



Supply Chain Management in Manufacturing

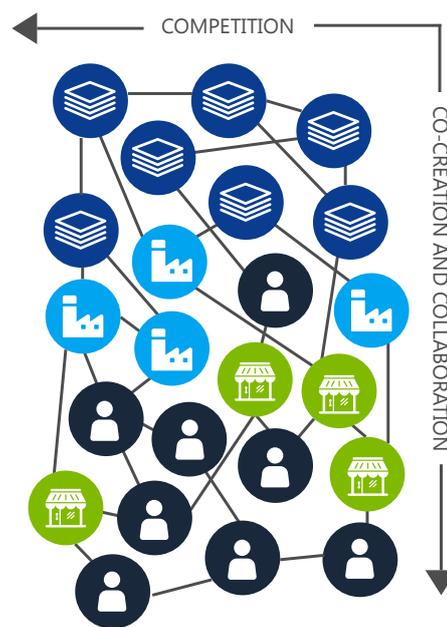
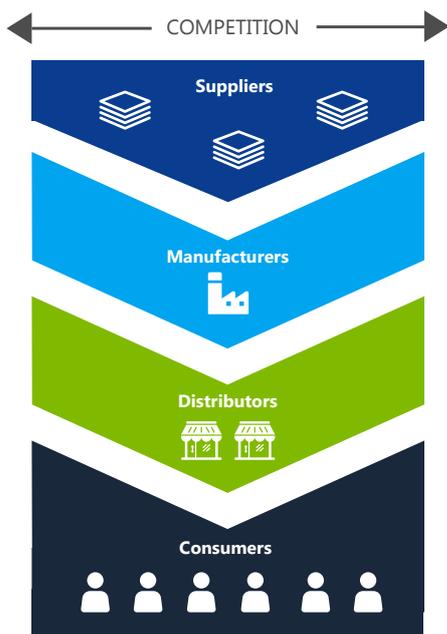
TAKING CONTROL WITH TECHNOLOGY

Today's manufacturers have evolved from traditional methods of manufacturing and selling products; their supply chains are usually global and highly complex, and their suppliers have become business partners.

Customer demands have also grown, with the expectation that manufacturers not only provide the right products at the right time but identify changing market trends by monitoring customer behaviour. The challenge for manufacturers is to build a supply chain that supports this complexity while retaining the fluidity needed to manage geographically dispersed business divisions. So how are modern day manufacturers meeting these challenges? Many are leaning on technology and making investments in ERP solutions.

Linear supply chains are evolving into...

complex, dynamic, and connected value webs



Value is based on the production of goods and services

Value is based on knowledge exchange that drives proactive production of goods and services

Source: Deloitte analysis 2015

This whitepaper explores the advancements made in ERP technology and the impact that this technology now has on every single link within the supply chain including planning, procurement, monitoring, measuring, forecasting and logistics.

Are the latest ERP solutions reflecting the current manufacturing landscape?

Supply chain planning

Manufacturers need to manage every resource that goes towards meeting customer requirement for their product/s. This means devising a strategy that monitors the supply chain from start to finish to ensure it's efficient, profitable and delivers quality and value to customers.



Therefore, the first stage in supply chain management is planning. Supply chain planning includes determining the quantities of stock and inventory required and ensuring replenishment and production can keep up with demand.

An ERP solution provides an easy and flexible way to establish the parameters within which the supply chain operates.

An ERP solution provides an easy and flexible way to establish the parameters within which the supply chain operates. It can determine policies and procedures to govern supply chain activities including production as well as stock and replenishment processes, and helps manufacturers keep up with changes and adjustments to daily or weekly schedules.

Procurement and supply

The next stage in supply chain management is for manufacturers to build strong relationships with the suppliers of the raw materials that are required for production. This means identifying reliable suppliers and developing methods

of pricing, delivery and payment before putting together processes for managing their goods and services inventory, including receiving and verifying shipments and transferring these to manufacturing facilities.

ERP solutions provide an effective way to handle the procurement and supply of the materials and resources needed across the supply chain. From manufacturing and warehouse resources to transportation and execution processes, ERP software offers cross-platform visibility on all aspects of the supply chain.

Monitoring

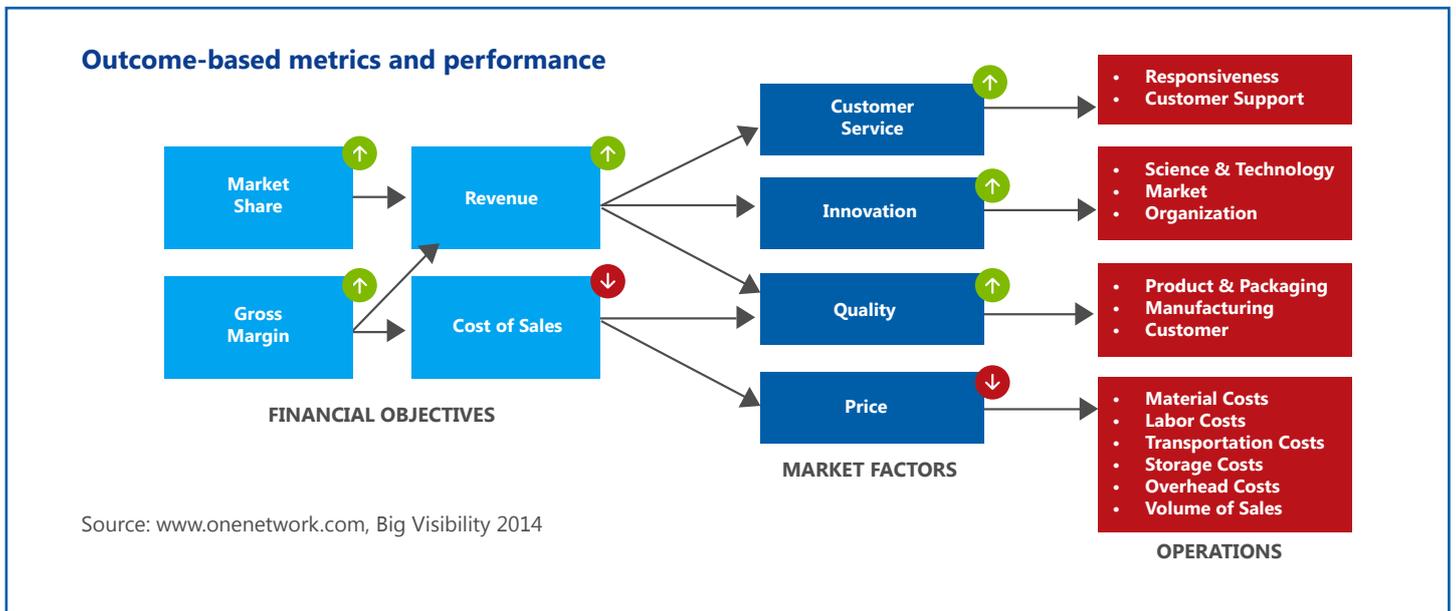
The next phase is to establish metrics to monitor, review and adjust supply chain activities in real-time. This information is vital for manufacturers to ensure they have the flexibility needed to stay competitive and guarantee the smooth running of a cost-effective operation.

In a global manufacturing environment, supply chain visibility reduces risk by helping manufacturers keep on top of any changes such as the introduction of new government legislation or reactions to global events.

ERP solutions offer the ability to review supply chain activities in real-time, whether to identify the current status of individual activities or review overall performance. Ultimately, this helps manufacturers to meet critical objectives as well as revenue and production goals.

Moreover, ERP solutions can also help manufacturers to meet global compliance standards.





Measuring

Comparing actual activity against targets can be difficult or even impossible for manufacturers relying on multiple stand-alone systems and workflow processes.

ERP solutions can provide information aggregation and organisation to ensure any variances in the supply chain are identified and promptly addressed. Manufacturers are able to locate and analyse suppliers, customers and transportation options to create a business map of their entire global supply chain network.

Forecasting

Today's ERP software goes beyond the simple tracking of orders, goods and materials. It can help optimise inventory levels and tap into past and present data to improve forecasting. Integration with business intelligence data creates a comprehensive picture that can signal to a manufacturer whether they need to cut back on production or change a particular supplier.

ERP solutions can be used to create accurate statistical analysis and forecast management, providing a real-time, in-depth view of the supply chain to estimate future production needs.

Logistics and delivery

If a shipment doesn't make its destination, it can affect the whole supply chain in both small and large ways, in extreme cases, leading to a complete halt of production.

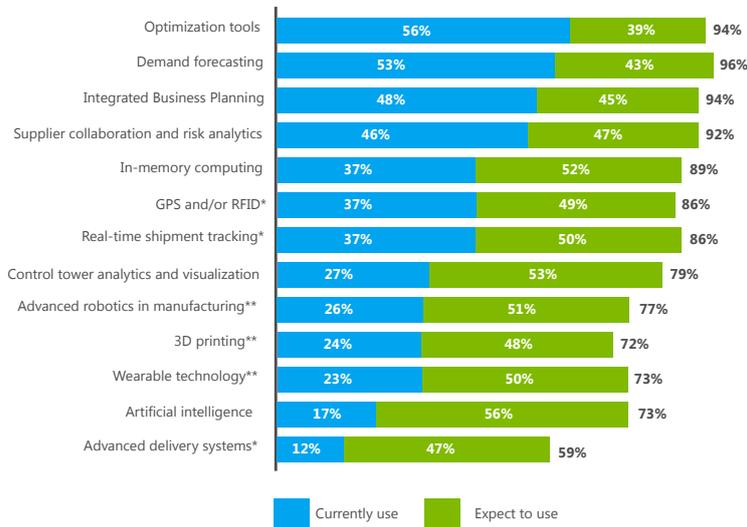
In a global environment, ERP software helps manufacturers navigate worldwide logistics. Guaranteeing that the right goods reach the right customer at the right time is critical to all manufacturers. Proof of delivery software helps manufacturers meet this need from the delivery of products through to customer payment collection. Shipping confirmations, automated customer payments and optimised shipping routes can all be factored into an ERP solution.

The benefits of ERP to supply chain management

For manufacturers, a feature-rich ERP solution that can adapt to individual business needs provides important advantages, including:

- Improved efficiency across all stages in the supply chain
- Better customer service for increased retention and repeat business opportunities
- Reduced overheads and operational costs through automation of workflow
- Flexibility to adapt to meet changing circumstances or future business growth and expansion
- Fewer IT issues to manage as operating a more connected and controlled environment

Figure 2: Use of supply chain capabilities



Source: Deloitte, Supply Chain Talent of the Future, 2015

Notes:

Chart is ordered by the percentages for “Currently use”

*Manufacturing and retail respondents only

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Microsoft Dynamics AX: the next step in the right direction

Manufacturers interact with vast numbers of suppliers to obtain the vital materials and resources they need to bring finished products to market. Supply chain management is a key component of any manufacturing organisation and the larger the company, the more complex the processes and operations involved.

To achieve competitive advantage, manufacturers require flexibility in their operations and must continually drive innovation. The latest enhancements to Microsoft Dynamics AX are allowing manufacturers to do just that with a customisable cloud and mobile platform.

The primary goal of any supply chain is to satisfy customer needs and generate profits.

If an ERP system has already been deployed to collect data from across an organisation, the supply chain system will pull information from this to help combat inefficiency, reduce waste and to ensure employee efforts are channelled effectively.

Microsoft Dynamics AX ERP takes this a step further by addressing the specific needs of manufacturers with a flexible, integrated solution that focusses on supply chain management and manufacturing resource planning, with an emphasis on serving customer needs.

With greater competition than ever before, manufacturers need to demonstrate a higher value proposition through faster response times, better quality products and exceptional customer service. Taking full advantage of the Microsoft Azure cloud platform, Microsoft Dynamics AX ERP enables manufacturers to do just that.



Microsoft Dynamics AX

About HSO

HSO is a Microsoft Gold Partner with over 25 years of experience in implementing Dynamics solutions.

HSO is an expert in Microsoft Dynamics AX, a comprehensive ERP solution that enables manufacturers to work effectively, manage change, and compete globally.

Learn more at www.hso.com

About Microsoft Dynamics AX

Microsoft Dynamics AX makes it easy to operate across multiple locations and countries by standardising processes, providing visibility across the organisation, and helping to simplify compliance.

HSO has the specialist expertise to deliver industry-focused Microsoft Dynamics AX implementations for customers in retail, distribution, and manufacturing.