DynamicsCon Regional

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Tailoring MS Dynamics 365 Business Central for Manufacturing Industries

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Tailoring MS Dynamics 365 Business Central for Manufacturing Industries.

We shall discuss and engage on implementing Business central in Manufacturing industry especially in Africa more so east Africa.

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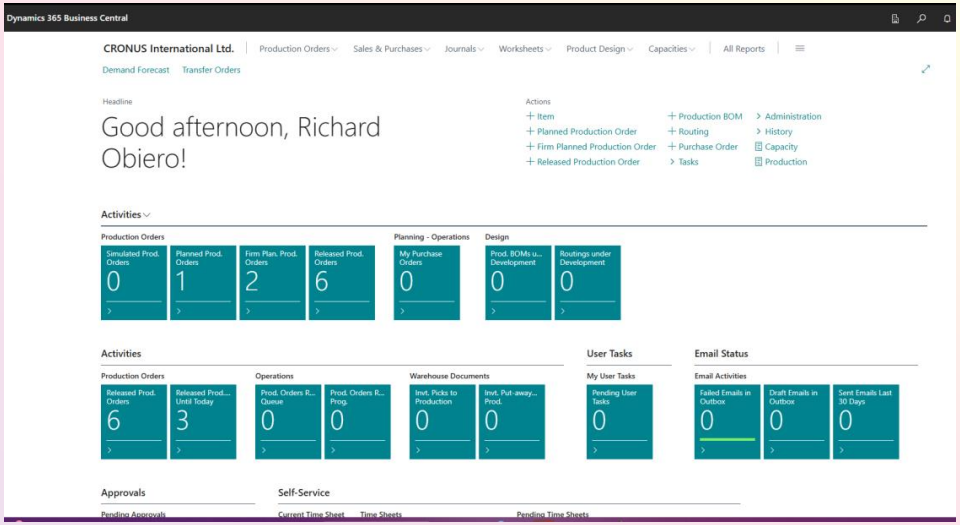
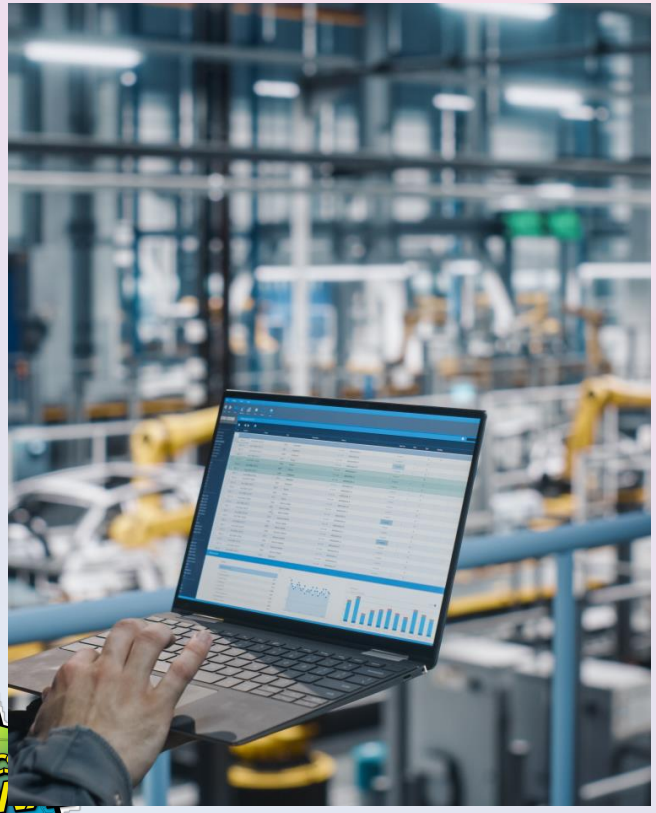
Agenda

- Manufacturing Industry in Kenya.
- BC –Business central Implementation Strategy.
- Manufacturing in Business central.
- Use case scenarios.
- Question and Answer.
- Conclusion.



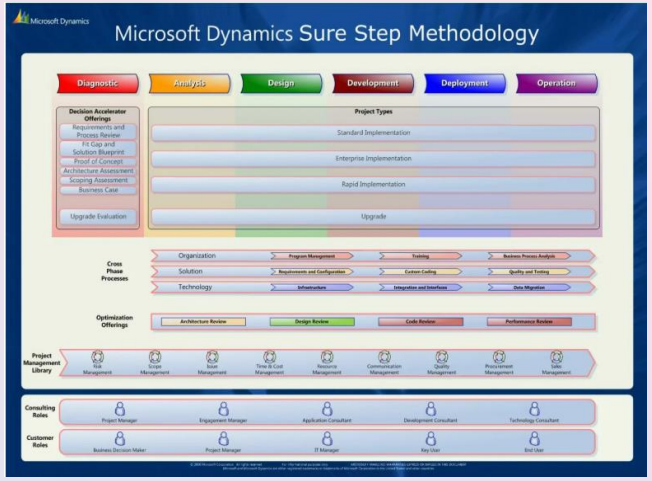
Manufacturing Industry in Kenya

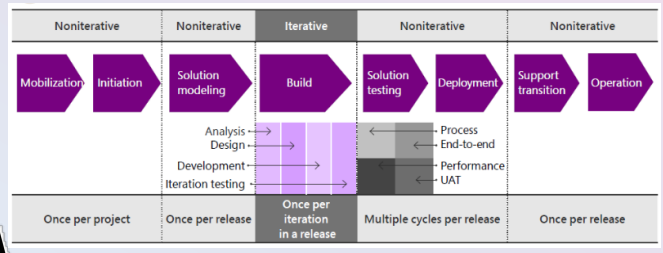


According to Kenya Manufacturing Association below are the key sectors in the manufacturing Industry;

- Agro-Processing
- Automotive.
- Building , Mining and Construction.
- Chemical and Allied.
- Energy, Electrical and Electronics.
- Food and Beverages.
- Leather and footwear.
- Metal and Allied.
- Plastics and rubbers.
- Textile and Apparels
- Timber.

BC-Implementation Strategy





- Align on the Key concept for strategy;
  - Understand the vision and business drivers
  - Agree on key success metrics
  - Identify roles and responsibilities
  - Identify and allocate the right resources
  - Allocate budget and funds
  - Choose a methodology
  - Define the deployment and release management
  - Change management
- Project Management Approach - Adoption of sure step methodology
- Choose Implementation methodology;
  - Waterfall Approach
  - Agile framework
  - Scrum strategy
  - Rapid Approach
  - Hybrid approach - Recommended

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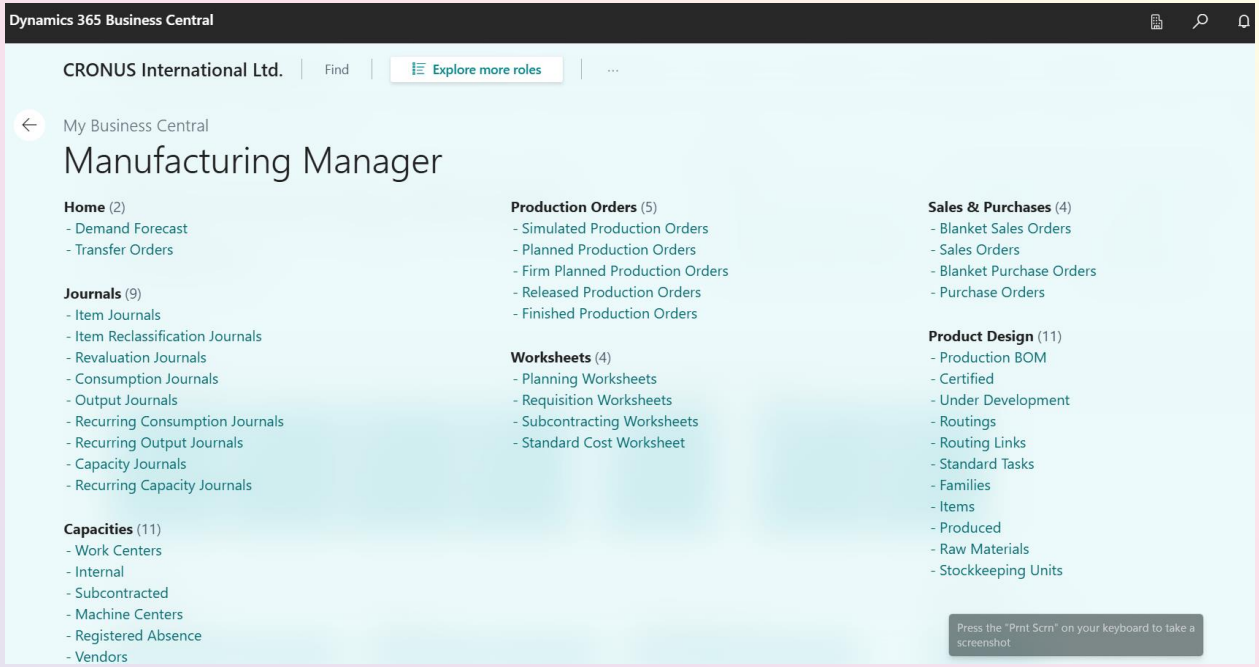
Manufacturing in Business central

- Inventory & Warehouse Management.
- Production planning and Scheduling – MPS/MRP – Master Production Schedule/Material Requirements planning.
- Production floor – Machines, work centers calendars
- Supply chain management
- Financial management
- Quality control
- AI powered Insights with Copilot



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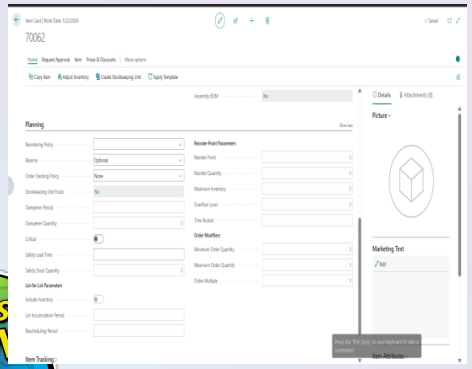
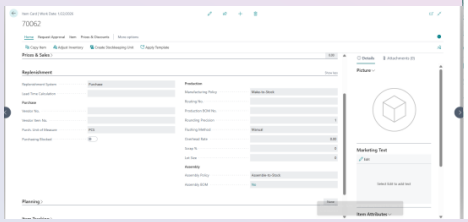
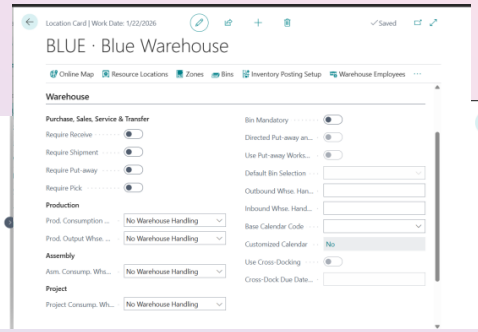
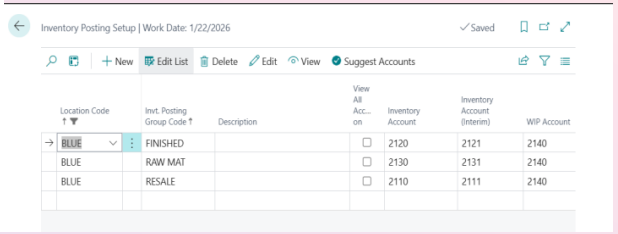
Inventory & Warehouse Management.

- Setups; Inventory setups – choice of costing method, Locations –utilization of locations advanced or simple, Inventory PG, Warehouse setup-advanced utilization of warehouse, warehouse employees etc.
- Item Master Management – especially the replenishment and planning tab.
- Replenishment tab – replenishment system, Lead time calculation, Routing, Production BOM, Flushing method
- Planning tab – Reordering policy, Dampener period and Qty, safety lead time and Qty. Lt for lot parameters, re-order point parameters, order modifier
- Rounding precision is key – be aware of overall rounding precisions set on the system , unit of purchase vs unit of consumption – control and align the rounding precisions to reduce system generated variances
- Std cost worksheet for standard cost roll up – periodically when new cost are set by the company
- Transfer orders – transfer routes









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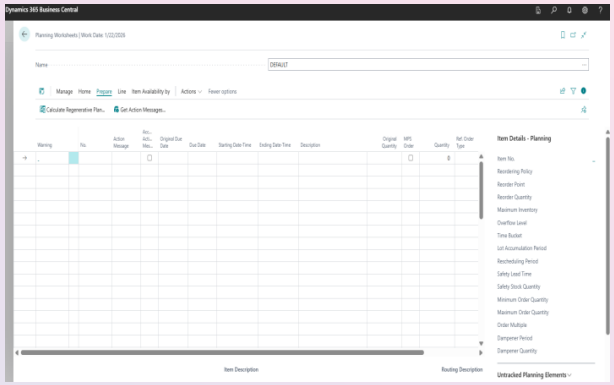
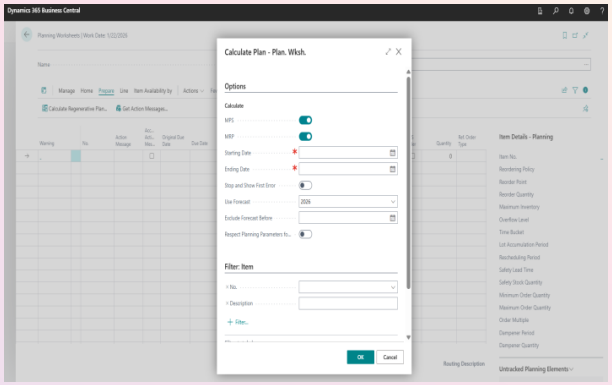
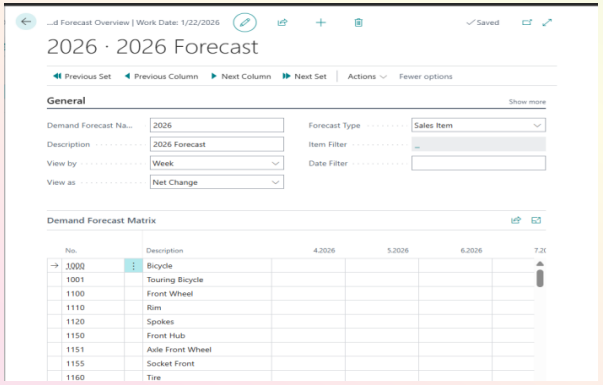
Production planning and Scheduling –

MPS/MRP – Master Production Schedule/Material Requirements planning.







- Planning worksheet is the tool in NAV that runs the MPS – tells you when and how much to produce/MRP- tells you how much raw material to buy and when to place the order.
- This tool works with parameters set on the item cards named on previous slide.
- Other parameters to consider entails; Sales orders, Transfer order, Purchase order (key items is the order date, receipt date ad shipment dates) – data ownership and accurate updates in Realtime is of high importance as it may lead to overstocking and late creation of orders.
- Forecast loading on BC can only be done on 3 tools – Sales orders, Demand upload, Transfer order – you can't forecast the same item using the three tools has to be one.

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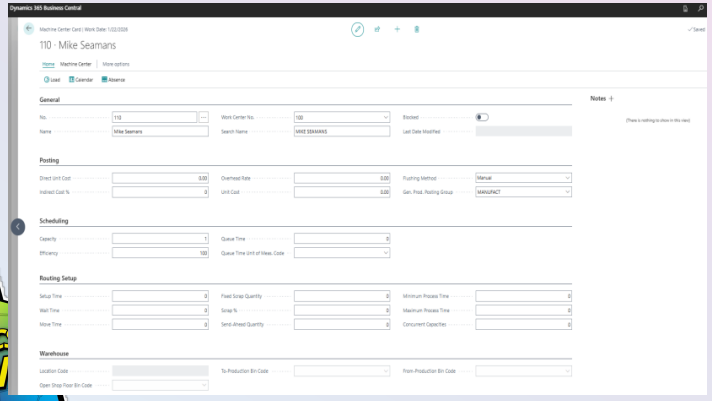
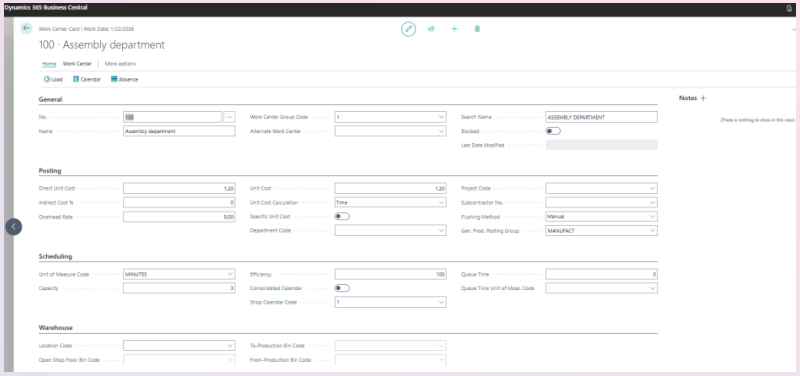
Production floor – Machines, work centers, calendars

- Structure and set up the shop floor in the system same way and efficiently like the way they have aligned the floor
- Machine centers – are the actual machines that are there on the actual floor set up posting tab-Cost, flushing method, Gen prod posting group, scheduling – capacity , queue time UOM and efficiency and routing set up – setup time, wait time, move time scrap% and warehouse – locations and bins
- Machines will drive your output
- Work centers – a collection of machines performing either same or a full sequential set of activities, key setup Scheduling tab - shop calendar others are like above





Capacities (11)
- Work Centers
- Internal
- Subcontracted
- Machine Centers
- Registered Absence
- Vendors
- Work Shifts
- Shop Calendars
- Work Center Groups
- Stop Codes
- Scrap Codes

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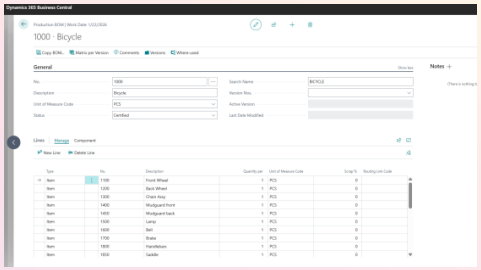
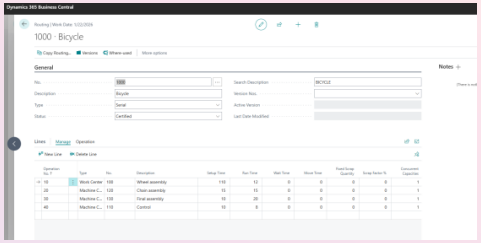
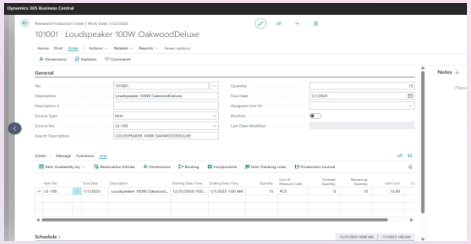
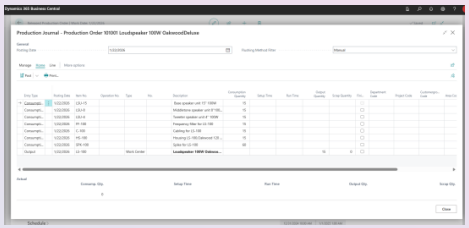
Production floor – Production Design, Production orders, Assembly

- Production BOMs.
  - Key here is to understand the production design all components and create the BOM and maintain versions
  - Options – item BOMS or Flat BOMs
- Routing.
  - Order that operation follow to make an item
  - They are a key parameter for planning , scheduling and costing – it's where you know how long it take to make a part









- Production order/ Production journal
  - Where production happens – item & qty to produce are set, consumption of components, output posting , run time, capacities, stop time reasons and codes, Shift output – compared to shift target
  - This be married with the production plan; Planned P.order, Firm planned, released
  - Orders be finished when the shift ends – if std cost adjust cost set to run immediately to settle cost completely
- Assembly order.
  - Easiest way for companies that do no do full manufacturing and put different parts together to form different packages that customers do order, and they can sell

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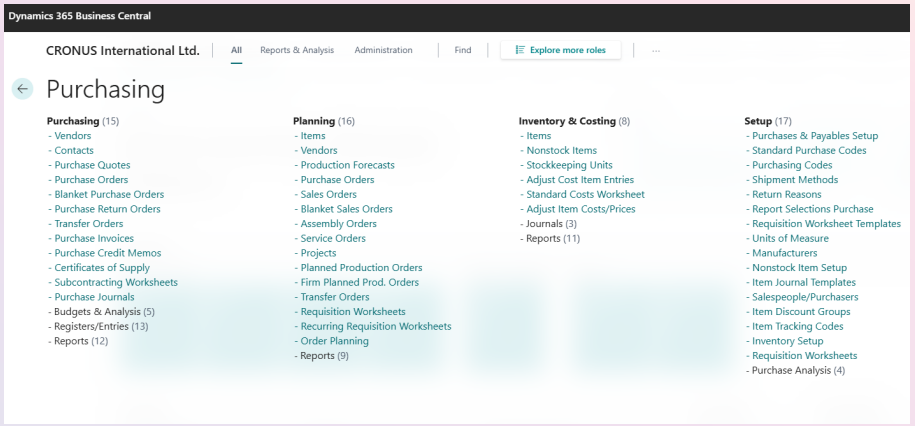
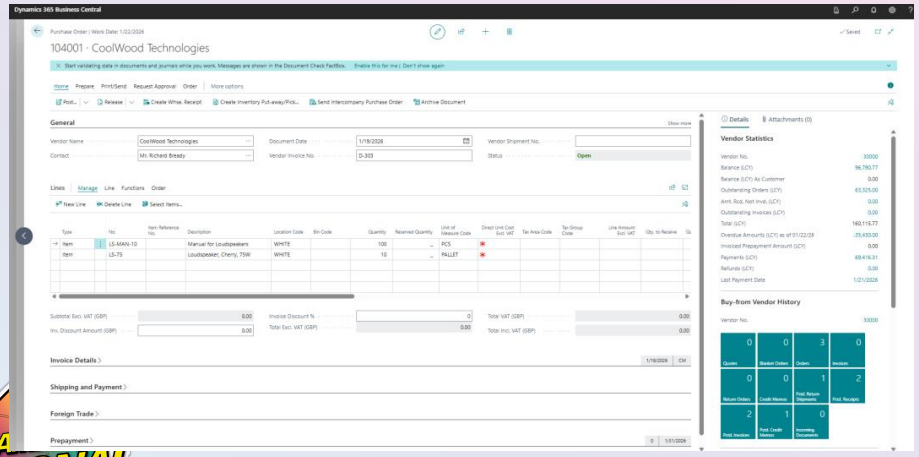
Supply chain management





- Correct order time and quantity – how to achieve with MRP – to void over stocking and late delivery while navigating liquidity
  - Vendors
  - Purchase quotes
  - Purchase Orders
  - Purchase return Orders
  - Transfer Orders
  - Purchase Invoices
  - Purchase Credit memos
- For PO/Transfer order - Key fields are the dates – Order dates, Receipt date, Shipment date –Its impact on MRP.
- Customization to introduce Procure to pay process is a game change in sealing loopholes and reducing transaction processing time
- Correct setting of Payment terms – the power and use of it

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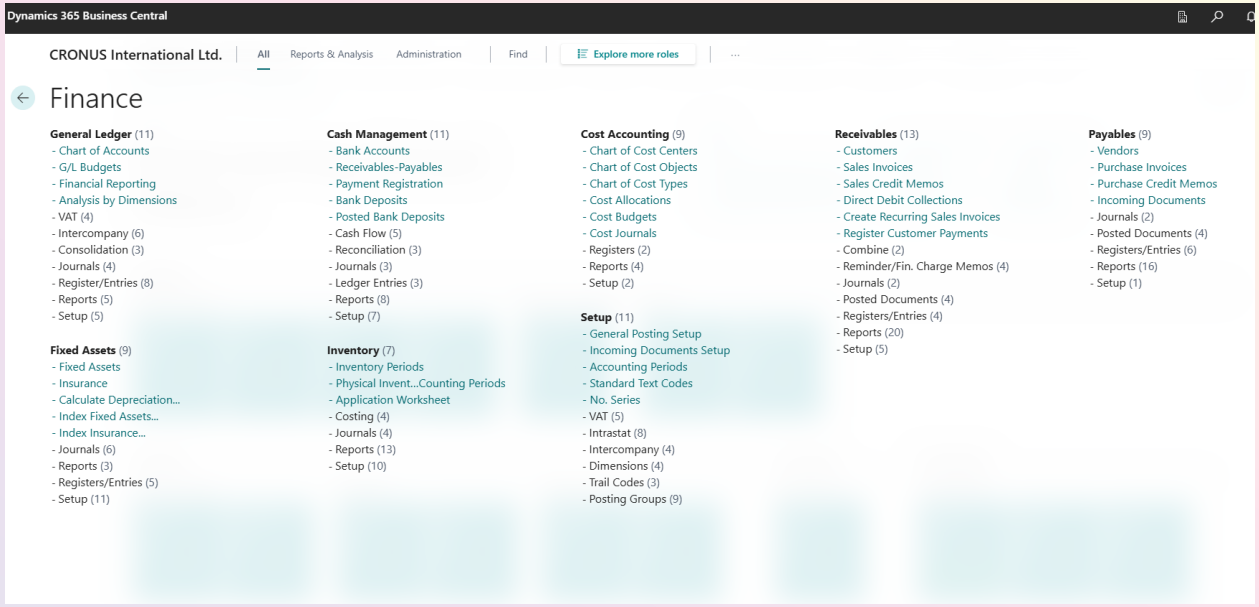
Financial management

- Cash sheet planning – this is best achieved with regular and standardized running of -MPS.MRP –MRP issues you what to buy in what quantity from whom and when and with standard cost the cash need becomes apparent
- Leverage incoming documents to process invoice as they arrive from the suppliers and reduce invoice creation time by users and user errors and lateness
- The power of prepayment function on Purchase order
- Importance of choice of default currency and additional reporting currency to control Forex losses
- Automating daily FX rates updates
- Integrating payment JVs with Payment bank accounts
- Automating bank reconciliation with integration of statement pulling from banks



Quality control

- Sampling of raw material, built parts , finished goods, returned sold goods
- Even sampling from the lines are a recurrent event in manufacturing hence the combination of item journals , location setup and job queues can automate recurrent test and random QC checks
- Serial and batch tracking also is of key so to track batch health

AI powered Insights with Copilot

- Creation of intelligent reports;
  - Insights on consumption period and patterns to improve on safety stock and reorder points or levels
  - Insights on machine breakdown and efficiency
  - Recognize pattern and season when cash is highly needed for future planning
  - Efficient forecast checks based on actual sales pattern and not just wat sales team say
  - Use copilot to summarize data that is outdated that require updating as they will impact MPS MRP
- Automating data uploads like forecast and purchase invoices from suppliers in the system onto incoming documents from emails saving time

Interactions and questions from the Audience

Question and Answ

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Be on the look out for an event just for deep dive on Inventory, Warehouse, Manufacturing modules - soon

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