Microsoft Dynamics AX

Marshall University
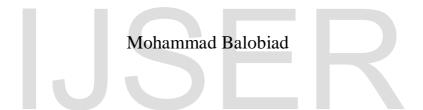
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Abstract

This research paper provides a brief introduction on Microsoft Dynamics AX. The use of Dynamics AX in six industries, including customer services, marketing, retail, financial services, manufacturing and sales, is discussed in depth together with examples of companies in different fields that have implemented the software. The last part of this paper delves into disadvantages of the software.

Introduction

Microsoft Dynamics AX is one of Microsoft's enterprise resource planning software products. It is part of the Microsoft Dynamics family. Dynamics AX was originally developed in March, 1998 as collaboration between IBM and Danish Damgaard Data as IBM Axapta. IBM returned all rights in the ERP product to Damgaard shortly after the release of Version 1.5, just before Damgaard merged with NavisionDamgaard. The combined company was then acquired by Microsoft in the summer of 2002.

Dynamics AX is considered to be the flagship of the Dynamics group of products with over 150,000 installations worldwide, located in approximately 110 countries, and is supported in 45 languages. The software supports both operational and administrative processes of organizations, with a specialized focus on manufacturing, retail, service industries, and public sector. Thanks to Microsoft's vast business partner network with sales distribution channels and independent software vendors around the world, Dynamics AX receives global support and a third party software ecosystem to extend its functionality into specific industries and a wide range of customized applications. Microsoft Dynamics AX can cater to both small and medium size businesses, and large or enterprise organizations. This product is a popular choice for many companies due to its native Microsoft Office-like user experience, strong functionality, flexible tools and adaptability.

Microsoft Dynamics AX in Financial Services

Financial services are one of the most competitive sectors in the now a day. They have to differentiate them self from each other. Most Financial services try to use price, product, and distribution models to be different but these can be limited in such sector. One of the best ways to compete in the market is to find the best way to attract and retain customer by delivering the best customer experience. Using Microsoft Dynamic by specialized financial services such as, banking, wealth management or insurance will lead them to create a meaningful and strong relationship with their customers. Also, it can improve profitability and operational efficiency.

Create a customer- centric organization by using templates and solutions created for financial services industry with rich ecosystem of their partners which can:

- 360-degree view of customer information which identifies high value clients to increase share of wallet by creating target offers.

- Improve customer loyalty and trust by creating personal client services through many channels.

- Faster way to increase operational efficiencies by using automated tasks processing.

- Reduce total cost by extending the value of IT investment.

- Benefit from the multi-billion dollar investment Microsoft has made in the cloud, a leading security infrastructure, and a 99.9-percent uptime service-level agreement (SLA) with Microsoft Dynamics CRM Online.

Capital markets can become a trusted advisory to their clients. At the same time, Microsoft Dynamic help to increase managed assets and reduce administrative overhead:

- Providing you with tools and real-time customer information that allow you to deliver tailored advice and accurate service.

- Help improve the efficiency of your people with embedded desktop productivity features and a native Microsoft Outlook experience right within Microsoft Dynamics CRM.

- Maximize client profitability by delivering targeted offers to each customer/household based on their unique profile.

- Track sales activities and identify your most valuable customers with powerful analytics and real-time dashboards.

- Increase your operational efficiency by automating key tasks.

Using Microsoft Dynamic CRM also can improve banks profitability, increase retention and proactively manage risk:

- Helping front line employees with complete understanding of each customer's account.

- Streamline key banking processes with automated workflows.

- It can ensure that pricing and banking policies are aligned to your retention strategies by capitalizing on cross sell opportunities, which increase costumer wallet share and improve profitability.

- Help slash operational costs across branches, call centers, and offices by minimizing administrative tasks.

Insurance companies can be changed from policy-centric to customer-centric by helping people to be more effective, with Microsoft Dynamics CRM.

- Centralizing policyholder information, include outreach activities, interaction and underwriting history of preference and claims details in a single location to improve operational efficiency.

- Help increase client loyalty and renewal rates with faster inquiry handling, streamlined claims resolution, and proactive customer service.

- Improve broker and agent agility with mobile solutions and tools that reduce busywork, freeing up time to have more relevant and meaningful customer conversations.

- Help to ensure regulation following

Microsoft Dynamics AX in Retail

Today's retail landscape offers unprecedented opportunity even as it presents new challenges. Economic pressures, increasing choice in products and shopping formats, and unparalleled access to information are fuelling today's empowered shoppers, who expect more from their retail experiences. As the line between social networking and comer blurs, delivering on the brand promise and earning customer loyalty are more important than ever before. With that in mind, Microsoft released Dynamics AX for Retail, which is a significant upgrade of the well-known specialized ERP platform. The key appeal for Dynamics AX for Retail is that the software combines point-of-sale (POS) and retail headquarters processes with enterprise resource planning (ERP) and financial management in a comprehensive solution that delivers value in every area of a retail organization.

According to Microsoft, this addition of Microsoft Dynamics ensures a more responsive and connected retail enterprise by doing away with the integration work that would otherwise be required to knit together what are typically separate applications. This means that all of the business rules, products, pricing and promotions are controlled centrally. All aspects of the solution from POS to merchandising to back office functions are designed to work together. This gives

retailers full, centralized control over their business and the flexibility to change processes easily and quickly as new retail opportunities arise. Moreover, the unique value of this software extends all the way to the online customer experience with a fully integrated web store-front powered by Microsoft SharePoint 2013 and natively integrated to Microsoft Dynamic for Retails. This unique e-commerce solution delivers one of the industry's first native integration of web store-front and digital content management to purpose built order fulfillment, shipping, payment, catalog and more on the back end. While most e-commerce solutions today are engineered as web pages with search, the Microsoft solution is actually built on search – meaning that web pages are dynamically built as the solution incorporates managed content, authored content, item detail from Microsoft Dynamics and more. The solution does not stop there as historical clickstream data is continuously incorporated to impact recommended items and the very way content is presented to the consumer – driving an adaptive and tailored experience made more relevant with each page view.

Beside the e-commerce solution from Microsoft, the flexibility of Dynamics AX provides many advantages to its users. First, the software eases the management of large retail estates with pricing, products, and promotions all controlled centrally. Its flexibility allows head office merchandisers to deliver different products to different types of store or to different geographies. Promotions too can be designed at Head Office and then "pushed out' to relevant stores. In addition, POS terminals can be managed centrally as well, including visual profiles, functional profiles, user interface layouts, and employee permissions. The consistent data model and business rules that are used between the stores and ERP processes provide accurate, timely, and consistent data. Third, retailers can continue to capture transactions and serve customers even when store connectivity to headquarters is down with fault-tolerant,

resilient POS. User interfaces can be easily optimized for different store roles and individual sales staff can alter the look and feel of POS, within permissible, centrally control limits to help improve individual performance – for example, to make it easier for lefthanders. Dynamics Retailer's POS has a wide range of capabilities that include: returns management, returns voids/markdowns, and inventory receipt/lookup/counts. Another important feature of Dynamics AX for Retail is that the software can be scaled up as more stores and distribution centers are added locally and internationally. The software assists users in operating across geographies and locations with flexible deployment options and built-in support for 38 countries and 40 languages.

Ashley Furniture is one of many companies that has succeeded in implementing Dynamics AX for their expansion. Ashley Furniture Industries, Inc. is a furniture manufacturing company headquartered in Arcadia, Wisconsin. Ashley Furniture manufactures and distributes home furniture products throughout the world. To support the shift to running its own retail stores, Ashley Furniture built its own retail management system. But by 2011, the system, which had been in use for 11 years, was beginning to show its age and struggled to keep up with the company's rapid growth. At the same time, Ashley Furniture was starting to expand globally, and needed to localize many of its systems' capabilities – including the homegrown retail management system.

Rather than undertake the task of localizing its retail management system, leadership at Ashley Furniture began looking at commercial systems that could support global growth, considering enterprise resource systems and smaller, localized solutions. Microsoft Dynamics for Retail stood out to the company as an affordable solution in the long run that could support the firm's broader retail management

needs. The company's goal is "to grow from a four billion dollar a year business to a ten billion dollar a year business by 2022" (Microsoft CS). To achieve this goal, Ashley Furniture needs to completely replace its existing retail management system with Microsoft Dynamics for Retail.

In addition to replacing its existing system, the company also had two business challenges it sought to address: speeding the in-store checkout process for customers, and appealing to a broader demographic. With the installation of the new mobile POS system offered from Dynamics for Retail, the company can cut down the time for each check out process from 30 minutes to 5 or 6 minutes by allowing the sales person to build the shopping cart in real time while the customer walks through the store, and then simply do a final review and check the customer out at the end. Moreover, by implementing the powerful e-commerce solution of the Dynamics system, Ashley Furniture can target digitally connected consumers by providing the option to shop via smartphone, tablet, or home computer and then growing the relationship from there, attracting a wider range of customer types.

Microsoft Dynamics in Manufacturing Organizations

In today's global marketplace, manufacturers rely on technology for product design, inventory management, resource utilization, production scheduling, process optimization, and more. They employ a mix of discrete, process, and lean manufacturing methods that are often managed through separate systems. This limitation makes it difficult to cost-effectively satisfy customer demands, particularly across multiple sites and geographies. The growth of contract manufacturing, emerging requirements for green manufacturing, and the diversity of the global workforce all accentuate shortcomings in many of today's ERP solutions.

To overcome these challenges, manufacturing workers need real time access to specific information and tools that help them perform their individual responsibilities, in the office or on the shop floor, at any location around the world. Microsoft Dynamics will allow a wide range of manufacturing businesses to access specific information easily and securely with the tools they need to perform their individual roles, from a single source from any location around the world.

Microsoft Dynamics AX enables companies to improve operational efficiency with better inventory controls and automated processes. It helps reduce time to market and respond quickly to changing customer demands and gives real-time insight into business and supply chain information including inventory, warehouse, and production, which help the businesses to optimize production flow by planning effectively, maximizing resource utilization, driving accurate delivery performance, and streamlining business processes.

Microsoft Dynamics AX can serve a wide range of markets, but has particular strength in manufacturing and distribution. Its industry-specific functionality meets the needs of discrete manufacturers in the high tech, electronics, metals, industrial machinery, aerospace, consumer products, and medical devices industries. It supports repetitive, make-to-order, make-to-stock, light assembly, and engineer-to-order manufacturing. Process manufacturers requiring automation of batches, formulas, and recipes also adopt Microsoft Dynamics AX. Vitamix Corporation is a world leader in high-performance blending equipment and they depend on Microsoft Dynamics AX for their business. They sell products to businesses and consumers. The company's business has doubled in the past three years, in part because it adopted Microsoft Dynamics AX, a complete enterprise resource planning solution for financial, human resources, and operations management. It also uses Microsoft Dynamics CRM, a

solution for managing sales, customer service, and marketing. Vitamix employs these cloud services to ensure that it has up-to-date information that reflects its business situation and ensures high levels of customer satisfaction. The two Microsoft Dynamics products interoperate well with Microsoft Office, which makes it easy to train employees. The company reduced the time required to do one return sales order from 3.5 minutes to 45 seconds. It also is able to incorporate new processes quickly and flexibly.

Microsoft Dynamics in Customer Services

Microsoft Dynamics CRM offers a suite of customer service focused functions which help service representatives track customer requests, manage support issues from initial contact through successful resolution, and provide customers with the consistent, efficient service that ensures satisfaction. The combined sales, marketing and customer service tools allow your business to work with one up-to-date set of customer data, therefore appearing professional, organized and informed when speaking to your customers.

Microsoft Dynamics for Customer Service delivers customer information, case management, service history, and support knowledge directly to the desktops of customer service representatives, hence, giving them the tools to deliver consistent, efficient service that enhances customer loyalty and profitability. Microsoft Dynamics CRM provides a comprehensive customer service solution that is familiar and faster to users, and it is completely customizable to each business process, and scalable to meet enterprise demands. In addition, Microsoft Dynamic CRM also provides a unified customer service using Microsoft Office Dynamics CRM SharePoint Server, Microsoft Office Outlook, or a user interface completely customized for users' business needs, such as a contact center agent desktop.

Microsoft Dynamic CRM customer service is looking for an edge in today's globalized business environment. One of the major ways that Microsoft Dynamic CRM can achieve is increasing the productivity of contact center and customer service and support. Increasing agent productivity is a goal that Customer relationship management should strive for. When agent productivity increases, customer satisfaction improves, personnel costs decline and customer wait times decline. Utilize multiple interaction channels, including phone calls, e-mail messages, in-person communications, and self-service web sites to quickly create, manage, and resolve service issues. Use streamlined access to case, customer history, service level agreement and a powerful knowledge base to support customers effectively and productively.

One advantage of Microsoft Dynamic CRM is the ability to react more quickly than larger competitors. A secure, reliable, self-defending network based on intelligent routers and switches provides businesses with maximum agility by providing reliable, secure access to business intelligence. This is a necessary foundation for a number of efficiency-enhancing technologies and solutions, such as IP communications. Creating and maintaining service contracts within Microsoft Dynamics CRM can help users managing service level agreements, refining business processes, billing customers accurately, and updating the relevant contract information automatically each time to support case is resolved.

Microsoft Dynamics in Sales

Customer relationship management CRM for sales empowers the sales force to manage and share sales intelligence across devices, channels, locations departments, and time, for higher productivity, more targeted sales, and faster closing

rates. CRM combines business processes, people, and technology to achieve the goal of getting and keeping customers.

Microsoft dynamics make the selling process more effective and simple. The customers know more than they know before so the buying decisions are often made before the customer engage in the selling process. Sales must adapt to the new customers journey. Sales teams need tools that are familiar, intuitive, and easy to adapt, in order to help them being more effective.

Microsoft dynamics meets the targeted customers anywhere on device. The new mobile experience allows the customer to see everything he/she needs, no matter where they are. Staff is now connected by the tools that allow them to get opportunities easily and properly. Microsoft dynamics allows users to build their network, and deepen relationships with social. It gives the sales team unprecedented social data for lead generation and relationship management. In addition, Microsoft dynamics makes every customer conversation more relevant, valuable and productive.

Microsoft dynamics simplifies working as team to deliver results. Sale teams are now able to work together effectively cross teams, geographies, and work groups. The solution gets the company to have real time insights; it gains instant visibility into the media facilities from anywhere on any device. Using Microsoft dynamics system is beneficial in managing sales opportunities, the users will be able to describe opportunity level, create work with, and reopen opportunity records. In addition, the users will be able to assign functionality in Microsoft Dynamics to assign opportunities to other users.   In Microsoft Dynamics CRM, qualified leads, such as those that have estimated revenue associated with them, become opportunities. When a prospect or customer expresses qualified interest in buying the business' products or services, that prospect or customer is considered an opportunity. This is an important

part of the sales process because this is where the sales team spends most of its time and effort. The process of working on an opportunity may include several customer interactions. How well the sales team manages this stage can mean the difference between a win and a loss.

Using product catalog in Microsoft dynamics CRM has many benefits. It shows the tasks that are required to configure a products catalog, including setting up and maintaining unit groups, products, and price lists. It also describes and demonstrates the important role of the product catalog and price lists in the sales process. The product catalog in Microsoft Dynamics CRM helps companies build a central repository for managing products, services, charges, and fees. The tasks required to set up a product catalog include setting up and maintaining unit groups, products, and price lists. Microsoft Dynamics CRM also supports discount lists, which help companies provide customers with incentives to buy more products.

In short, Microsoft Dynamics CRM provides tools that capture important sales information and uncover new business opportunities. Although quotes, orders, and invoices are important to the sales process and provide a complete view of the customer, implementing a sales process allows users to initiate, track, and close sales consistently and efficiently.

Microsoft Dynamics in Marketing

With the development of economy, professional marketing management needs to manage the whole marketing processes roundly and breezily. From brainstorming a marketing plan to the ending advertisement, the whole process should be effective and under control. Microsoft Dynamics Marketing can help marketing supervisors

effectively plan their marketing target, attract consumers and reduce the marketing budget.

Microsoft Dynamics improves marketing management efficiency from two ways: First, it improves the corporation efficiency of relevant departments. Second, it enhances the internal communication.

Microsoft Dynamics Marketing based on difference consumer to design difference communication and marketing research system. Generally, Microsoft Dynamics users can minimize marketing cost and time to market while promoting the brand consistency and competition rating. An example of this is Honda China. Recently, due to the deteriorations of political environment, Honda faced a great challenge. Microsoft Dynamics Marketing, through the small profit but quick turnover model, helped Honda China to turn losses into gains. On December 2013, Honda's marketing share increased 60% compare with last year.

Microsoft Dynamics can also help consumers to decry the complexity of products propaganda and focuses on what need to be done to integrate the corporation's processes and systems to enable it to provide a great customer experience. For example, 10 years ago, Lenovo is just a local brand. The firm decided to implement Microsoft Dynamics solution to build a consolidated customer experience program. And within just 3 years, Lenovo's market share in China market increased from 14.1% to 55% with products sold in 160 countries in 2010.

Microsoft Dynamics devote to build a roundly data infrastructure for consumers to help marketing managers to analysis their customers characteristics, understand why customers are attracted and discern the newest requirements of customers. Then, through the CRM to try the best to improve the sales influence. For example, KFC adapt to Microsoft Dynamics help it to improve the influence in China

at 2009. Just 5 years, KFC`s market share increased from 23.8% to 44% because KFC based on Microsoft Dynamics collected 10,000 fast food operators` information and more than 500,000 different consumers characteristics to help KFC to analysis and develop their mean plan. KFC`s success is the most powerful evidence that Microsoft Dynamics helpful for marketing promote.

Microsoft Dynamics help the marketing group to enhance the corporation with other department, and insure the consistency of brand design and produce concepts. Promote the flexibility of marketing. Microsoft Dynamics also assists consumers to get the feedback of brand build and advertising influence round the world. Overview the whole market's reaction and enhance brand reorganization. Microsoft Dynamics depend on the trend analysis help consumers to foresee the future marketing growth pole and optimize the marketing cost structures. Marketing people depend on Microsoft Dynamics Marketing service to exactly analysis and figure out the potential opportunity and risk. Meanwhile, internal marketing people can use the Microsoft Social Listening to overview the brand awareness and track the performance of the whole teamwork in marketing.

Conclusion

Regardless of its strengths, Dynamics AX for Retail has some certain drawbacks. As the most powerful of the Dynamics line, AX has developed a reputation for being the most expensive to implement. It is still usually less expensive than Oracle or SAP, but is more expensive than its mid-market competitors. Moreover, implementing the system is a time and money consuming process and may require major changes in the company. Also, because of the product's European roots, several of the concepts use Euro-centric terminology that has caused some frustration to North American users. Nonetheless, the Dynamics Retailer is connected without compromise; personally relevant; agile and opportunistic. The software is committed to ensure its customers get industry leading solutions that help them reduce costs and complexity and enable them to always be ready for what is next.

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