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**On-premise and cloud solutions with Microsoft Dynamics NAV or Microsoft Dynamics 365 Business Central**

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Contact eBECS and request a meeting with one of our Dynamics experts.

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# eBECS Distribution Accelerator for Microsoft Dynamics

## Overview

Distributors have the constant challenge of balancing supply with demand. Affected by consumer demand, competitors and manufacturing activity, distributors must accurately anticipate demand or risk either an inability to meet customer requirements or having warehouses full of excess inventory. At the same time, distributors must look for opportunities for new markets and to improve supply chain, whilst working on ways to streamline operations, control costs and improve customer service through efficient order fulfilment and after-sales service.

In todays' omni-channel environment, the costs of fulfilling customer orders can be a significant portion of the overall costs of goods. It is therefore imperative that warehouse operations are as efficient as possible and organisations have good visibility of the costs of warehouse operations related to the fulfilment of customer orders.

The eBECS Distribution Accelerator for Microsoft Dynamics has been designed to complement the existing standard warehouse functionality by adding the capability to: handle goods imported in containers; accurately record and apportion landed costs; improve warehouse efficiency and the visibility of warehouse processes; improve the quality of goods; make the best use of potential rebates or retrospective discounts; fulfil statutory environmental reporting requirements; and ensure the most efficient despatch of goods from the warehouse.

With improved flexibility and visibility of the information needed to make better-informed decisions, distributors can be more precise with replenishment, order processing, lead times and reporting. This in turn can lead to improved operations and stronger customer relationships, with a correspondingly positive impact on the bottom line.

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## Container Management

Many retailers, wholesalers, distributors and manufacturers import goods and components from overseas, but handling products arriving in shipping containers can create logistical challenges. Long lead-times due to shipping times can have impacts on both availability of stock for customers and production lead-times of items whose manufacture rely on the availability of components. Warehouse processes have to adapt to cope with large volumes of goods arriving in a single container within the constraints of both warehouse space and employees available to perform warehouse activities.

Container management integrates seamlessly with the existing purchase order and warehouse management functionality within Microsoft Dynamics to improve end-to-end visibility and item availability of inbound goods being shipped by container. Containers can be managed by a new container entity that can hold information such as freight forwarder information, container type (size and capacity), port of entry, port of departure, expected receipt date, bill of lading information, vessel and container tracking information.

Purchase lines from one or multiple purchase orders can be added to a container. From this point forward, any changes to the container, such as amending the expected receipt date, will also be reflected in the related purchase documents. If internal purchasing resources are planning the container shipments, then capacity can be estimated based on item information and the size of the container selected.

Depending on contracts, ownership of goods can happen at different points in the supply chain. With 'Free on Board', ownership of goods can be passed from supplier to purchaser at the point of departure or whilst goods are on the sea. Traditionally goods procured this way will not be reflected in the inventory value or accounts until they are physically receipted into the warehouse. The 'Free on Board Receipt' functionality allows ownership of the goods to be passed on at any point in time. These goods will be reflected in the inventory valuation and, optionally, in the financial reporting whilst still not showing as available inventory until the estimated date of receipt into the warehouse. A true warehouse receipt can still be undertaken at the point the container arrives at the warehouse.

Container management integrates with the standard Microsoft Dynamics warehousing functionality to allow a single warehouse receipt to be created per container irrespective of the number of source documents included within the container contents.

Regular updates to the status and expected receipt date of the container also give warehouse operatives greater visibility to the expected arrival of a container to warehouse capacity and work patterns can be accessed accurately.

## Landed Costs

Landed costs can be managed by the application using Microsoft Dynamics' item charges functionality to represent additional costs such as freight and customs charges. Item charges can be entered either on related purchase documents or managed on invoices from third-party suppliers such as freight forwarders.

Item charges can be applied to individual product lines or a container as a whole and cost shares can be automatically calculated based on item volume, net weight, gross weight, quantity or value.

Customs charges can also be automatically calculated and applied for inbound containers based on the contents and prevailing duty rates.

Item charges have been further extended so landed costs can be included within the expected cost of an item. This means that expected margins are far more visible across the application and inventory valuation is more representative of the true position of inventory.

## Enhanced Warehouse Functionality

Additional changes have been made to improve the base warehouse functionality.

To improve visibility across the warehouse, new dashboards have been introduced. The warehouse shipping dashboard allows a quick view of all shipments going out of the warehouse, grouped by shipment, pick, inventory pick or tote and allowing easy access to all related warehouse documents. View can be quickly filtered by item, customer or source document, allowing planners to easily re-assign warehouse tasks to make optimum use of the available resources.

An equivalent dashboard for inbound deliveries gives planners instant access to expected deliveries.

Transfer orders have also been enhanced to allow losses/damages in transit to be recorded and reported upon.

Warehouse picks can be easily reversed allowing greater flexibility in responding to last-minute customer requests or the re-allocation of scarce stock.

Finally, under-receipts and over-receipts discovered in the warehouse can be recorded from within the warehouse documents and used to update the system.

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## Rebates/Retrospective Discounts

Both distributors and customers are always looking for ways to reduce the costs of their supply chains.

Whilst pricing, promotions and discount structures can affect the cost of individual orders, rebates (or retrospective discounts) are often utilised to encourage repeat business or offer preferential pricing for quantities of qualifying products that are bought over a period of time.

The rebate module adds functionality to support retrospective discounts offered for both sales and purchases.

For each rebate offered the qualifying items may be defined, either individually, or by item groupings such as brand or category. Targets for each rebate period with the associated retrospective discount can be defined either as a single target for total sales or purchases, or tiered across a number of targets with increasing discount values. Sales and purchases can be restricted to a specific period or, optionally, carried forward into future periods if the target is not met within a particular period.

For sales rebates once a retrospective discount has been achieved it can be offered to the customer in the form of a payment or credit on account. For purchase rebates, potential retrospective discounts are monitored so they can be claimed from the supplier in the form of a credit.

Sales and purchases rebates may be linked, so that if a supplier offers to cover all (or part) of the costs in offering a rebate to a customer then the costs associated with offering a sales rebate can be reclaimed through the associated purchase rebate.

Purchase rebates may also be linked to sales promotions in those instances where a supplier is supporting the costs of offering a promotion.

It is important that the potential costs associated with rebates are reflected in the accounts; therefore the rebate module allows the creation of accruals to reflect potential future liabilities.

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## Quality Assurance

Quality control is a core part of supply chain processes for companies procuring goods or producing goods in manufacturing, assemble-to-order or assemble-to-stock scenarios.

A quality assurance policy allows organisations to determine which goods will be tested and which tests will be carried out, including the acceptance criteria. Policies can be assigned to ranges of products and also assigned at product variant or production location levels. This allows full flexibility in the testing to be undertaken and respects specific regional or product requirements. Each policy can contain as many test cases as required, with the use of either individual test cases to capture a defined option, date and value, or free-form entry. Standard testing measures may be defined to ensure consistency across policies and to make the creation of quality assurance test policies easier.

Quality assurance tests are automatically generated when an applicable inventory movement (such as a purchase receipt or production output) is undertaken in the system and based on the quality assurance workflow and policies defined.

Each item to be tested within a test becomes its own test instance and results can quickly be entered into a simple grid view allowing tests to be structured on a per item or per test case basis. For each test result a picture or free-form notes may be entered. If using the quality assurance module on a camera-enabled device using the Microsoft Dynamics tablet client, pictures may be automatically taken and stored from within the QA module. Test sheets may also be generated for test instances, so tests can be carried out away from the system and the results recorded. A signature may also be captured to document the tester and for use in the production of test certificates.

The quality assurance module fully integrates with the workflow functionality that is standard within Microsoft Dynamics, allowing full flexibility in how the quality assurance is handled within your organisation. The workflow also allows actions to be defined in the event of quality assurance failures being reported. Examples of such actions could be:

• Create a purchase return order

• Create a transfer order to move inventory to quarantine

• Automatically move inventory to quarantine

• Write-off inventory

• Send for re-test when failures detected in a sample test

• Block serial or lot numbers

• Notify users.

There are also a number of pre-defined workflow templates provided for the quality assurance module for common document types, purchase receipts, production output, assembly output, sales returns, transfer receipts and production routing operation output.

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# Environmental Reporting

Increasing environmental legislation can put an additional burden on organisations to ensure compliance and produce the necessary statutory reporting.

The environmental reporting module adds additional reporting capabilities to monitor environmental factors and produce periodic reports to aid in the completion of statutory compliance reporting.

Reporting is possible on both waste packaging and waste electrical and electronic equipment and information can be captured throughout the application including imports, goods manufactured and goods sold.

Environmental journals allow information to be collated in line with reporting periods and any additional entries to be entered on the system allowing reports to be generated to aid in the completion of statutory reporting.

Information such as Waste Electrical and Electronic Equipment (WEEE), waste packaging types and weights and hazardous material designations can be simply set against applicable item records. This provides a repository of information that is utilised to collect, collate and report on environmental factors on inventory transactions and movements throughout the application.

A new journal type has been added to the application to facilitate the collation of data and production of reports. The journal can display transactions that need to be included in the reporting and allows additional manual entries to be created to reflect any other transactions that need to be included.

From the environmental journal the following reports can be produced to allow the completion of statutory reporting:

- Waste Electrical and Electronic Equipment

- Waste Packaging

## Cartons, Pallets and Shipping Agent Integration

Distributors have to potentially cope with a range of different types of order. This can range from large orders being dispatched to a small number of customers to small orders to a larger number of customers. In all cases the costs associated with picking, packaging and shipping those products can be a significant cost which will reduce profit margins.

Ensuring that packaging and despatch operations are as flexible and simple as possible helps to minimise the costs associated with fulfilling customer orders. To aid this a number of enhancements are available to the standard warehouse processes.

Picked goods can be recorded into a number of cartons such as boxes, totes, roll cages or pallets as they are packed. Up to two levels of packaging can be recorded (i.e. boxes on a pallet or tote boxes in a roll cage). Large or oddly shaped items can be a package in their own right.

The weight and dimensions of each package are calculated automatically. Despatch information and shipping documentation can display the make-up of packages being shipped, thereby providing enhanced customer information and allowing all parties to know which products are affected if a particular parcel is lost or damaged in transit.

Cartons can be defined as reusable. This will apply to items such as roll-cages and totes generally used in retail fulfilment, pallets that are returned or specialist containers such as gas-canisters. Reusable containers are tracked both outbound and inbound to the warehouse with reporting available of which customers or outlets are holding particular containers. This helps organisations to track their assets and potentially charge for containers that are not returned.

New weights and measures worksheet functionality allows warehouses to record the weights and measurements of items across the warehouse and ensure this information is accurate for use in calculations.

A shipping agent integration toolkit is also available with standard integration to a number of commonly used couriers. Shipping agent integration allows distributors to automatically book the collection and delivery of packages and produce courier manifests, shipping labels and, if required, customs documentation automatically as part of the shipment process. This reduces the need for double keying information directly in shipping agent systems, leading to significant time and cost savings in the despatch process.

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eBECS is an award-winning Microsoft Gold Partner delivering **Total Microsoft Business Solutions** and **Managed Services** globally that help customers digitally transform their businesses, cut complexity and cost, improve customer service and drive growth. We do this using tailored, industry-focused Microsoft Dynamics 365 solutions that embrace Finance & Operations (AX and NAV ERP), Sales, Marketing, Customer Service (CRM), Talent/HR, Field Service, Project Service Automation, Analytics, BI and IoT — on-premises or in the Microsoft Azure intelligent cloud.

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