

Case Study

Dynamics 365 for Finance Implementation Helps a Chemicals Supplier Improve Integration Between Warehouses and Boost Revenue by 15%



Customer Overview

Customer:

A leading manufacturer and supplier of single-source specialty chemicals

Profile:

The client delivers specialty cleaning and process solutions for general manufacturing, pulp and paper making, transportation cleaning, and water treatment markets.

Industry:

Chemical Manufacturing

Services:

Dynamics 365 for Finance and Supply Chain Management Implementation

Business Need

Operating for over a century, the leading single-source specialty chemical manufacturer and supplier acquired dozens of companies and grew from a \$300 million company to a \$1 billion company in just five years. But despite having undergone several major business and digital transformations, operations were carried out using a legacy version of Dynamics AX 2009. The frequent acquisitions resulted in manual supervision of operations and consolidation of data across multiple Warehouse Management Systems (WMS).

Over 70% of the 11,000+ orders were put on hold due to information in different systems across countless warehouses which led to several roadblocks across mismatched inventory, SKUs, and customer/credit information. Although the supplier had authorized a 15-member team to work on these order holds every month, it was an additional, costly, and rather futile investment. Moreover, the integration of these newly acquired entities was also a big challenge in the non-supported AX 2009 environment.

Two pressing concerns emerged for the supplier to continue operating its flourishing business efficiently:

1. Consolidation of the dozens of WMS to improve supply chain performance, streamline shipping, and deliver on its commitment to quality distinction.
2. Integration of Dynamics 365 Finance with the legacy AX 2009 Live System to improve master planning, procurement, and financial processing and serve customers with innovative and sustainable solutions.

Resource constraints made it impossible for the supplier's internal IT team to carry out a technology overhaul of this nature. To alleviate the pain of inventory consolidation across numerous warehouses and overcome the order hold challenge, the chemical supplier reached out to Synoptek.

Solution and Approach

To meet the requirement of the chemical supplier, Synoptek assigned a qualified team of Dynamics experts to build and implement a modern Microsoft-based ecosystem, consisting of Dynamics 365 Finance, Dynamics 365 Supply Chain, Dynamics 365 Customer Engagement, Azure DevOps, Power Apps, Power Automate, and Power BI.

However, it was far from a smooth ride. As the project progressed, several challenges emerged: from discrepancies in the AX 2009 Master Data that had to be corrected to limitations in the Standard Data Entities that required the creation of Custom Entities. We understood, early on, that the interaction and commitment between business users and the ERP implementation partner team are very critical for the project. Therefore, we:

- Clearly defined expectations that emphasized the BPLs/ SMEs required for ERP transformation and ensured their involvement right from the beginning: from the overall design to system testing as well as UAT to avoid gaps and Change Requests at a later stage.
- Facilitated the right levels of engagement across the right operational leadership levels to create clear goals and prepare the business for the challenges ahead.
- Constantly enhanced the implementation methodology to cater to new requirements and allotted a dedicated Project Manager to overcome challenges and facilitate better and faster integration of designs and solutions.
- Created a reusable integration log framework to log and track all activities and changes done during integration.

Testimonials



The help and support from Synoptek made 50 go-live a roaring success. The team's countless hours of hard work in the previous months got us to this point.

– **Director of Planning and Inventory Control.**



When DuBois first implemented the AX 2009 solution, the plant had to be shut for three days. But Synoptek limited downtime for cut-over activities to less than 8 hours, and we could produce and ship batches without interruption.

– **Former CIO.**

Once we had the necessary processes in place, we undertook the project in two phases:

Phase 1	Phase 2
<p>In Phase 1, Synoptek focused on building the live integration bridge between Dynamics 365 Supply Chain and AX 2009 ERP, so the chemical supplier could streamline its chaotic warehouse operations. Key players were engaged who:</p> <ul style="list-style-type: none"> • Conducted a comprehensive AX 2009 configuration and code review across sales order customizations, pricing calculations, and item specifications. • Upgraded the WMS using Dynamics 365 Supply Chain and consolidated inventory across different warehouses. • Eliminated data entry errors and automated shipment tracking using the Synoptek Dynamics Shipping Connector. • Carried out several rounds of data migration and performed testing on live transactions in the stage environment. • Optimized the batch job in a step-by-step manner and created multiple jobs to run parallelly to migrate huge amounts of item, vendor, and customer data and overcome the issue of potential downtime. • Enabled continuous support for new scenarios discovered during System and Integration Testing. 	<p>In phase 2, Synoptek focused on implementing procurement and finance within Dynamics 365 Finance and removing integration with AX 2009 ERP via code optimization. To do this successfully, we:</p> <ul style="list-style-type: none"> • Implemented order entry process with price and commission calculation. • Enabled master planning to calculate the demand and generate planned orders to fulfill inventory requirements on time. • Restructured Chart of Accounts and enabled new financial dimensions in D365 F&O. • Designed a robust automated process within D365 F&O to send customer account statements by email at the end of each month. • Implemented Credit and Collection module with Collection letter, Credit Hold, and customer credit management features to have better control of AR credit and collections. • Minimized inventory value and inventory ledger discrepancies between AX2009 and D365 F&O to an acceptable level. • Configured financial consolidation for almost 20 legal entities in D365 F&O. • Leveraged several APIs and third-party integrations to for taxation, pricing, project management, AP automation, Material Requirements Planning, and currency conversion.

Business Benefits

With Synoptek's guidance and D365 implementation services, the chemicals supplier was able to achieve a Technology Platform Upgrade which enabled it to get rid of the obsolete WMS systems and leverage the benefits of a single, consolidated platform.

Since Synoptek helped in enhancing the order fulfillment process, the supplier could achieve several business benefits including:

- Quick roll out to another warehouse and integrate new business processes using a global Warehouse Template, decreasing downtime by almost 50%.
- Live synchronization of transactions causing inventory reconciliation efforts to be reduced by 50% and revenue to be increased by 15%.
- 20% reduction in operational overheads via the restructuring of the Chart of Accounts.
- Better visibility into and control over financial performance and the ability to generate financial statements more accurately with minimal manual intervention.
- Improved data management and order fulfillment via successful cleansing of Master Data while freeing up the 15-member staff.
- Better insight into the current production load that allows the manufacturing head to enhance production planning and delivery and improve customer satisfaction and retention.
- Improved planning for upcoming shipments in addition to streamlined warehouse material movement and minimal delays in customer deliveries.
- Superior inventory tracking via enhancements in sales order creation, confirmation, picking & invoicing, and credit notes that reduces order errors by 25%
- Better business integration planning via improvements in General Ledger, Tax, and Journals & Reporting.

As the chemical supplier grows organically and through frequent acquisitions, the robust Dynamics 365 foundation will better assist the business in doubling its growth and help it deliver on its quality, sustainability, and innovation mission.



Inventory optimization by 15%



Increase in the revenue by 15%
with omnichannel capabilities



98% coverage and accuracy
with advanced information capture



Inventory reconciliation efforts reduced by 50%
and time down to one day

About Synoptek

Synoptek delivers accelerated business results through advisory-led, transformative full-life-cycle systems integration and managed services. We partner with organizations worldwide to help them navigate the ever-changing business and technology landscape, build solid foundations for their business, and achieve their business goals.