

Case Study: OSG

When The Users First Saw PrecisionPoint They Instantly Asked for More!

Users at OSG (UK) are finally accessing all the information they need from their Microsoft Dynamics AX system using an advanced packaged BI solution.

"We needed better insight into where our business was going," says John Tuohy, operations manager at OSG (UK) Ltd. "PrecisionPoint Business Warehouse now allows us to prepare reports 'on the fly'. If somebody wants to know the performance of a particular product in a particular area, we can generate a report there and then. The flexibility is pretty neat and you don't have to be an expert to use it."

Background

OSG (UK) Limited, a subsidiary of OSG Corporation of Japan, manufactures, sells and distributes high performance cutting tools, taps and dies to engineering distributors and manufacturers across the United Kingdom. It has users in all industries, but is particularly favoured by racing car, aircraft and engine manufacturers.



Whilst the company manufactures in the United Kingdom, the majority of its products originate in Japan. Products are sourced through the group's European stocking centre in Belgium. OSG (UK) has a turnover of £10M (\$16M), with over 700 customers and 30,000 product lines.

Problem

The entire corporation uses Microsoft Dynamics AX for its core business processes, accounting and reporting. Reports were designed when the system was installed in 2002, but failed to provide sufficient information for the required analysis. Microsoft Excel pivot tables were used to interrogate four separate On-Line Analytical Processing (OLAP) cubes built to try to fill the information gap. However, John Tuohy found that despite the quality of the business data the system contains, reporting output was not able to fully support management's decision-making processes.

"Microsoft Dynamics AX 'out of the box' reporting functionality, like most ERP systems, is limited," he says, "and the separate OLAP cubes were not very functional or elegant in design. They didn't meet our needs, especially in the rather desperate current economic climate. We needed to know more about what was happening in our business and to understand our profitability better."

For example, with limited manufacturing in the United Kingdom, the company buys products from its sister OSG companies in yen, euros and dollars. Volatile exchange rates mean that margins change rapidly.

"Microsoft Dynamics AX is a very sophisticated and functionally rich tool that captures and manages complete transactional data and related business information" says Adrian McNay, Group Director at Touchstone, the United Kingdom's largest Microsoft Dynamics partner. "Users naturally want to get the very best out of their investment so that managers can fully understand where their business is today and use that information to predict and plan future strategy. Companies invariably set up a separate project to install a 'business intelligence' system to provide better business insight."

Solution

In the early part of 2009, John Tuohy was asked to look for a solution to these information control and analysis problems. He quickly dismissed solutions that would involve a third party developer, such as having more cubes written in Cognos on Dynamics AX (which is used by OSG in the USA) or having every Dynamics AX report developed for them.

Then Touchstone, which had supplied the company's Microsoft Dynamics AX system, introduced its partner PrecisionPoint Software with Business Warehouse for Dynamics AX. This business intelligence application software is built on standard Microsoft Office and SQL Server database products and provides end users with tools to audit, access, and analyse a cohesive and complete data warehouse of accurate, timely corporate information that is tightly integrated with Microsoft Dynamics AX. McNay says that PrecisionPoint Business Warehouse is an ideal application, because it uniquely has the power to drill down through business processes to the source transaction-level data from Microsoft Dynamics AX and then provide the data for customised, on-demand, or standardised/scheduled analytical and reporting purposes.

"I liked the demonstration, because the software covers so much functionality in a single bundled product," says John Tuohy. "You can go into the data warehouse and select data from all sorts of areas within the Microsoft Dynamics AX system. Having seen what a nightmare it was to get our old OLAP cubes written, I could appreciate that it is a powerful solution."

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John Tuohy, Operations Manager at OSG (UK) Ltd

The next step was a one day test drive workshop for Finance and IT. A full copy of the Microsoft Dynamics AX database was loaded into PrecisionPoint Business Warehouse and within hours it was available for use.

"Seeing it working so fast with our own data and interacting with it so easily was very interesting," says John Tuohy. "We know our business well, so we could put together reports that were meaningful to us. Seeing the structure and how it would meet our needs in the test drive workshop helped us to decide to purchase it."

Implementation

The cost of the complete system was approximately £30,000, including three days training for each main user. PrecisionPoint Software helped to procure a low-priced server from Dell and then installed the software and configured the database remotely. It also set up automatic data transfer routines to refresh the data warehouse, in this case nightly. Once installed, the installation is monitored daily by a web-services software agent called PrecisionPoint Guardian. This agent reports to PrecisionPoint Software's Support Centre each night, so if there are any problems or data irregularities the support staff can e-mail audit details to John Tuohy before he arrives in the office. In addition, PrecisionPoint and Touchstone's support staff can monitor customers' data integrity, such as the extracted ERP data does not balance, and system performance via a web interface to the Guardian central support server which keeps a history of diagnostic information.

After only two days training Touhy was able to produce meaningful reports himself that he could distribute to appropriate staff within the company as required. "The PrecisionPoint Software support staff are very helpful and you come to know the people very well initially, but as you and the product 'bed in' they are not required that often but are a useful telephone number."

PrecisionPoint In use

The system went live towards the end of May, 2009 for six head office managers using Microsoft Excel with the PrecisionPoint XLPublisher add-in writing reports which can be published as Excel workbooks or web reports. It is also used by ten field sales staff, who log into Microsoft SharePoint to run reports using Microsoft SQL Server Reporting Services for their own areas. They can also export reports into Portable Document Format (PDF) files or Microsoft Excel as required.

The first report was customer turnover by product, for the marketing and sales staff. It was given to them in



the form of a Microsoft Excel workbook. John Tuohy recalls that the users were pleased - and instantly asked for more! "They were not used to getting data that is meaningful to our business," he says. "The flexibility has impressed me and we can now get reports 'on the fly'."

The next report added depth, by reporting product mix by geographical area.

This allowed users to review marketing and distribution strategies for their products in each area and make changes as appropriate to improve sales performance by raising our profitability.

Another reporting requirement was instant access to up-to-date margins, which is vitally important at the current time. The company is trying to lower its inventory overhead costs by increasing reaction time for order fulfilment, but must also ensure sales are at

a realistic price to maintain margin control and profitability.

Benefits

The speed of preparing new reports and the flexibility of analysis is the first noticeable benefit. "Users rarely know exactly what they want and initially don't know what PrecisionPoint Business Warehouse is capable of," says John Tuohy. "However, when they see the first report, even though it is rarely what they want, they have a better idea of what they need. Because we are building reports ourselves we can change them to make them more meaningful and intuitive on the spot."

He says that he can now build a new report in ten or fifteen minutes that provides exactly what is wanted. That is a major leap forward, compared with having to work out what information is available in Microsoft Dynamics AX and extract it in Microsoft Excel for manual manipulation and analysis.

However, the financial benefits are just as important. The PrecisionPoint Business Warehouse has the ability to provide analysis of the product mix of sales in each area that has allowed the company to identify strategic sales opportunities, such as targeting specific industries in an area or cross selling to specific customers to balance out the product mix. "It empowers the sales staff to go out and get more sales" says Tuohy.

The profitability analysis is also very important, providing information enabling the company to make strategic decisions to maximise its gross margin. Aggressive pricing can be damaging if exchange rates move in the wrong direction. "It is great to be selling," says John Tuohy, "but it is no good if you are not making a profit - or are actually losing money."

"PrecisionPoint Software provides the necessary links and interfaces to provide immediate functionality." Adrian McNay, Group Director at Touchstone Ltd

The system's user friendly administrative interface is also important to OSG. John Tuohy finds the data warehouse to be very comprehensive, including access to important Microsoft Dynamics AX fields that are not normally captured and could not otherwise be included in reports. PrecisionPoint's overnight Guardian monitoring ensures that the information is always accurate and up-to-date.

"PrecisionPoint Software provides the necessary links and interfaces to provide immediate functionality," says Touchstone's McNay. "After only two days training organisations can access critical information, like their leading product lines, their most profitable customers or products that are loss leaders, which they didn't realise before."

Future

The monthly accounts pack will be generated automatically from the system, making the finance manager's life easier. The company's parent is quoted on the Japanese stock exchange, so it has to report back to its Japanese head office with information that is confidently 'one source of truth', audit accurate, and complete.

"Those demands are getting heavier and heavier, so it will free up a lot of the finance manager's time to have such dependable information to reply upon. I am also looking forward to the new inventory module, which promises to be a major leap forward."

Conclusion

Known as a pragmatic user of IT, John Tuohy is very happy with the company's investment. "PrecisionPoint Business Warehouse is a good flexible application," he says, "that makes it much easier to get at our data out of the Dynamics AX system."

McNay advises "Most ERP solutions come with standard two dimensional reports but none has such a sophisticated business intelligence function," he says. "The beauty of the PrecisionPoint product is that you have immediate access to your data and can then, with little effort, extend it to generate much more business information to help map your vision and strategy."

About PrecisionPoint Software

PrecisionPoint Software is the company that simplifies and accelerates the deployment of sophisticated Business Intelligence (BI) for Microsoft® Dynamics™ customers. PrecisionPoint Business Warehouse is a trusted and reconciled data warehouse platform for Microsoft® Dynamics™ applications including Dynamics AX, Dynamics NAV and Dynamics GP (formerly Axapta, Navision and Great Plains).

PrecisionPoint Business Warehouse is Certified for Microsoft Dynamics NAV, Microsoft's highest standard for partner-developed software. PrecisionPoint BW can be installed in as little as a day and there are hundreds of end-users at companies including Americana International, Basic Chemical Solutions, Boehringer-Ingelheim, BroadSoft, Chiltern Railways, Costa Coffee, Fitflop/Brand Slam, John West Foods, Koppers, Rotary Watches, Harrods Aviation, IHS, Nille AS, State Garden, Inc., Vantis plc and Xaar plc.

www.Precision-Point.com

About Touchstone Group

Touchstone Group is a software and services company that provides integrated business software and consultancy services to companies primarily in the UK. It is quoted on the London Stock Exchange AIM market and has had year-on-year growth since it was created in 1982. Touchstone provides a broad range of services and software applications including: ERP, CRM, Financial Management, Procurement/Spend Control, Document Management and Business Intelligence to clients in specialist sectors including: Commodity Trading, Construction, Energy, Financial Services, High Tech, Hospitality & Leisure, Not for Profit, Media & Publishing, Professional Services, Rental, Shipping & Ports and Wealth Management. Clients include Speedy Hire, RMD Kwikform, PwC, Jarvis, and Yarlington Housing Group.

www.touchstone.co.uk



About Microsoft Dynamics

Microsoft Dynamics is a line of financial, customer relationship and supply chain management solutions that helps businesses work more effectively. Delivered through a network of channel partners providing specialized services, these integrated, adaptable business management solutions work like and with familiar Microsoft software to streamline processes across an entire business.

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