



Recovering Operational Efficiencies for a Retail and Fashion House with Dynamics 365 F&O

Effective Solutions for ERP Challenges

Overview

Industry

Retail and fashion

100+

Stores

Solution

Enterprise-level ERP Support

Application

Dynamics 365 Finance and Operations, Advanced Warehouse Management, AX Administration

Key Highlights

400%

Reduction in overall MRP run time

99%

Synchronization achieved between ERP and MES systems

150%

Reduction in import time



About the Company

Our client, a leading retail and fashion accessory business with over 100 stores globally, has been a prominent name in the American retail landscape. Despite their success, they faced significant challenges with their Dynamics 365 Finance and Operations (D365 F&O) system, particularly concerning high support costs and implementation instability.



Challenges

1 System Performance and AX Administration in On-Prem Environment

The company's on-premises environment for D365 F&O experienced notable system slowness during peak usage times due to increased load. This required optimized maintenance, indexing, and server reallocation to enhance performance and eliminate user complaints about system speed.

2 Distribution Center Inefficiencies

Inefficient inventory management and shipping processes were prevalent. There was a need to improve replenishment and location directives to streamline operations, enhance shipping completeness, and boost customer satisfaction.

3 Complex MRP Run Time Issues

Prolonged MRP (Material Requirements Planning) run times were hindering operations. Optimizing the MRP setup was essential to reduce runtime and enable execution during low-stress hours.

4 Alignment of Legacy System Processes with D365

Synchronization issues between the Manufacturing Execution System (MES) and D365 caused high manual entry workloads, affecting production order completion and inventory accuracy. Ensuring smooth synchronization was crucial for operational efficiency.

5 Production Scheduling

The lengthy and unstable import process for production orders required streamlining to handle the high variation and large volume of production orders efficiently. This was critical to maintaining the production schedule and meeting market demands.



Solutions Implemented

Korcomptenz deployed a seasoned team leveraging a right-shoring model with 20 years of experience and Microsoft Gold Certification. The following solutions were implemented to address the client's challenges:

1. System Performance and AX Administration

- **Enhanced Maintenance and Indexing:**
Improved system performance through optimized maintenance and indexing.
- **Server Reallocation:**
Reallocated and added Application Object Server (AOS) servers as needed.
- **Proactive Maintenance Strategies:**
Implemented strategies to eliminate system speed complaints.

2. Distribution Center Efficiency

- **Location Directives:**
Configured location directives to prioritize fixed locations for newly manufactured goods, reducing extra storage and replenishment tasks.
- **Min/Max Replenishment:**
Set up Min/Max replenishment to automate inventory movement from bulk to fixed locations before warehouse release batches, improving shipping completeness and customer satisfaction.

3. MRP Run Time Optimization

- **Coverage and Action Time Fences:**
Optimized setup of coverage and action time fences.
- **New Demand Management Setup:**
Deployed a new demand management setup for critical, slow-moving items.
- **Mixed Planning Techniques:**
Used mixed Min/Max and item allocation planning to meet customer requirements, achieving a 400% reduction in MRP run time.

4. Synchronization of MES and D365

- **Batch Creation and Adjustments:**
Eliminated timing issues through batch creation and physical operation adjustments.
- **Settings Modification:**
Modified settings to control transaction occurrences, achieving over 99% synchronization between MES and D365.
- **Improved Batch Efficiency:**
Enhanced infrastructure support to prevent delays in production order processing and distribution, reducing manual entries and ensuring smooth production and accurate inventory.

5. Production Scheduling

- **Stabilized Import Process:**
Improved the import process for production orders, reducing import time by 150% and ensuring timely execution of the manufacturing cycle.



Results

The implemented solutions resulted in significant improvements across various aspects of the client's operations:

400% Reduction in MRP Run Time:

Allowed MRP execution during low-stress hours, enhancing system performance.

99% Synchronization Between MES and D365:

Reduced manual entry workload, improved production order completion, and ensured accurate inventory management.

150% Reduction in Import Time:

Streamlined production scheduling, enabling efficient handling of high variation and large volumes of production orders.

Enhanced Distribution Center Efficiency:

Improved inventory management and shipping processes, leading to higher customer satisfaction.

Deliverables

- ◆ **Functional and Technical Expertise:**
Provided comprehensive support for Finance, Trade and Logistics, and Advanced Warehouse Management.
- ◆ **Advanced Warehouse Management:**
Implemented Min/Max replenishment and location directives to streamline inventory management and enhance shipping efficiency.
- ◆ **Production Scheduling Efficiency:**
Stabilized and streamlined the import process for production orders, significantly reducing import time.
- ◆ **AX Administration:**
Enhanced system performance through better maintenance, indexing, and server reallocation.
- ◆ **MRP Optimization:**
Improved MRP setup, reducing overall runtime and allowing execution during low-stress hours.



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