



HITACHI

Reliable Solutions

INDUSTRY

- Heavy equipment, equipment parts sales, and after sales service

IMPLEMENTATION PARTNER

- Hitachi Solutions Asia Pacific

PRODUCTS AND SERVICES

- Microsoft Dynamics 365 Finance and Operations
- Microsoft Azure DevOps,
- Azure Synapse
- Azure APIM
- Azure Logic Apps
- Azure Storage
- Microsoft Power Platform AI Builder
- Microsoft Power Automate

Hitachi Construction Machinery (UK) Limited Transforms Operations with Microsoft Dynamics 365 Finance and Operations

INTRODUCTION

Hitachi Construction Machinery UK Ltd. (HCMUK) is a subsidiary of Hitachi Construction Machinery Europe that specializes in supplying excavators, wheel loaders, parts, and services to the UK and Irish construction industry. As a market leader in providing high-quality products and services, HCMUK recognized the need to adopt automation to meet increasing customer demands and stay up to date with modern technology advancements that promote simplified and automated processes.

CHALLENGE

HCMUK has been experiencing business challenges with its legacy system— from inefficient processes and lack of real-time insights to outdated, manual data entry. The system’s complex and manual processes posed difficulty for its users to get accurate data and prioritize high-value tasks. Moreover, the absence of real-time insights also led to decision-making challenges, hindering innovation to penetrate the business.

“As we continue to grow our business, we realized that our current system and the absence of modern business applications made it harder for us to keep up and achieve operational efficiency,” said Andrew Shield, CFO of HCMUK.

In a nutshell, HCMUK’s once-reliable system has now become obsolete and no longer meets its evolving needs.

SOLUTION

Spearheading HCMUK's digital transformation initiative, HCMUK's Steering Committee addressed these issues and collaborated with Hitachi Solutions to implement Microsoft Dynamics 365 Finance and Operations (D365 FO). HCMUK set out to achieve the following goals and effectively integrate D365 in its processes:

Streamlined Operations: HCMUK aimed to optimize its sales, purchase, inventory, warehousing, and after-sales service processes. Automation also played a vital role on tasks related to warehousing, auto-order creations, work order processes, and timesheet entries for workshop engineers— reducing manual data entry and improving overall customer service experience.

Enhanced Visibility: D365 FO provided transparency on accounting reconciliation and reporting, switching HMRC (His Majesty's Revenue & Customs) VAT calculations from MS Excel into a single source. Management reports now offered insights into financial data such as trial balance, balance sheet, and income statements.

Automated Service Maintenance: Complex logic drove the auto-scheduling of service maintenance to machines, creating service work orders automatically.

Integration: Legacy systems working in isolation were integrated to a cohesive ERP solution from GES to IDMS for service bulletins and warranties.

Rental Management: HCMUK now leverages its new rental business with D365 FO.

Digital Transformation: The Advanced Warehouse Management System (AWMS) eliminated print formats and embraced a digital approach using Zebra Mobile devices and label printers. It also managed 17 warehouses, two production units, 16 service zones, and mobile servicing.

Equipment Tracking: By linking warranties, services, work orders, and telematics; equipment information is tracked more accurately.

To start off, Hitachi Solutions did a thorough assessment of HCMUK's business requirements through multiple Conference Room Pilot (CRP) sessions— utilizing Azure DevOps and Microsoft Teams for communication and collaboration. The Azure DevOps template aligned with the project methodology streamlined project management and reduced reliance on traditional tools.

"Partnering with Hitachi Solutions has been a game-changer. From start to finish, their expertise in Dynamics 365 implementation helped streamline our operations and further drive innovation for our business," Shield emphasized. "The unique implementation journey Hitachi Solutions developed for our organization alleviated our concerns and turned the implementation more manageable for our team."

In terms of configurations and customizations, approximately 150 processes were configured and showcased during CRP, SIT1, SIT2, and UAT. Over 170 gaps were identified as part of a fit-gap analysis that was subsequently addressed and tested during iterative phases.

Despite data extraction challenges from the legacy system, multiple rounds of migration (including HCM HQ data migration) ensured data readiness. Key subject matter experts (SMEs) also received hands-on training early in the project, eliminating the need for a "Train the Trainer" phase. SMEs took ownership of the system as they actively participated in UAT.

HCMUK went live in just 16 months, even with implementation complexities plus the legacy system's limitations and multiple vendor involvement followed by extensive testing, rounds of data migration, and thorough preparation.

BENEFITS

Prior to the implementation with Hitachi Solutions and Dynamics 365 FO, HCMUK used to work with the legacy system that could not provide them with the innovation they needed to expand their processes.

The successful implementation of D365 FO with HCMUK has led to significant improvements, particularly in processes that involve accurate data and effective decision-making. The platform empowered its management with real-time insights and reporting while utilizing Export to Data Lake services integrated with Azure Synapse and Power BI for reporting.

"It's no wonder our HQ believed in Hitachi Solutions' capabilities to enhance our processes on a global scale. Their team has been instrumental in our digital transformation journey, and we couldn't be happier with the results."

Scalability and integrations

Hitachi Solutions helped provide HCMUK with a robust ERP platform designed with scalability in mind. Beginning with HCMUK's quote management system which brought all equipment sales orders in D365, hence maintaining all details in a centralized system. Similarly, integrations with HCM's global HQ (Japan) and Regional HQ (The Netherlands) seamlessly integrate the updated manufacturer items, supersessions, and prices.

Machine tracking and telematics with IoT devices provided insights into machines' telematics, allowing the team to view the exact location and usage of the machine within D365 without the need to navigate to different systems.

With a fully automated machine purchasing system, HCMUK's users don't have to key in the purchase orders in two different systems. The equipment details are fully automated, reducing a lot of manual work.

AP users also don't need to manually load the invoice data and do the matching with the Vendor Invoice Automation using the Microsoft Power Platform AI Builder and Power Automate (OCR) in place.

In the long run, HCMUK and its team can now build upon the success of this project and deliver a transformative impact and exceptional outcomes for their organization and the community.

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