

HITACHI
Inspire the Next

Subaru Success Story





 **Hitachi Solutions**



CUSTOMER PROFILE

Subaru Canada, Inc. is a wholly owned subsidiary of Fuji Heavy Industries Ltd. of Japan. Headquartered in Mississauga, Ontario, the company markets and distributes Subaru vehicles, parts and accessories through a network of approximately 100 authorized dealers across Canada.

INDUSTRY

Automobile Manufacturing

LOCATION

Mississauga, ON

Dynamics AX

ONE OF CANADA'S LARGEST AUTOMOTIVE WHOLESALERS REDUCES MANUAL PROCESSING EFFORTS IN AR BY 40% WITH NEW CORPORATE FINANCE SOLUTION BASED ON MICROSOFT DYNAMICS AX

Business Situation

Subaru Canada Inc. (SCI) required an upgrade to their current Finance solution that could provide improved reporting while integrating with and leveraging existing investments in a their legacy AS/400 system. Some of the key challenges facing SCI were:

- Inadequate reporting via their legacy AS/400 finance system. SCI wanted a solution that would apply tighter controls to their financial reporting outputs
- Month-end cycles were excessive, taking up to 3 weeks to close with substantial manual data entry and report generation
- The AS/400 technology and solution were outdated with significant functional limitations that are readily available in newer technology

Solution

Hitachi Solutions (formerly known as Ideaca) delivered an integrated Corporate Finance solution based on Dynamics AX 2009 that will serve as the foundation of a broader ERP solution. The solution allows for reporting on Subaru's key metrics including their sales incentives to dealers and across product categories (make, model, year). The Finance module in AX allows for the configuration against unique attributes in the general ledger for measurement, monitoring and ultimately inventory planning. All of Subaru's Finance processes were included in this implementation including general ledger, accounts receivable, accounts payable, bank management, procurement, and expense management.

The solution was created by integrating Dynamics AX 2009 with the existing inventory system. Given the unique information needs of a vehicle wholesaler, SCI operates their parts and warranty inventory management system through proprietary software built specifically on an AS/400 system that was not scheduled for

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Director eBusiness & Information, Subaru



replacement in the foreseeable future. Following best practices around data integrity, SCI requested all inventory information to be stored only in the AS/400 rather than risk a data synchronization failure. To meet these needs, Hitachi Solutions leveraged the interfacing capabilities of Dynamics AX to manage seven distinct interfaces to and from AS/400. Inventory data is now pulled from the existing AS/400 system while AX acts as the source of customer and vendor information to support the parts and warranty systems that require this information.

To eliminate the need for inventory data in Dynamics AX, the ability to look up the information with one mouse-click from AX has been built into the application. This integration has resulted in over 90% of Subaru Canada's financial transactions being automatically generated on the AS/400, then delivered to Dynamics AX through a scheduled interface. Printed invoices are also created on AS/400, then delivered to Dynamics AX and attached to financial transactions as PDFs automatically. In addition to this core functionality, the new system leverages web service architecture to automatically import financial transactions from outside sources such as third-party vehicle financing. Compared to the previous system, usability features in AX now permits the Finance department to quickly process any remaining manual transactions using a familiar interface. Furthermore, the solution also integrates CRM functionality to both internal users and the dealer network, using both the AX 2009 client and AX 2009 Enterprise Portal. Functionality includes contact and activity management, lead and prospect tracking, new vehicle registration and customer service/support case management.

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Benefits

- 10% reduction in month end closing efforts for Finance team
- Reduction of manual processing effort in AR by 40%
- 100% reliability in reporting vs. data manipulation outside of the system
- Reducing the chart of accounts from over 1800 defined accounts to 600, making it far more manageable administratively
- Establishment of a common repository for leads, prospects and retail customer data; providing the ability to track the entire relationship lifecycle for both owners as well as vehicles
- Improved customer service by providing a simplified call center interface allowing the ability to track logged cases and activities from different call centers against vehicles, vehicle owners and dealers. This was also facilitated by Dynamics AX being the single point of origin when looking up information in other AS/400 applications with web service integration

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