

From 80+ Systems to One — A Case Study of ERP Consolidation



SPECIFICATIONS

INDUSTRY

- Manufacturing

PRODUCTS

- Microsoft Dynamics 365
- Hitachi Solutions Field Service Automation
- Hitachi Solutions Systems Data Transformation Framework

CURRENT DEPLOYED

- Europe
- North America

LANGUAGES

- English
- German
- French

As a leading manufacturer and distributor, our customer requires a high degree of visibility into its manufacturing operations — a tall order for a company with a highly decentralized data model. Read on to find out how Hitachi Solutions helped consolidate a software ecosystem from 80+ separate ERP systems to just one.

Challenge

Our customer has grown exponentially over the years by acquiring independent entities in different countries and adding them to its portfolio. Senior leadership decided to allow each of these entities to operate autonomously, with their own ERP systems, finance teams, etc. This approach led to a very decentralized system/data model and by the time Hitachi Solutions started working with them, there were 80+ different enterprise resource planning (ERP) systems.

To remedy this issue, a consulting firm conducted a year-long internal project to evaluate different ERP systems. Based on the findings, they selected Microsoft Dynamics 365 hosted in Azure as the one global ERP solution. And the goal was to have all divisions operational on the unified solution within five years.

Seeking help to implement the new vision, an RFP was sent to several Microsoft partners. Impressed by the quality of our response, resources in North America and Europe, the pedigree of our consultants, and our ability to leverage an offshore model for development and support, the company chose Hitachi Solutions.

Solution

Before kickstarting the first phase of the project, we held design discussions to figure out how to define master data elements to meet the company's needs. This included conversations on how to consolidate roles, how to handle different accounting functions, whether to assign common item numbers, which data migration routines would become standard, and so on. We also discussed how to structure customers based on the

results of an internal survey. This last item was particularly important because customers reported frustration around having to pay for a product with four separate entities, which made it challenging to do business.

Once we had worked to understand the key implications of these decisions from a design perspective, we transitioned into another phase of the project, during which we designed a core template in Dynamics 365 that established common processes for all entities. Using this template, someone responsible for procurement in North America, for example, can follow the same processes and meet the same requirements as someone responsible for procurement in Europe. Next, we rolled out the core template to the different legal and corporate entities in North America and Europe.

From a business solution perspective, this project was a full ERP rollout and included capabilities designed to support general ledger, receivables, and payables, as well as fixed assets in Europe. We also implemented Dynamics 365 Supply Chain Management for procurement, sales order management, and warehouse management, as well as proprietary Hitachi Solutions field service automation IP.

Benefits

Prior to working with Hitachi Solutions, our customer lacked visibility into manufacturing operations, specifically in relation to its return process. Customer service representatives were only able to view their own individual orders, which meant they were unable to trace items back to where they were manufactured and unable to determine whether a product was returned because of a raw materials issue. This ultimately led to carrying excess inventory.

Thanks to the new solution, the company is now able to create planner roles, which enables its manufacturing plants to engage in more accurate material requirements planning, and its sales team members to gain a holistic view of manufacturing operations. North America operations, in particular, have enjoyed increased visibility into manufacturing processes, which has enabled the company to better manage its inventory levels and produce goods more efficiently and cost effectively.

It's also easier than ever for customers to do business with them. Rather than have each individual entity operate independently, they operate as a unit, which means rather than receive multiple invoices from different vendors, customers now receive a single invoice for any work completed.

Ultimately, working with Hitachi Solutions has enabled the company to:

- Consolidate systems
- Create financial shared services that optimize resources and reduce costs
- Gain global visibility into inventory and inventory valuation
- Easily produce a global headcount
- Grow existing headcount management operations
- Provide business metrics based on common processes and data for more informed decision making

[Contact us](#) to learn how we can help you!

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