTS Lightly dressed an evening so packed with their guests that they have to set their heads themselves in the corridor. This event Sa/ve Media staff had on their minds on November 18th at the Manufacturer of the Year Awards ceremony at the Chelsea Grand in Chelsea.

The gala event was a sell-out, with over 600 people, mostly manufacturers, attending the dinner. Both top and small firms were rewarded, many of whom were debut entries. Winners ranged from big companies like Corrosion Control, part of the largest wire company in the world, Worcester-based Joy Mining and Machine Types UK, to successful Sheffield-based Sals Cripps and Day/Herbert.

Castle Precision Engineering was crowned the Manufacturer of the Year. The family-owned Glasgow precision engineering firm, which was established in 1981 by Joe Telfer, best of strong competition by other category winners such as consumer electronics engineering company Ricoh, and third-placed cleaning product manufacturer Robert Muhl.

The Manufacturer of the Year Award was judged by Joe Greenwell, chairman of Ford of Britain, and Alan Cook, chairman of engineering group Alstom, and was also sponsored by Royal Bank of Scotland for the fourth consecutive year.

Castle Precision Engineering also collected the award for the Kingston Smith-sponsored Best Small and Medium-Sized Enterprise Owner and CEO of Castle Precision Manufacturing. Roberto said: "We were absolutely delighted to win both the SME and Manufacturer of the Year Awards 2010. These awards are the culmination of many years of effort and recognise the excellence we aspire to. It is a great honour to win these highly prestigious awards, and this year we won in the face of intense competition from some of the best companies in the UK. "We have been judged to be the very best manufacturer in the whole of the UK. We must thank our customers for the valuable contribution they have made to our achievement as a manufacturer. Their assistance, commitment and partnership have been instrumental in our success. This is a tremendous achievement for Castle and our major tribute to each and every person working here."

In previous years, the judging was made on paper, while this year a judging day was introduced, during which 100 manufacturers presented their entries. These categories were so closely controlled that some of the winners were highly commended awards. Case New Holland UK of Dudley was only just topped by Joy Mining Machinery in the World's Best Manufacturing category and the UK division of Swedish machine tooling group Eldec was unlikely not to have escaped the Supply Chain & Logistics award, although Kent-based Shepherd Neame was overall a worthy winner of the category.

Shepherd Neame's production and distribution director, Tom Falcon, said: "We are extremely proud to have won the award - it means a big difference to a company of our size and history and it provides Shepherd Neame with the recognition I feel it deserves. To improve the supply chain and improve our customer service we have had to make very significant changes at Shepherd Neame."

Joy Mining Machinery's operations manager, Paul Dutton, commented on the award: "This very prestigious award is a great endorsement of the significant effort and progress made to date at the Joy facility in Worcester. As a team, we are taking the company forward and we will do all the way through. We need to use this in the challenges we have to face going forward and use it as a competitor's reality check on our Operational Excellence program. We also acknowledge the support and leadership given by the Joy Estates board and corporate leaders in the UK."

Other winners included Wilbury Holdings Home (Chairman's Award), Michon Types UK (Manufacturing in Action Award), Lorraine Financial Management Award and Permatrust (IT in Manufacturing Award).

Lord Digby Jones of Stratford-upon-Avon delivered a look-out speech, giving thanks to the importance of manufacturing in the UK to an appreciative audience with characteristic wit, intelligence and a soft common man's touch. Drawing several rounds of applause for emphasising the importance of business as the sole real wealth generator and originator of all tax revenues, he honoured the packed houses with panoramic addresses on subjects from Winston Churchill to the Aztec Mayan.

He made a plea that it was time for industry to stop beating the drums to work together, to reach the progress that UK economy relied on growing both manufacturing and the financial sector in parallel, without mutual assistance, adding that there is evidence that access to finance for companies is improving.

Lord Jones is chairman of the International Chamber of Commerce (ICC), and he is going to be Jaguar Land Rover and background as director-general of the 2010 G20 program in his view that it was time to buy the battle with the financial sector.

Receiving his most emphatic message to the end, Lord Jones thanked the UK public for which many believe needs urgent action, and focused on basic education deficiencies as a barrier to global competitiveness.

He warned of squaring the gifts of a good education, saying: "In the UK, we are entitled by law to 11 years of free compulsory and free education, but a lot is going to be missed. If manufacturing is going to bring it's going to happen off the back of constantly improving our basic knowledge and what we do and then selling it as a premium price around the world. So we won't do that. That's the only way to get a grade 'C' or above in English or maths."

Science and manufacturing are the last three not commonly associated, but when the band struck tonight's guests demonstrated clearly that the science by no means led to a silver lining. There was even a couple of minutes of the more romantic variety at least that's what we had which had one or two of us here in the UK and a little comedy. Beyond the ceremony itself, the whole evening was great entertainment.

Alison, part of the Wilbury Holdings Home party, was apparently in a hurry for the 2010 London Olympic, being a long long trip out of the conference centre down and nearly halfway to the Manufacturer's editor. No harm done April 18.

The Manufacturer of the Year Awards

28 www.themanufacturer.com 29

ERP Connect

6 months work in one day!

Case studies
Thought leadership
Implementation strategies
Expert analysis
Debate and discussion
and
Vendor meetings



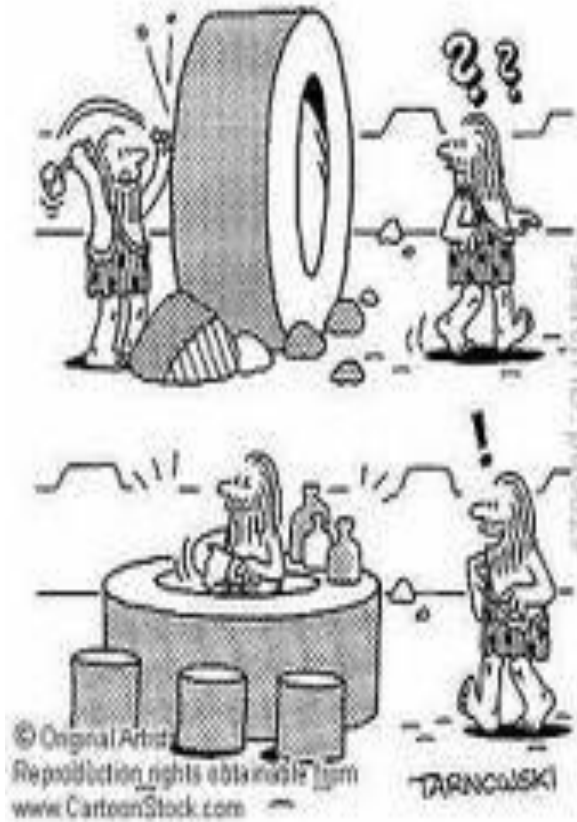
Key Issues

- Skills
- Availability of capital
- Primary inputs –energy and raw materials
- Sustainability
- Supply chain

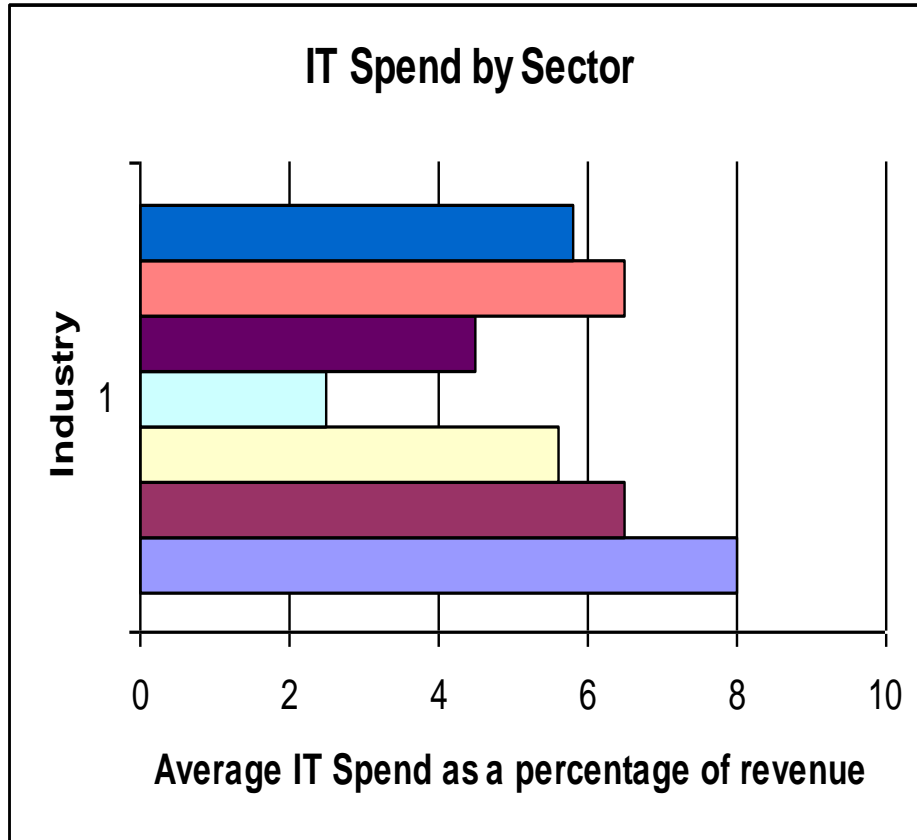
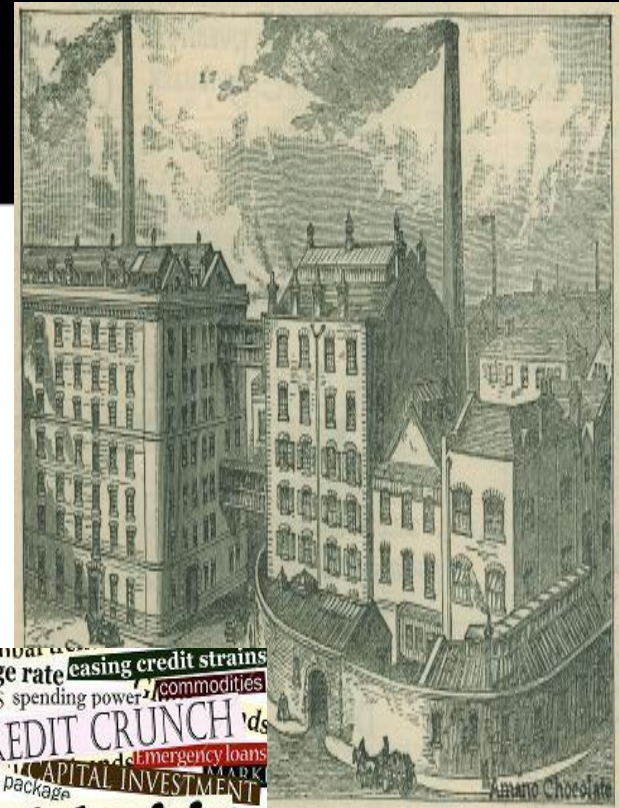


Key drivers of success

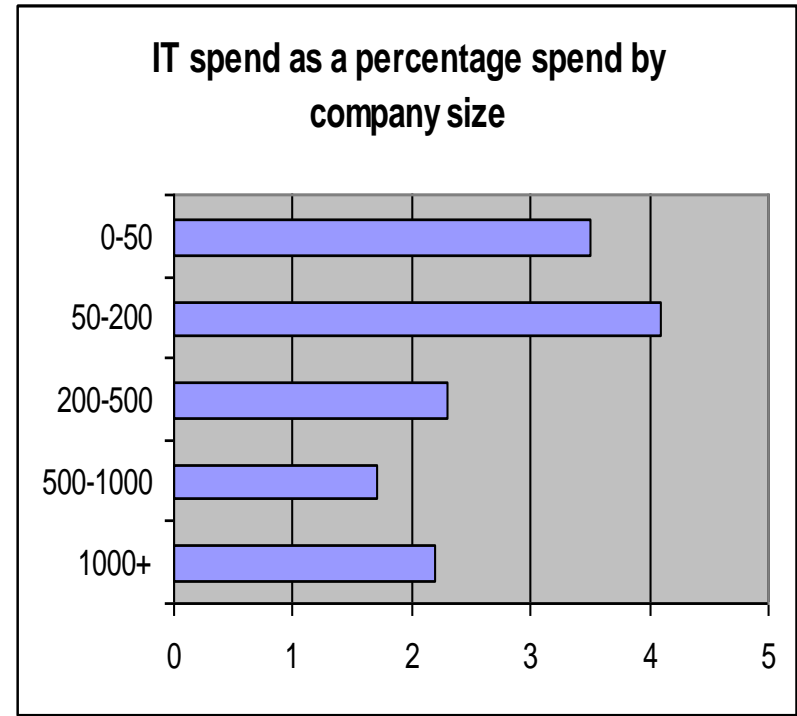
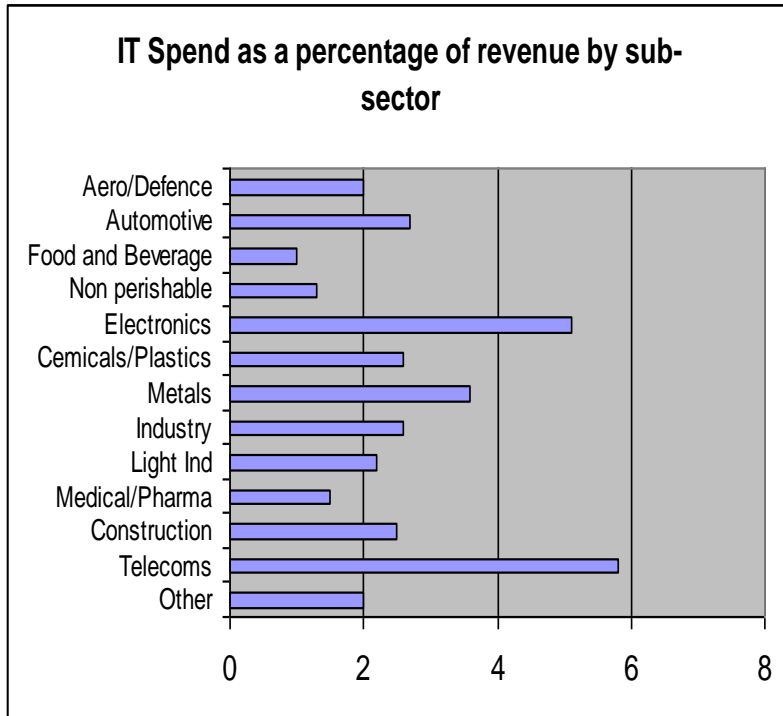
- Innovation
- Lean -process and operational improvement
- Technology, automation and equipment
- Brand, marketing and positioning
- Pro-activity



IT in Manufacturing

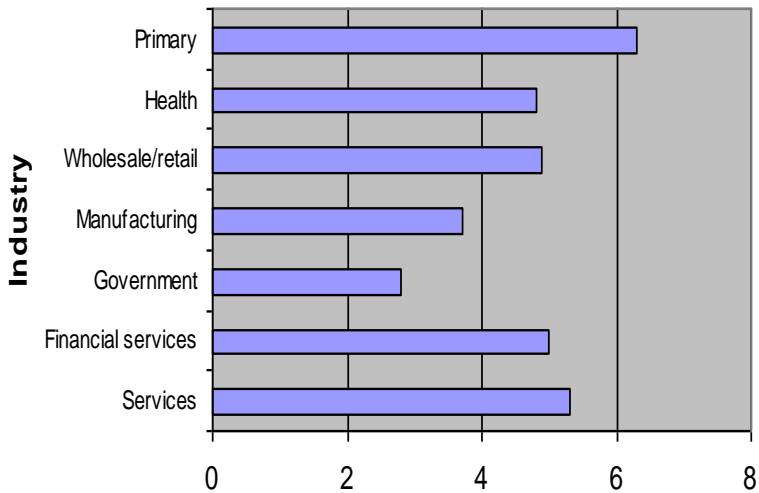


IT in Manufacturing

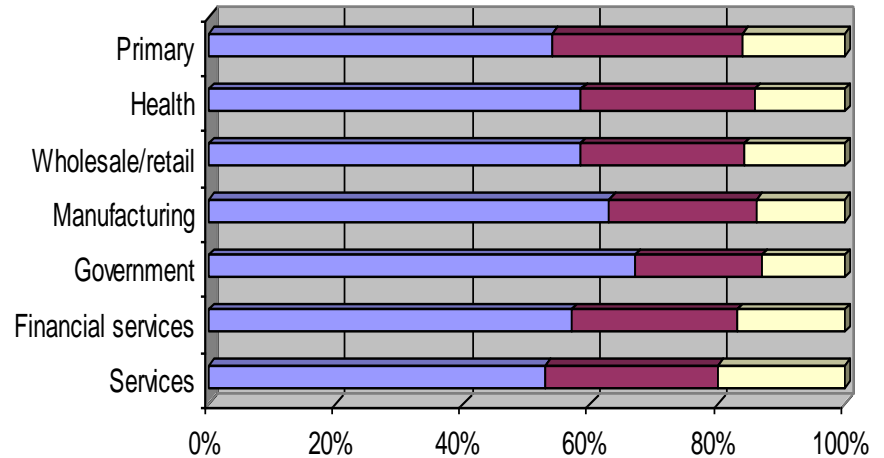


IT in Manufacturing

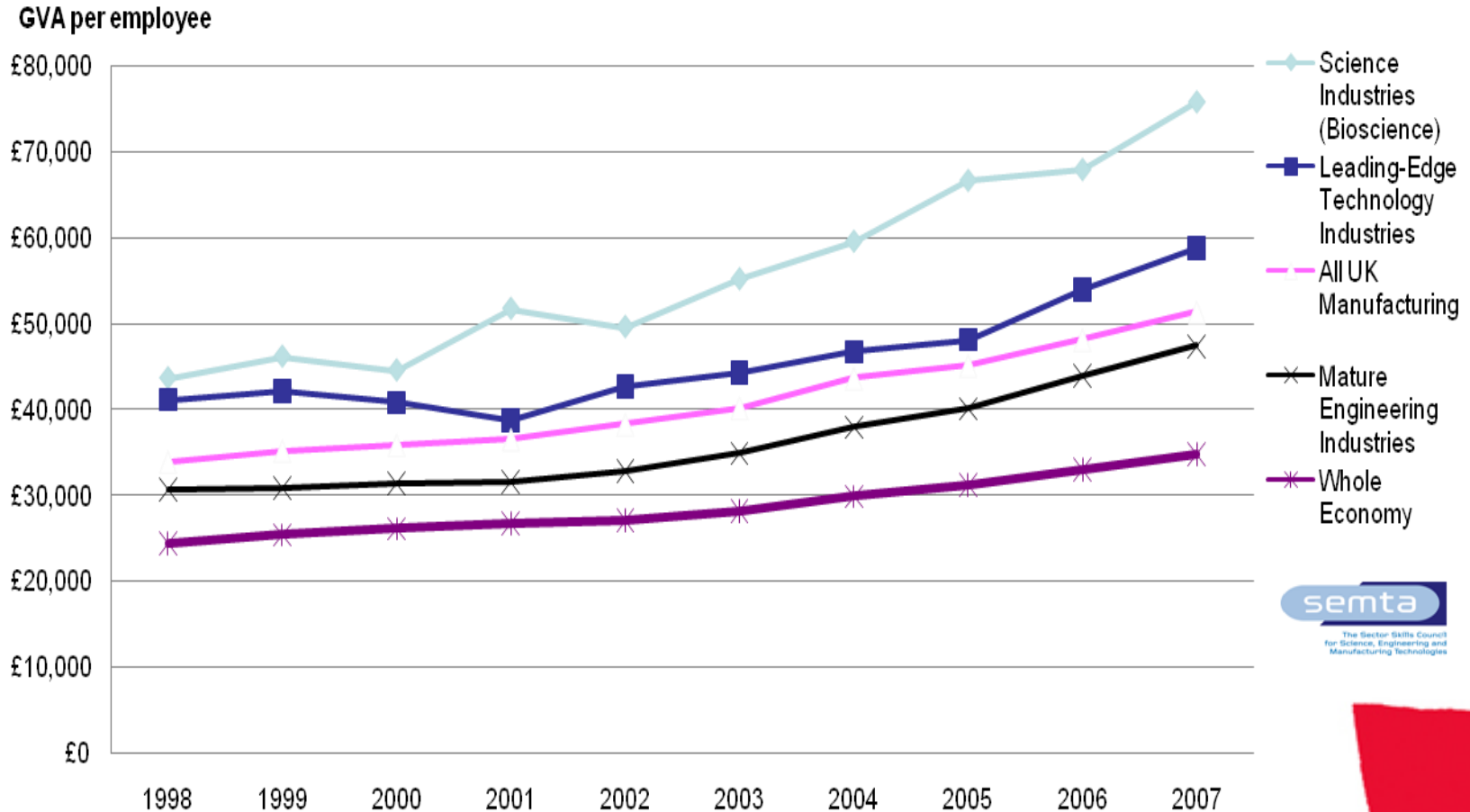
Average percentage estimated increase in IT Spending



How is the money spent



Raw productivity of the three industry groups



The Future

The Manufacturer IT Directors Club

- On-line and off-line networking
- Peer to peer assistance, guidance and mentoring
- Events – conferences, regional dinners, benchmarking tours, workshops and masterclasses

A vehicle to drive IT investment onto the agenda of every board meeting in UK manufacturing



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The Manufacturer

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Microsoft Dynamics® AX 2012 Powerfully Simple

Tony Carlisle

IT Manager, Fairfax Meadow



fairfaxmeadow
putting great meat on the menu

Web: www.fairfaxmeadow.co.uk



Agenda

Agenda:

- Background
- Choosing ERP
- Why Dynamics AX
- Benefits to Fairfax
- Why AX 2012 for Fairfax
- Q&A



- Fairfax Meadow is the UK's largest specialist catering butcher, starting out 36 years ago as a high street butchers shop

- A privately owned concern, part of Argent Group Europe Ltd; which comprises of various food companies including Pouparts, Tendercut Meats and New Zealand Light Leathers

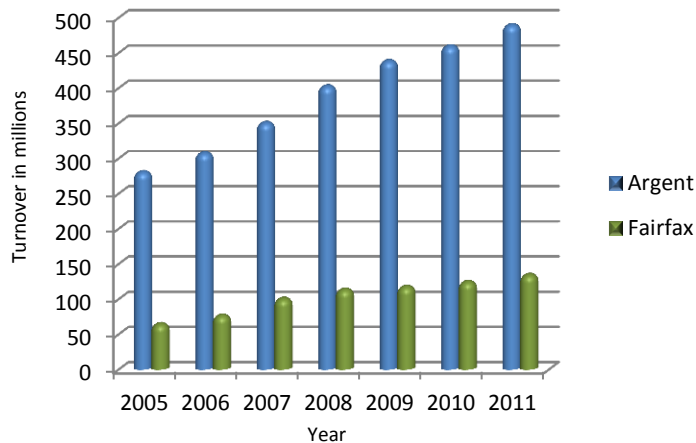
- Sourcing excellent quality products both locally and globally

- Operate three production facilities employing 450 people

- Combine the best of modern technology with traditional butchery skills

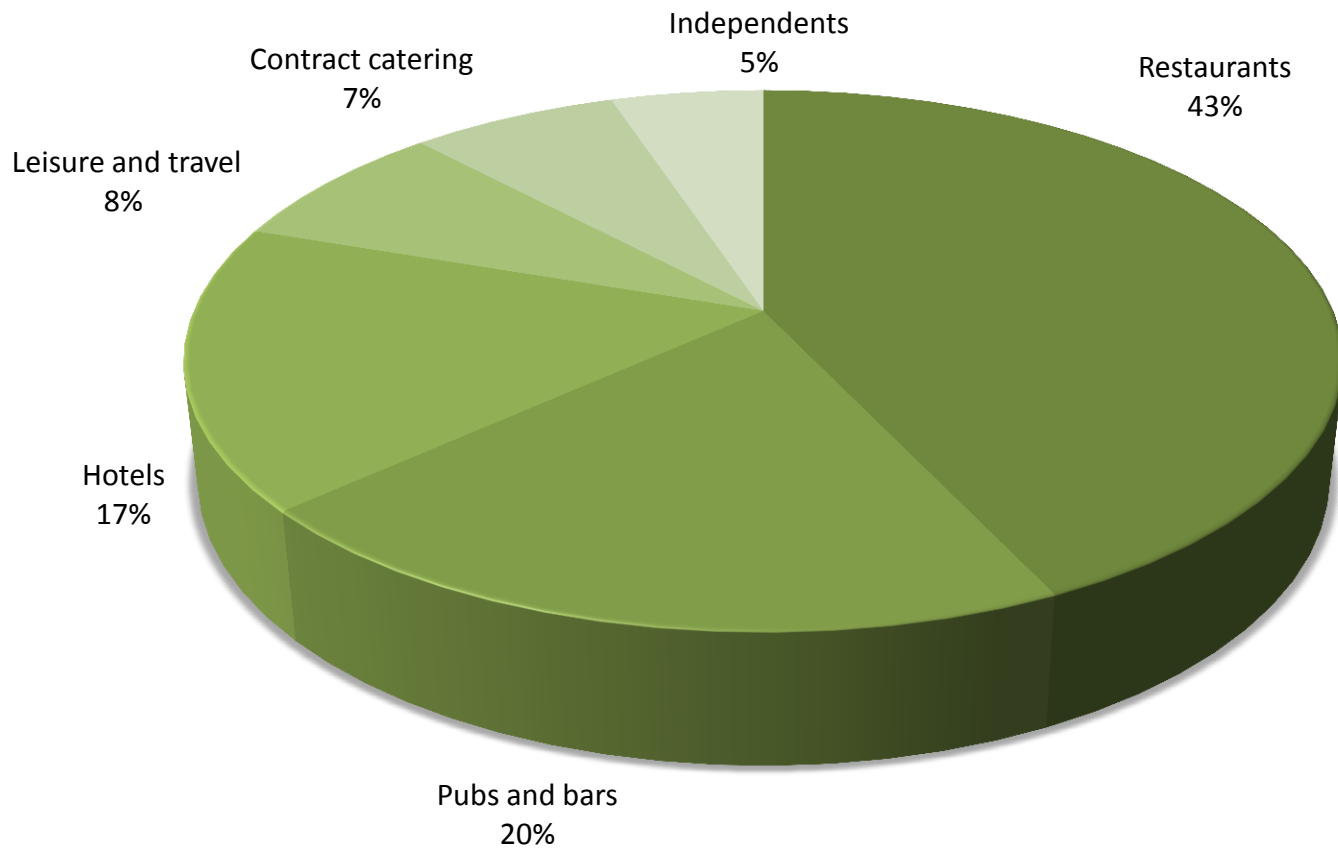
- Offer the full range of meat species including cooked meat and delicatessen products; manufacturing burgers and sausages; and a Halal butchery

- Customer orders day one for day two delivery



Company





Our customer base covers all aspects of food service from contract and outside catering, through to hotels and restaurants including 18 Michelin starred restaurants.

Customers

fairfaxmeadow
putting great meat on the menu

Transport Statistics 2010

-Fleet consists of 80 dual temperature vehicles

- 500,000 deliveries

- Carrying over 26 million kilos of meat

- 4.5 million miles using 1.3million litres of fuel

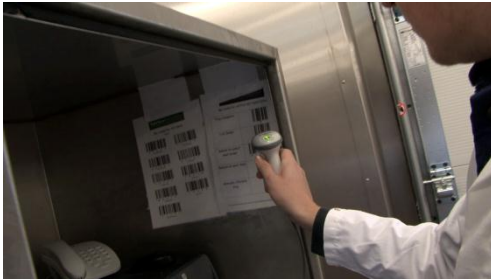
- Operating on a hub and spoke satellite system from our production plants and three additional satellite distribution centres covering England, Wales & Scotland



Deliveries

fairfaxmeadow
putting great meat on the menu

Choosing ERP



- Aging bespoke system from niche supplier
- Increasing system demands from growing business
- Further investment or implement new?
- Niche or Global system?
- Aim for minimal development of core system
- Final choice between SAP and Microsoft

Why Microsoft Dynamics AX

Key Areas of Solution Criteria

- Catch Weight – being able to process transaction in unrelated dual units of measure
- Production Orders
 - Multiple co & by-products
- Telesales
 - Call Lists; Customer Templates; Pricing
- Bar Code Scanning
- General Ledger
 - Fully linked into Stock Movements
 - Budgeting; Forecasting; Reporting
- Reporting Services & Analysis Services
- System Performance



Why Microsoft Dynamics AX



The ERP solution is Fit for Purpose

Does the Solution have a solid Roadmap ?

Flexibility of the Solution to evolve with Fairfax

Cost & Upgrading ?

Compatibility & Innovation

Office

Exchange

SQL Reporting & Analysis Services

Sharepoint

Do Fairfax have a choice after the decision ?

Suitable Partner with

track record

financial strength

proven ability to deliver



AX – Production Benefits



- Visibility of Raw materials as soon as receipted

- The introduction of Production Orders has allowed more focussed production activity and therefore attain higher yields



- Greater control of various stages of Production has lead to efficiency savings in labour. Throughput has increased 10%+ whilst retaining the same staffing levels



-Production Recorded:

-The capability to integration with Weigh labelling equipment has greatly improved the quality and timeliness of the data at the point Finished Product



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putting great meat on the menu

AX – Sales Benefits



- Sales Order Captured via
 - Telesales & EDI

- Telesales:

- 30% of Orders
- Call Lists
- Customer Templates
- Pricing – Price List or Market Price
- Discounts and Rebates
- Promotions
- Questionnaires
- Activities to manage customer issues

- EDI:

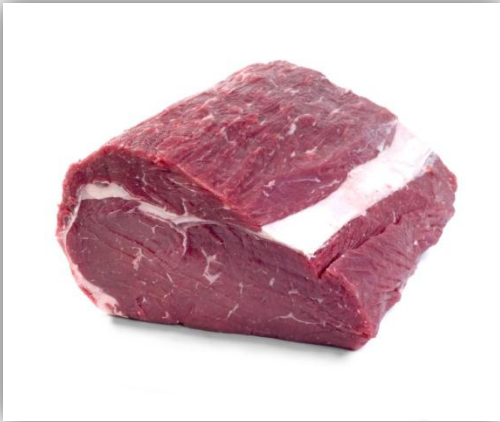
- 70% of Orders
- Communication and Mapping outsourced
- Orders automatically loaded, customers created, data validated

- Benefits** are Time to place the order & Labour Costs as well as accuracy.

- Flexibility of EDI templates

fairfaxmeadow
putting great meat on the menu

Why AX2012 for Fairfax



The main advantages for Fairfax in upgrading to AX 2012 are

- Site functionality allows Fairfax to have differing recipes & formulae on a Production site basis
- Enhanced Process functionality
 - Greater ability in multiple UOM (Catchweight)
- Introduction of New functionality as **standard**
 - Further improves speed of data capture through Advanced MES – eg touch screen technology
 - Extended Warehouse functionality as standard

Advances in AX 2012 mean Fairfax will be able to take a greater amount of out of the box standard functionality , ultimately increasing cost savings.

Fairfax have been able to take advantage of the Microsoft TAP Program, which allows us to Input in to future functionality of Dynamics AX

fairfaxmeadow
putting great meat on the menu

Any Questions





Microsoft Dynamics® AX 2012 Powerfully Simple

Rif Kiamil

CIO, JJ Food Service



Bread & Butter

with **“Secret Sauce”**

Rif Kiamil – CIO - JJ Food Service Limited

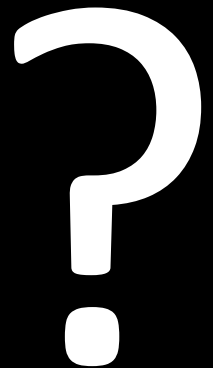


Bread & Butter

Secret Sauce

Before we get into the saucy stuff..

Who is

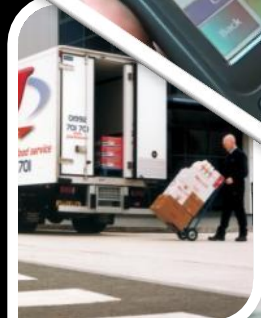




Delivery or Collection



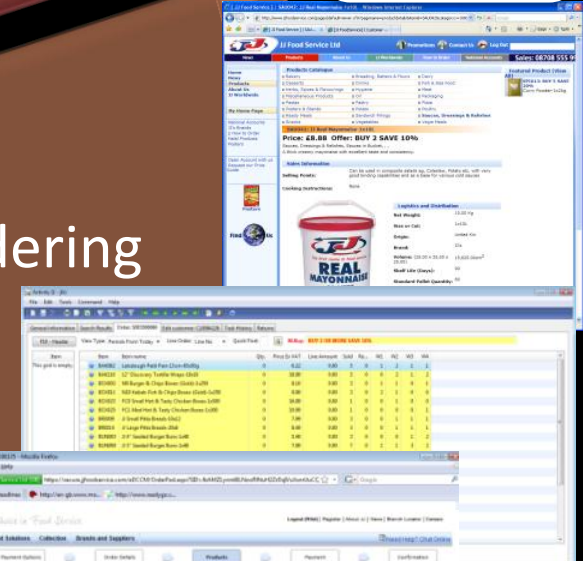
Product Development



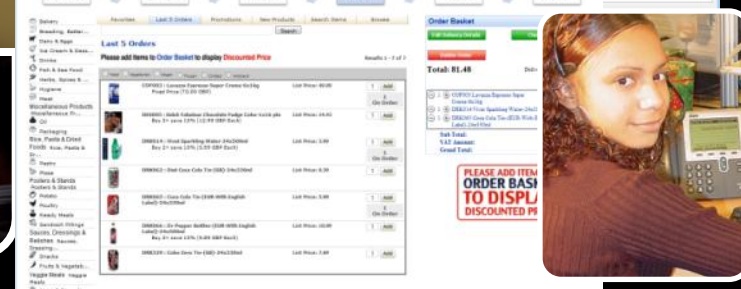
Loading / Warehousing



Ordering

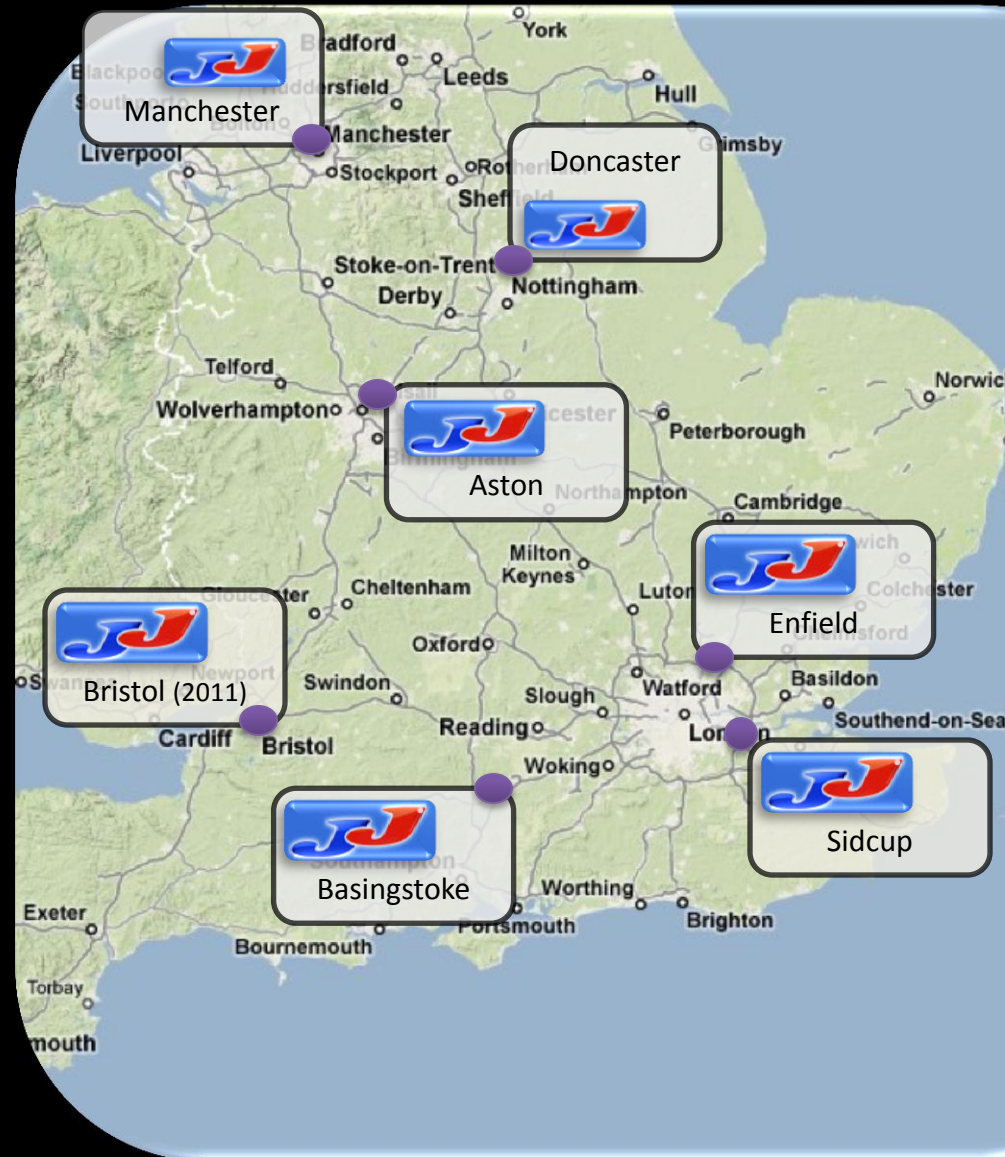


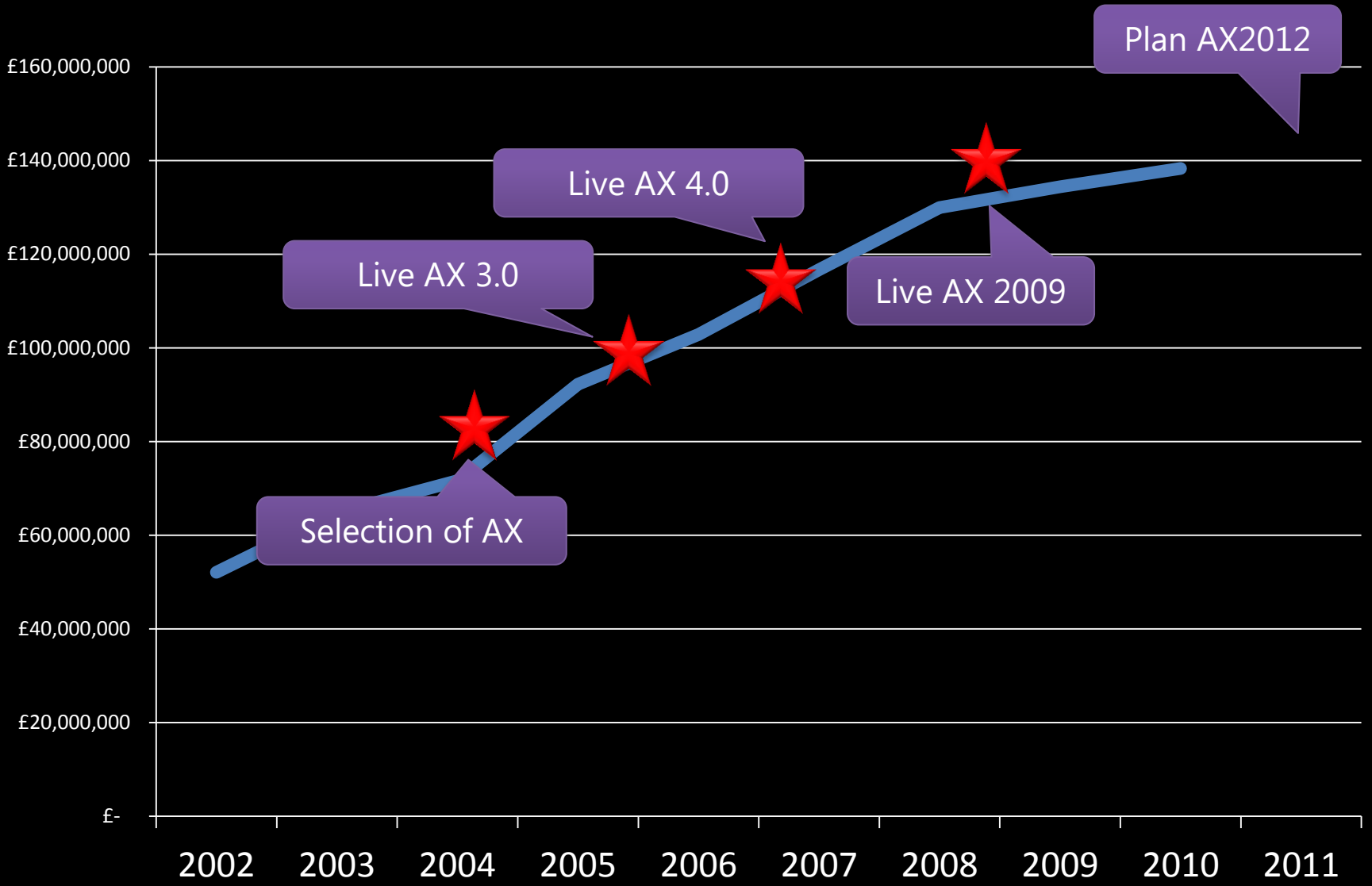
Routing



The numbers

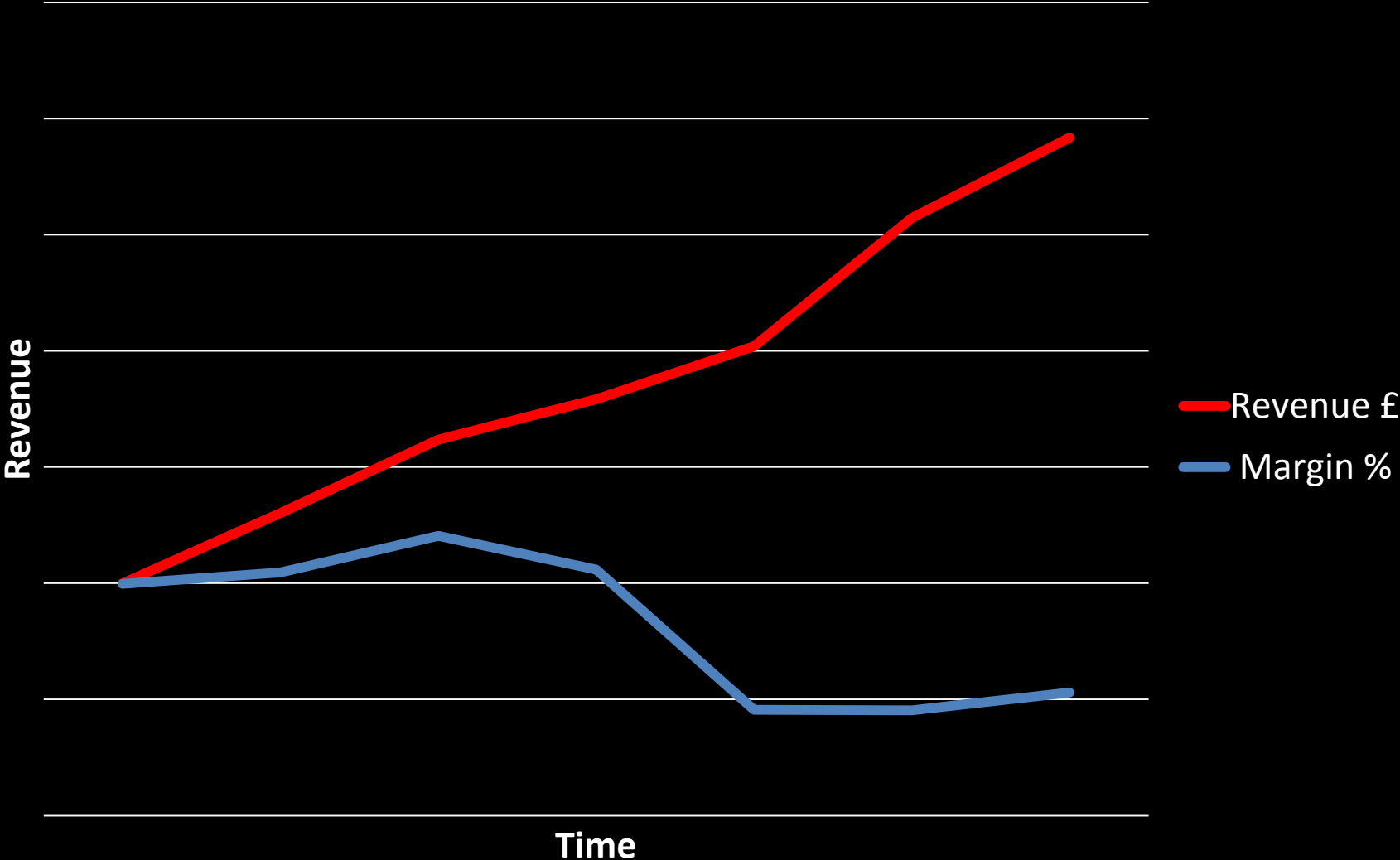
- Turnover £130m
- 710,000 deliveries
- 20 million items sold
- 800 employees





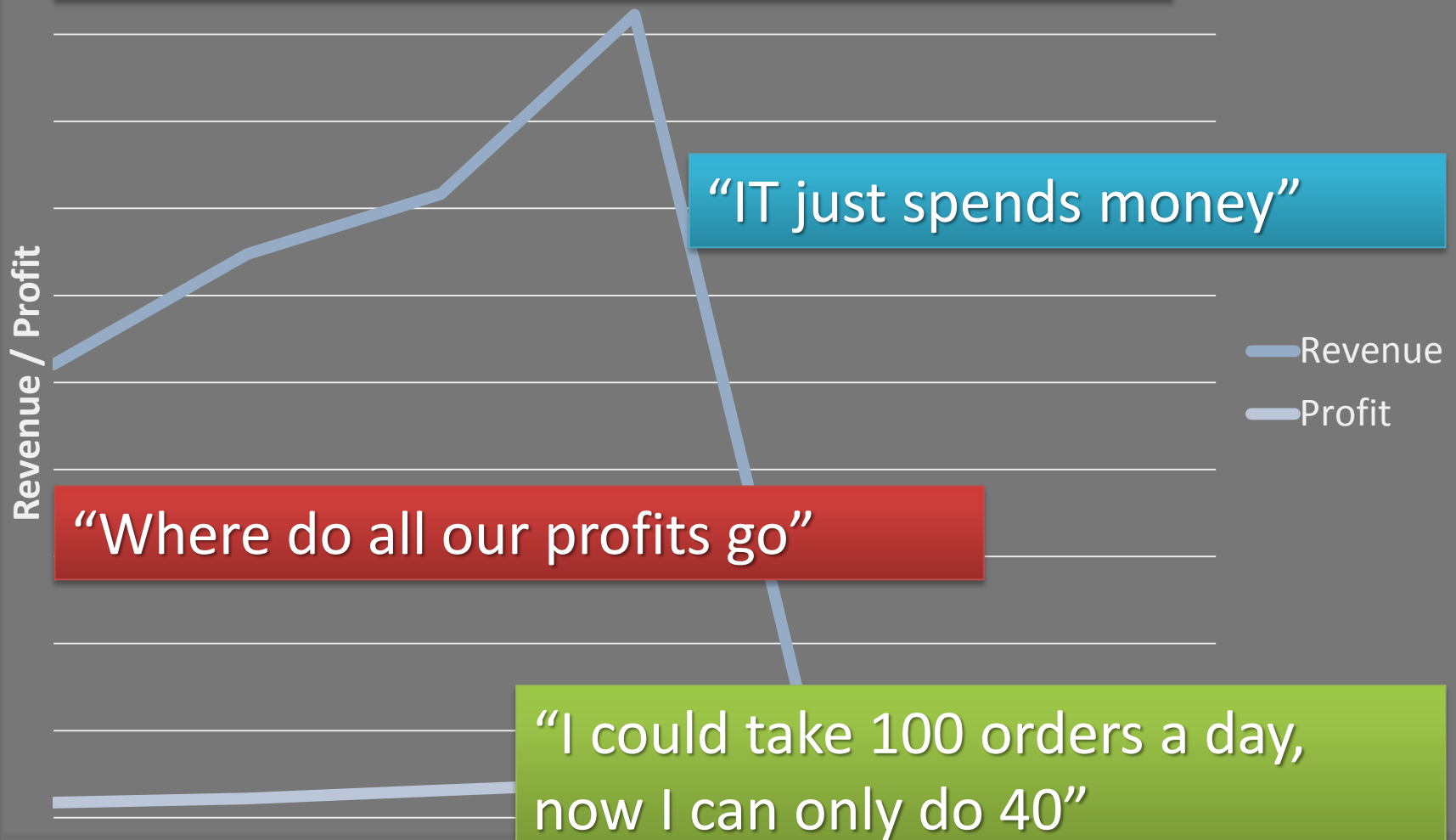
The problem!

Big Company, Small Profit

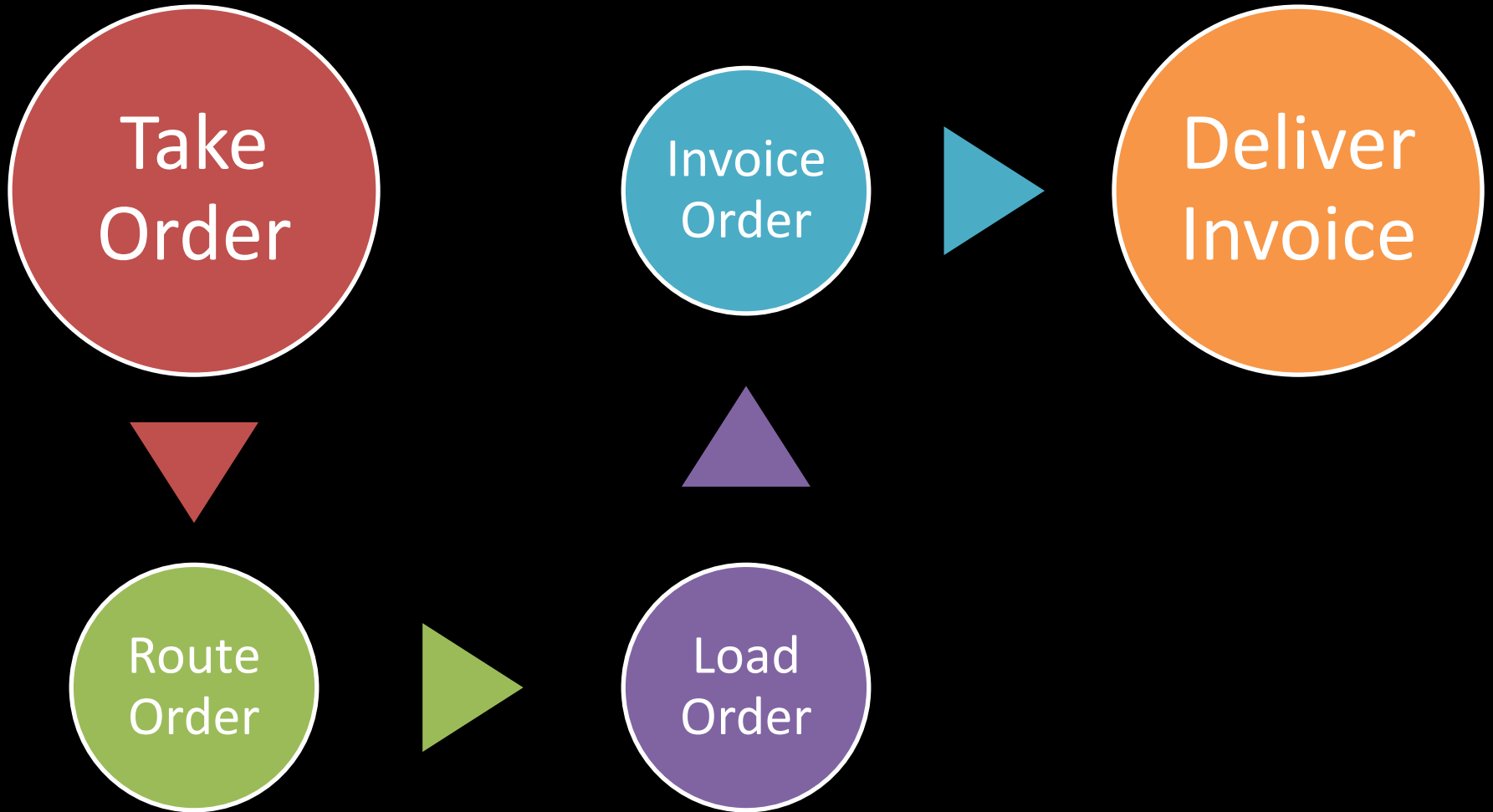


Big Company, Small Profit

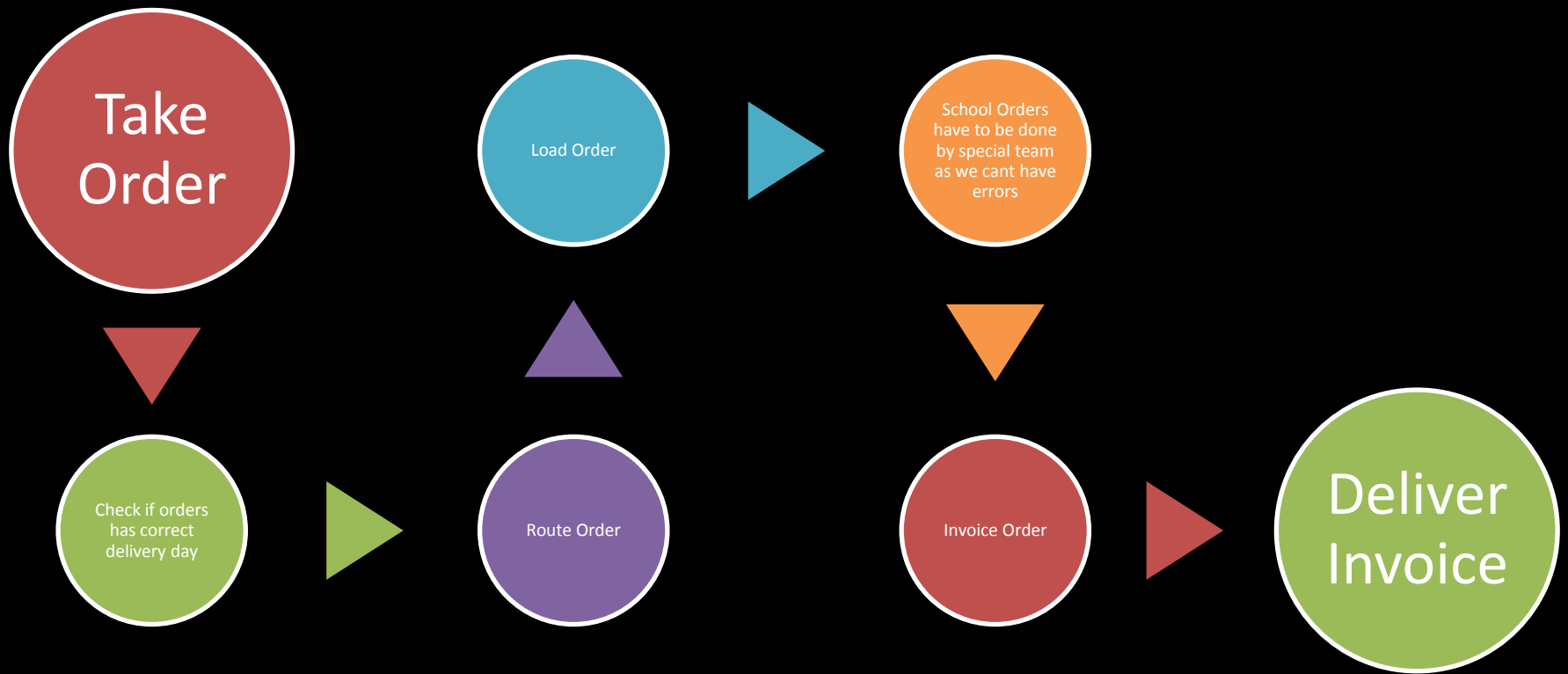
“Everything was ok until we got big”



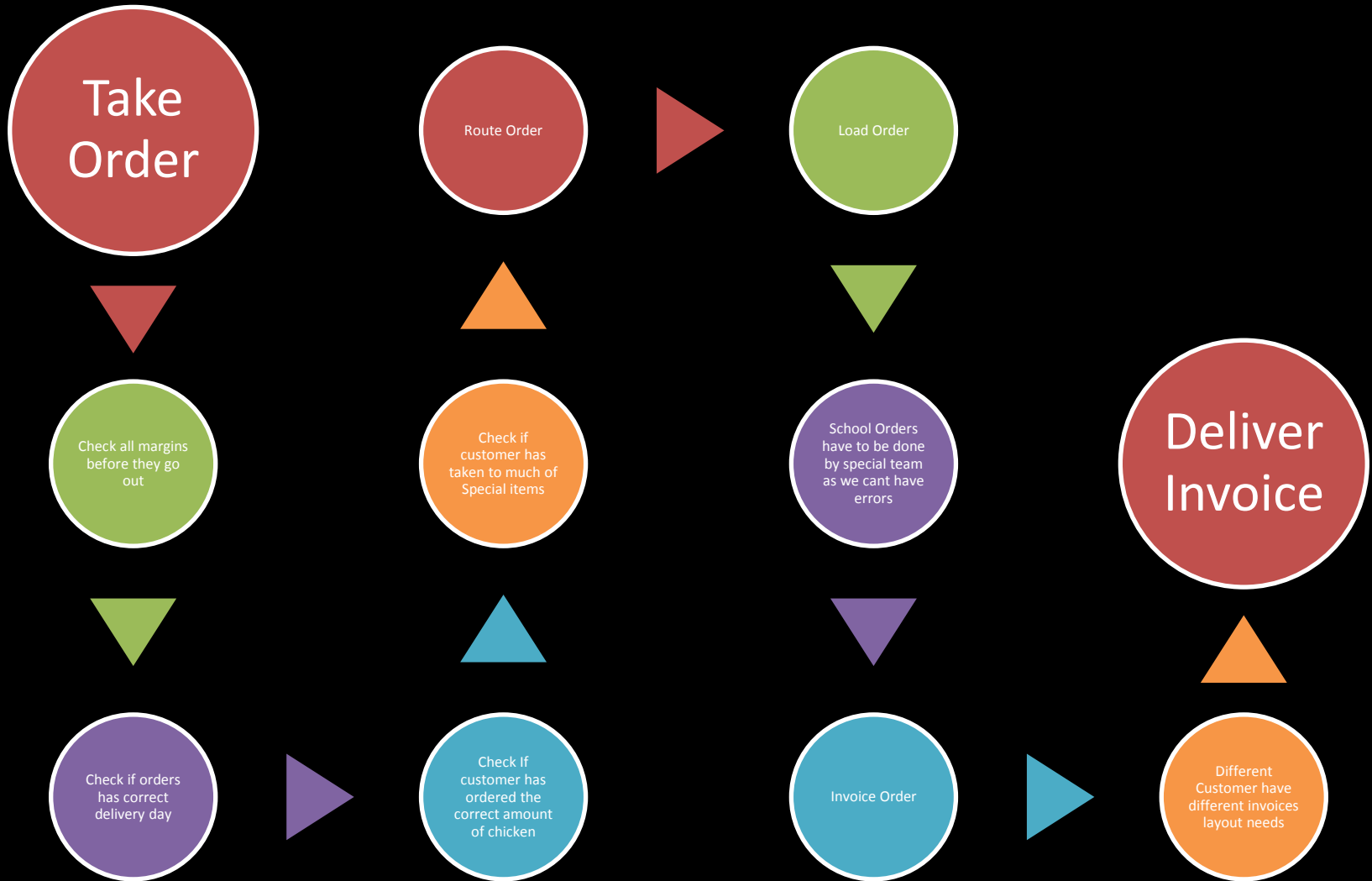
Simple Process...before growth



Simple Process, extra steps



Process, with Management



Process, with Management and Supervisor

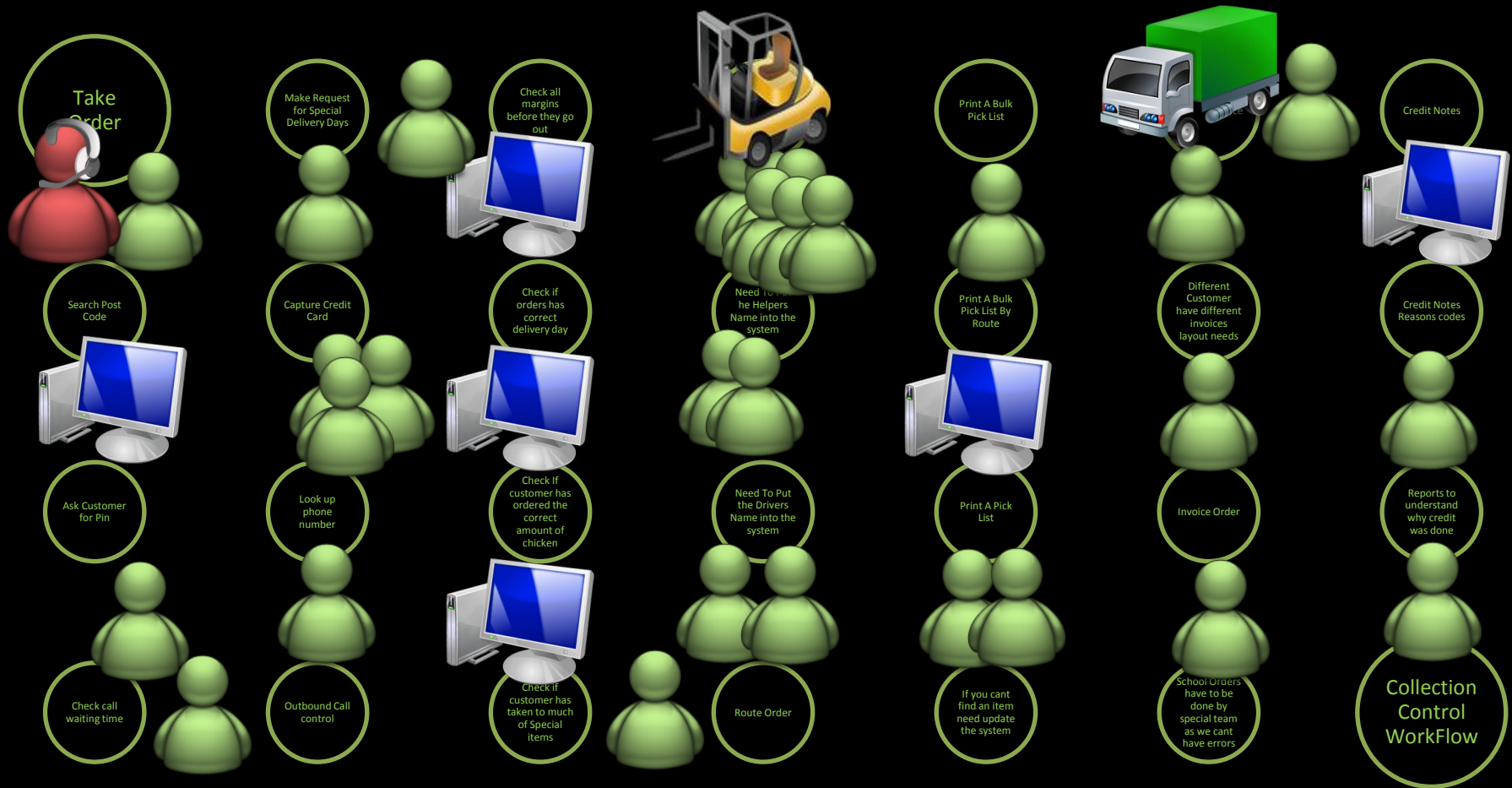


Process, with Management and Supervisor with Team Leader



People were the human interface

Our information technology wasn't flexible



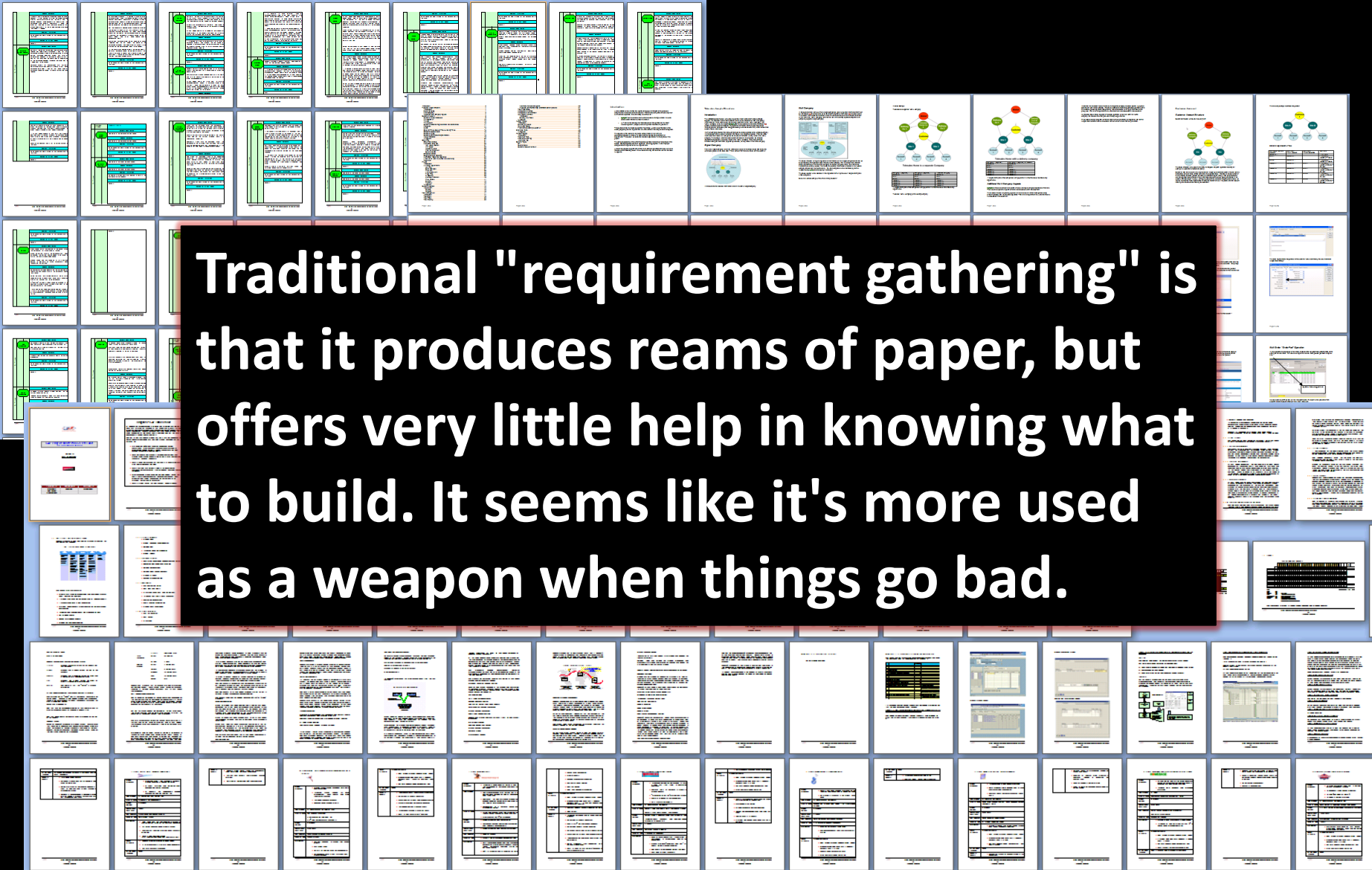
What did we do?



A	B	
25/01/2003	£ 2,323.00	PO:JJFS
29/01/2003	£ 32.00	PO:JJFS-E
10/02/2003	-£ 6,754.00	PO:JJFS-E
25/01/2003	-£10,543.33	PO:JJFS
1/2003	-£15,081.82	



Documentation Overload



Traditional "requirement gathering" is that it produces reams of paper, but offers very little help in knowing what to build. It seems like it's more used as a weapon when things go bad.

Wireframe, Mock-up

- People can't tell you what they want, until they see it
- The wireframe is a skeleton-model of a process.
- Creation and visualization of processes between IT and the front line employees

Cancel Delivery

Select the order and reason to cancel a delivery, give the PIN to the driver

S40403490394 Delivery Cancel Reasons ▼

S43434343433 Delivery Cancel Reasons ▼

S43434343433 Delivery Cancel Reasons ▼

OK

Give the following PIN code to the driver

3234

Task Type ALL ▼

Task Type	Product Experience	Customer Service Summary Comments	Team Comments
SalesId	S342234352	TaskHisotryId3434 sfkjldf sdfjsdkjf sdfjsdfkjsd fikdsjf UserId rif.kiamil TimeStamp 30/08 TaskHisotryId3434 sfkjldf sdfjsdkjf	I would write my comments about the water UserId TimeStamp

Task Relation [Vivat Water 24..](#)

Task Type	Driver Experience	Customer Service Summary Comments	Task Type Summary Comment by Customer Services
SalesId	S342234352	TaskHisotryId3434 sfkjldf sdfjsdkjf sdfjsdfkjsd fikdsjf UserId rif.kiamil TimeStamp 30/08 TaskHisotryId3434 sfkjldf sdfjsdkjf	I would write my comments about the driver UserId TimeStamp

Task Relation [Adrian Kras](#)

Task Type	Web Experience	Customer Service Summary Comments	Task Type Summary Comment by Customer Services
SalesId	S342234352	TaskHisotryId3434 sfkjldf sdfjsdkjf sdfjsdfkjsd fikdsjf UserId rif.kiamil TimeStamp 30/08 TaskHisotryId3434 sfkjldf mkk	I would write my comments about the website UserId TimeStamp

Task Relation

Microsoft and SAP Review



Bread & Butter

Found SAP had a lot of good “bread and butter” in 2004/2005 but when it came to building in your secret sauce, it was very different.

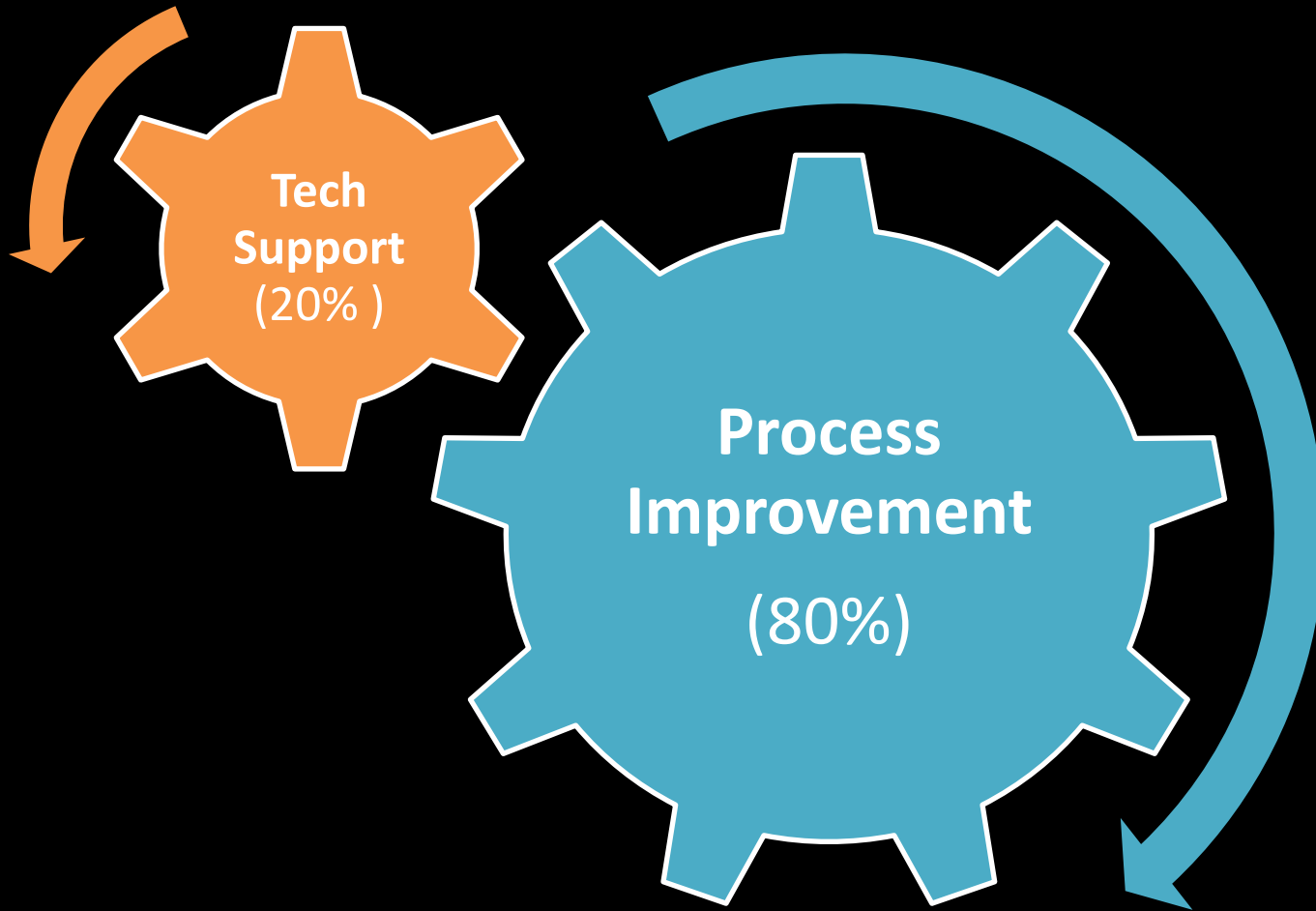
Microsoft at its core has always enabled “bread and butter” as well as the “secret sauce”



Secret Sauce

How did we get there?

Get IT to...



Example

The Call Centers

improve call center customer optimize call center te
e. There is no substitute for that personal touch. C
improve customer service with today's newest to

- Recognise the customer
- Warm welcome
- Preferred language
- Correct music
- Personal agent relationship

The Call Centers

- Phone system connects to AX
 - Language
 - Location
 - Contact
 - Agents



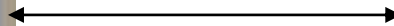
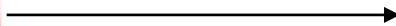
Customer Number
02084453353



Cisco
IP Phone System



Dynamics AX



The Call Centers - Results

Eliminated 162,500 customer calls each year being transferred and/or being called back.

162,500 x 105sec = \$6.5m productivity gain

Cut down 1527 hours a year of asking customers their account details

1527 hours = \$2.13m productivity gain

Application development was only 11 days

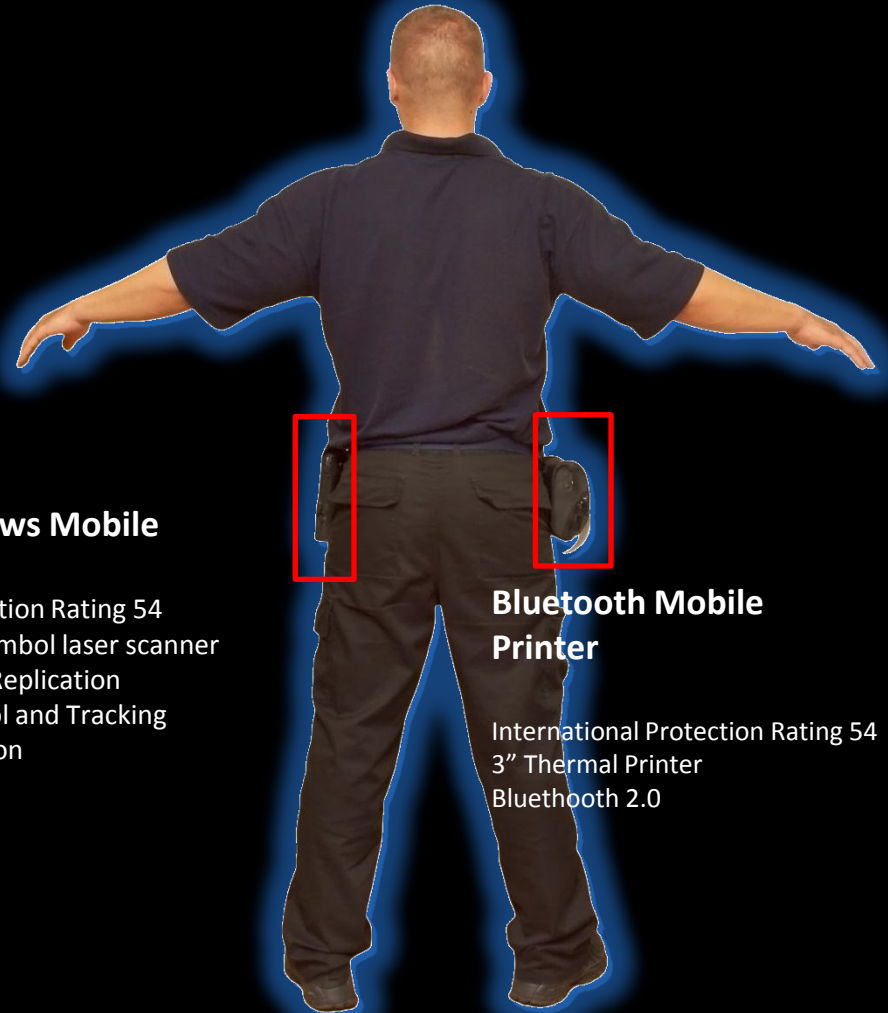


Future Delivery Driver, Today!



Mobile Device Running Windows Mobile

International Protection Rating 54
GPS, GPRS, GSM, Symbol laser scanner
SQL Mobile Device Replication
SOIT Remote Control and Tracking
128 bit SSL Encryption



Invoice on Delivery

Tracking of Delivery
Service Level

No Credit Notes

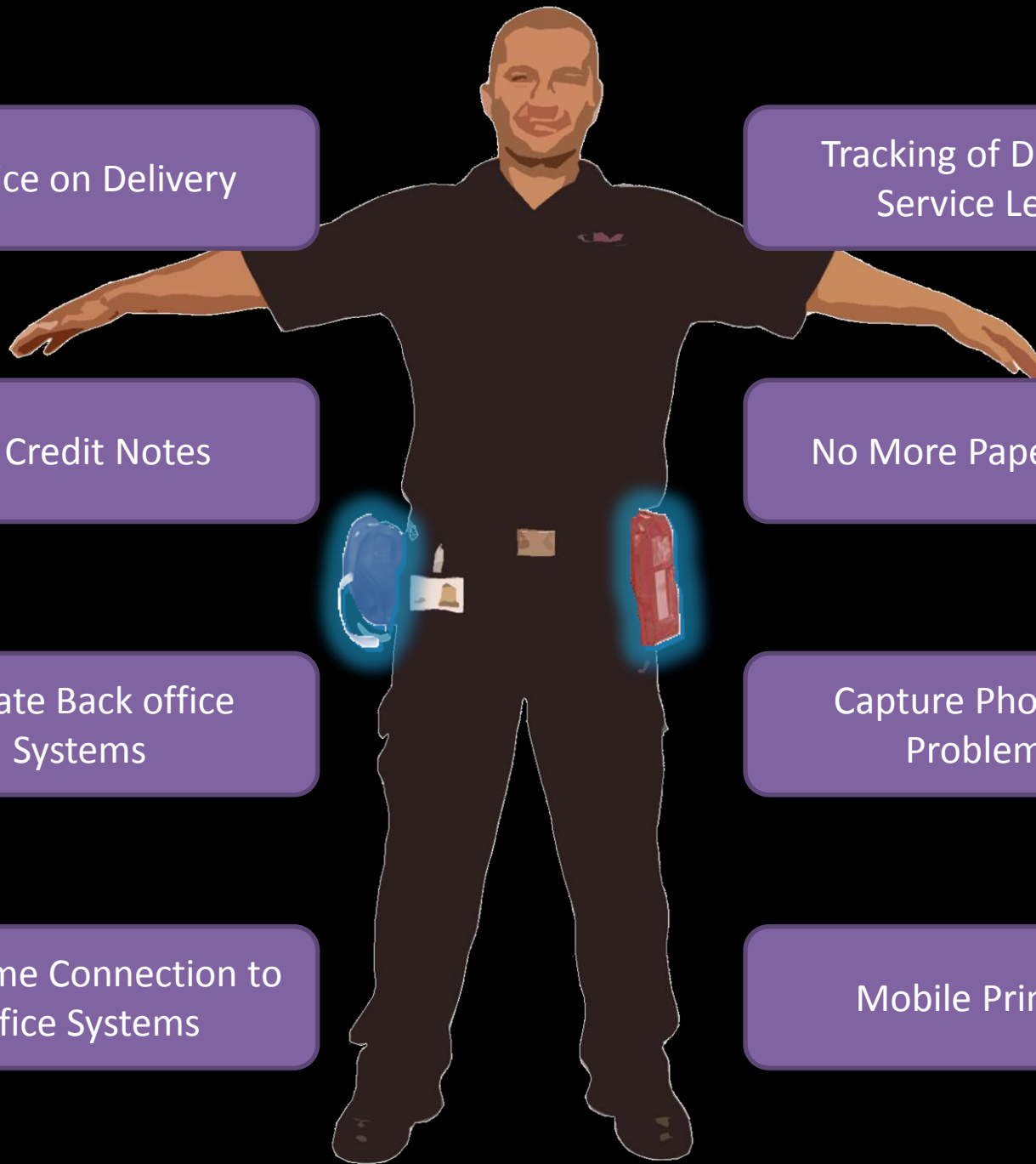
No More Paper for JJ

Update Back office
Systems

Capture Photos of
Problems

Real Time Connection to
Office Systems

Mobile Printing



ROI/TCO

Key ROI/TCO after Microsoft Dynamics AX

- **20 hour** reduction in customer waiting time per day, **order processing times cut by almost 25%**, and increased order levels **by 50%** - without staff increase
- Gained capacity to load an extra 40 trucks per day, enabling increased business capacity of **£31 million through efficient stock and delivery management**
- Gained a single view of the business across all functions and multiple sites to enable enhanced business decision making
- Reduced inventory and, through real time stock availability, allowed the operation of a true just in time delivery model to improve customer satisfaction

Margins – industry average is 2%, JJs stand at 7%

Final message !



AX is a solution.. !!!



**AX is a solution.. !!!
(better!)**



Bread & Butter

AX is a solution.. !!!



Secret Sauce

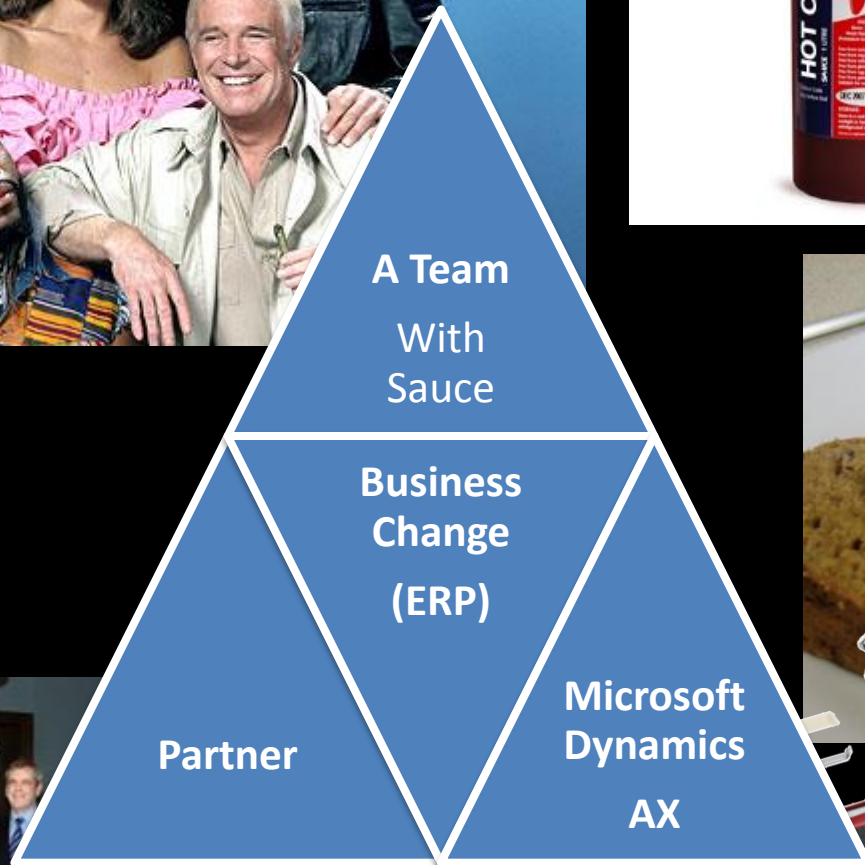


This needs your A Team



**You need a partner
You can't do this alone!**





bread & butter with secret sauce

business problems

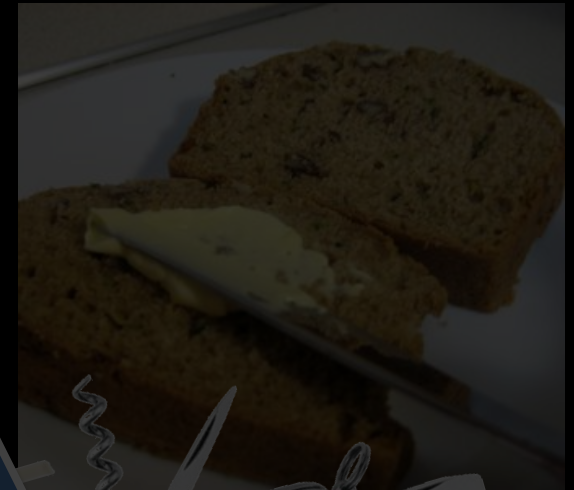
How we go to AX

Running of the project

A Team + Business partner

AX is an amazing solution

Questions?



Partner

Tool

A Team
With
secret
sauce
to
enable
Business
Change
(ERP)

Q&A



Chief Wine Officer

Please turn right from the Auditorium, stay within your group for your 1st glass of champagne



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