



DXC Eclipse helps Flow International simplify IT structure, business information with new ERP solution

Client name: Flow International

Location: Washington, USA

Industry: Manufacturing

Challenge

- Unify disparate systems and databases across various business units
- Simplify IT and data structure to improve reporting
- Streamline inconsistent business processes

Solution

- Unified platform integrated into Microsoft stack
- Supports vision of one company with global implementation and fewer customisations

Results

- Simplified, more consistent business information
- Faster, more accurate financial reporting
- Increased visibility
- Reduced costs

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Challenge

Flow International Corporation, a Shape Technologies Group Company, is a leading manufacturer of ultrahigh-pressure waterjet technologies used in a host of industrial applications, from stripping paint off ships to precisely cutting thick metal or stone. Founded in the early 1970s by two former research and development scientists from Boeing, Flow was the first to commercialise the use of an ultrahigh-pressure waterjet as an industrial cutting tool for cutting soft materials and grew initially from disposable diapers and tissue paper applications. The company later invented and patented the abrasive waterjet system to cut hard materials up to 12 inches thick.

In addition to developing its own technology, Flow has developed additional expertise, technology, and market share by acquiring companies with expertise in key complementary areas such as XY motion control cutting tables across the globe. Flow allowed these business units to keep their existing business practices and operate largely autonomously. All were set up as separate companies, with different item masters and different charts of accounts. Many business units also retained their existing systems, which were often incompatible with Flow's core enterprise resource planning (ERP) system.

"As the company's business needs and market changed, Flow's highly customised ERP system developed a reputation as being inflexible, difficult to access, and problematic to upgrade," says Jeff Zuniga, Senior Global IT Operations Manager at Flow. To help perform their job duties, Flow's employees worldwide devised creative ways to circumvent the system. As a result, many workarounds, local spreadsheets, Microsoft Access databases, and custom web applications sprung up across the organisation. While they helped Flow's employees get their jobs done, they also created silos of information and imposed a burden on IT resources. At one point, Flow had approximately 200 different, overlapping enterprise and line of business applications.

The sheer number and disparate nature of Flow's systems created issues. For instance, without a single, standardised repository for all business data, the company had difficulty monitoring its sales pipeline and seeing inventory across all its locations. In some cases, Zuniga says, "clever customers even tried to play one division off the other to get better deals." Flow also struggled with duplicate entry of product, inventory, and customer data across many processes and functional areas. For example, Flow found that from the time a transaction went from opportunity to the time payment was received, the company may have entered the same customer data up to seven different times.

Flow's sprawling systems and inconsistent business processes created difficulties for its accounting staff. With each business unit operating as its own company, accounting practices differed from one location to another. At month-end close, Flow's accounting staff spent days reconciling reports from various systems and spreadsheets, performing various manual calculations, and working to comply with Sarbanes-Oxley reporting requirements. Flow's European accounting staff alone spent up to two days consolidating the region's monthly financial statements.

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Jeff Zuniga

Senior Global IT
Operations Manager
Flow International

Solution

Flow made a commitment to simplifying its business information. The company determined that by allowing its business units to operate autonomously, it wasn't taking full advantage of the efficiencies it could enjoy as a single entity. Eager to simplify business processes and bring its operating units together under one common structure, company decision makers realised that its next ERP solution would be critical to reaching its goal of making the complex simple. “We were looking for a system that could help us achieve our vision of a simple standard one company,” Zuniga says.

Initially, Flow decided to upgrade to a newer version of the ERP solution it was then running, but quickly discovered that it would not satisfy all of their needs.

Flow's IT committee began considering Microsoft Dynamics AX, and painstakingly evaluated it against the company's proposed solution. After a thorough review, the committee found Microsoft Dynamics AX to be the superior solution and unanimously recommended it. “The more we thought about it, the more we began to think that Microsoft Dynamics AX could be a game-changer for us,” Zuniga says. “It was a more flexible and agile solution, and something we could use as a platform to innovate from.”

“Cost was a determining factor as well. Flow carefully evaluated the software and implementation costs associated with the proposed solutions,” says Daric Schweikart, Vice President, Information Technology at Flow. The company even brought in consultants to quantify the amount of customisation required for both solutions to meet Flow's business needs. Flow determined that Microsoft Dynamics AX required far less customisation out of the box and that its overall cost would be significantly less. “From a business standpoint, Microsoft Dynamics AX enjoyed a considerable price advantage,” Schweikart says.

Equally compelling, he says, was the fact that Microsoft Dynamics AX complements other Microsoft technologies Flow uses, including Microsoft SharePoint, Microsoft SQL Server, and the Microsoft Office productivity suite. “This allows us to manage a single IT infrastructure versus multiple ones, which is a huge advantage. Aligning with the Microsoft stack, Dynamics supports our long-term technology strategy,” Schweikart says.

With a proposed new solution in hand, Flow sought the right Microsoft Dynamics partner to implement, configure, and customise it to meet the company's business needs. Because the implementation would be conducted across several continents and over the course of more than a year, Flow narrowed its list to two Microsoft partners experienced in managing large, global deployments: DXC Eclipse and another organisation.

After an exhaustive review process, Flow chose DXC Eclipse as its implementation partner. The company cited several reasons for the selection, including DXC Eclipse's experience with Microsoft Dynamics AX and its strong track record of successful global implementations. In addition, Zuniga says, “The DXC Eclipse team really impressed us with their knowledge, experience, methodology, and processes. They have such a large pool of experienced consultants that assured us they could deal with our complex requirements and give us what we needed.”

Another factor that favoured DXC Eclipse was its global footprint. DXC Eclipse has offices across the globe, including locations in which Flow has divisions. “It just seemed that everywhere we had a presence, DXC Eclipse had one, too,” Zuniga says.

DXC Eclipse took a business-process approach to implementing Microsoft Dynamics AX. This approach focuses primarily on the client’s business processes, with the application modules acting as tools to support the implementation. DXC Eclipse and Flow evaluated and worked to redefine about 100 of Flow’s most critical business processes. This encompassed everything from changing the way Flow enters sales orders and recognises revenue to creating and maintaining a new global bill of materials and creating a single global chart of accounts.

As DXC Eclipse and Flow worked together to redesign the business processes for increased efficiency, Flow’s executives sought to enlist the support of the people who would be using Microsoft Dynamics AX. Flow executives embarked upon a worldwide roadshow during which they outlined their vision for the system and solicited employee feedback on it.

“Early on we realised that this was much more than simply a software installation,” says Zuniga. “It was truly a business transformation.” Flow likened the undertaking to a climb up Mount Everest. In scaling the world’s tallest peak, mountaineers don’t simply ascend to the top at once; rather, they establish a base camp and proceed upward gradually and deliberately from that camp. Because Microsoft Dynamics AX would be a platform for future innovation, Flow dubbed the global implementation “Project Basecamp.”

The DXC Eclipse implementation team built a design prototype in just six weeks. In the next six weeks, DXC Eclipse deployed Microsoft Dynamics AX, including Manufacturing, Purchasing, Warehousing, Sales, Projects, Human Resources, Shop Floor Control, and Consolidation modules, in Europe, followed by two locations in the US and one in Canada. The implementation was followed by additional roll-outs every four months.

But as the implementation began gathering steam, the project was hammered by the worldwide economic downdraft. With the economy souring and sales slowing, Flow was forced to trim staff, which depleted the resources it was able to dedicate to the implementation. But Flow remained steadfast and committed to the project allowing the company to emerge from the recession stronger and more agile.

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Benefits

Flow has realised many of the benefits it set out to achieve from standardising on a single Microsoft Dynamics AX solution.

Simplified, more consistent business information

Flow's deployment of Microsoft Dynamics AX has enabled the company to address its goal of simplifying and streamlining its business information and processes. "With Microsoft Dynamics AX we are now operating as one single company and doing things one uniform way, which wasn't the case before," Schweikart says.

Microsoft Dynamics AX has enabled Flow to go from:

- 10 charts of accounts to 1 global chart of accounts
- 160 departments to fewer than 50
- 233 cost centres to approximately 50
- About 10 item masters to one universal item master

Faster, More Accurate Financial Reporting

In the past, Flow's accounting staff struggled to manually create financial statements using information pulled from disparate systems, various ad hoc reports, and spreadsheets. The company now benefits from consistent accounting processes across its global operations, which has helped to improve data accuracy and reduced the time spent preparing reports. Since Microsoft Dynamics AX was implemented in Flow's European offices, the two days it previously took the company's accounting staff to consolidate and prepare month-end financial statements has shrunk to just four hours—a 75% decrease.

Increased Visibility into the Business

The combination of an inflexible ERP system and various other systems used to mean that Flow lacked timely, reliable global data with which to make business decisions. Reports that detailed such critical business drivers as sales, opportunities, KPIs, costs, inventory levels, and more, were created manually, a time-consuming and potentially error-prone process.

With Microsoft Dynamics AX as its single repository for business information, Flow benefits from increased visibility into virtually all aspects of its business. In many cases, Zuniga says, information that was once compiled manually from numerous sources is automatically available through Microsoft Dynamics AX. For example, Zuniga noted that Microsoft Dynamics AX has enabled Flow to create a sales funnel that quickly provides up-to-date information about opportunities and sales progress through a single report. "We don't have to guess anymore," he says. Key business metrics such as daily sales average can now be accessed much quicker. Microsoft Dynamics AX provides Flow with high quality data needed to run its business efficiently and effectively. "Fundamentally, Microsoft Dynamics AX has changed our company because it has allowed us to manage our business with data," Schweikart says. "From an executive standpoint, you can't ask for anything more."

For instance, the company noticed at one point that it wasn't meeting its timeliness standards for shipping products. Using the information now available through Microsoft Dynamics AX, Flow was able to identify the bottleneck and resolve the problem in just a couple weeks. "We would not have been able to solve this problem with our old system. It didn't give us that kind of information, so we would have just thrown bodies at it," Schweikart says. "But with Microsoft Dynamics AX we have a single source of the truth, which allows us to make decisions based on solid data, not anecdotes."

Reduced Costs through Less Duplicate Entry of Data

By Flow's own calculations, the company was spending millions of dollars a year on duplicate data entry. By consolidating its operations on Microsoft Dynamics AX and a single database across the organisation, Flow has dramatically reduced its need to enter data multiple times by pulling information from one database - one source of truth. One key to this was through the implementation of a global item master, which has helped ensure more consistent inventory data and reduced the need for redundant data entry. In the past, common inventory items needed to be set up in each local instance of Flow's software. With the global item master, common items are entered once at a global level, then published to each division and updated with purely local attributes as necessary.

DXC Eclipse also deployed a global address book, which allows Flow to easily share customer information and activities across its entire Microsoft Dynamics AX company structure. This reduces the need for re-entry of customer data, provides Flow with the ability to view customer information across the entire organisation, and improves sales coordination by being able to view common customers across regions.

Easier Access to Information

In the past, system users had so much difficulty getting information from the system that they resorted to alternate systems and workarounds. "With Microsoft Dynamics AX people are now doing more in the system than they were before, and the workarounds are disappearing," says Zuniga. What's more, information is now more readily available to Flow's system users. "With Microsoft Dynamics AX, our users can get to the data quickly and export it into any other data structure they want. What's important is that we created a single source of truth," Zuniga says. "It's quite a change from before."

A Strong Business Partner with a Global Presence

According to Schweikart, DXC Eclipse's global reach has helped make his job easier. "DXC Eclipse is one of few companies in the world that has a global footprint to match our footprint, and there are incredible advantages to that," he says.

In addition, Schweikart says, he was impressed with the quality of DXC Eclipse's people. "DXC Eclipse brought in people who not just understood Microsoft Dynamics AX, but who also understood our business and the technology we use. So, if we start talking about a bill of materials, they understand that. That's brought a tremendous amount of value to us."

Why DXC Eclipse?

DXC Eclipse, a practice within DXC Technology, helps enterprise and mid-market companies accelerate digital transformation, solve business challenges and deliver intelligent solutions that make a difference for clients, employees and partners. We believe in delivering expertise, project transparency and excellent customer service in every engagement.

With team members in North America, EMEA, Asia and Australia-New Zealand, we are uniquely positioned to deliver Microsoft Dynamics 365, ERP, CRM, business process, analytics and collaboration solutions to clients across the globe. The largest independent Microsoft Dynamics partner in the world, DXC Eclipse serves more than 4,000 clients across multiple industries. Our practice delivers services and solutions that positively impact our world today and into the future.

About DXC Technology

DXC Technology (DXC: NYSE) is the world's leading independent, end-to-end IT services company, serving nearly 6,000 private and public-sector clients from a diverse array of industries across 70 countries. The company's technology independence, global talent and extensive partner network deliver transformative digital offerings and solutions that help clients harness the power of innovation to thrive on change. DXC Technology is recognised among the best corporate citizens globally. For more information, visit www.dxc.technology.