



Microsoft Dynamics Customer Solution Case Study



Customer: Flakeboard

Web Site: www.flakeboard.com

Customer Size: 1,300 employees

Country or Region: United States and Canada

Industry: Manufacturing

Partner: Strategic Solutions NW

Customer Profile

Flakeboard is the leading manufacturer of particleboard and medium-density fiberboard in North America. The company has eight mills that span the United States and Canada.

Software and Services

- Microsoft Dynamics™
 - Microsoft Dynamics AX 3.0
- Microsoft® Office
 - Microsoft Office Excel® 2003
- Microsoft Server Product Portfolio
 - Microsoft SQL Server™ 2005 Enterprise Edition

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Large-Scale Acquisition Completed in Six Weeks with Hosted Accounting Solution

“Microsoft Dynamics AX was the solution that got us where we needed to be very quickly and very affordably.”

Chris Bennett, Corporate Controller, Flakeboard

Business Needs

Since 1960, Flakeboard, a composite panel manufacturer, has produced panels for the North American furniture and kitchen cabinet industry. In July 2006, after an acquisition of six mills in the United States, Flakeboard quadrupled its production capacity and extended its reach beyond the Canadian border. This acquisition grew the company into an enterprise worth U.S.\$650 million in sales per year—making it the largest producer of particleboard and medium-density fiberboard in North America.

This rapid growth presented several new challenges. “The Canadian mill financials were managed individually on an older ERP system that was not scalable,” explains Chris Bennett, Corporate Controller at Flakeboard. “We did not have the people, staff, or IT systems in place to take on the financial management of six mills in the United States.”

Following the acquisition of the mills, the previous owners offered to provide centralized accounting services for a limited time, including a small accounting and IT staff, from its 3,500-person headquarters. However, the cost was high—approximately U.S.\$3.5 million for start-up plus

U.S.\$500,000 per month—and it would take too much time to set up a separate instance of SAP R/3.

With month-end closing only 40 days away, Flakeboard needed to quickly find and implement an alternative financial management solution to keep the business running smoothly and avoid the high costs of shared services with SAP R/3.

Solution

To address its need for a scalable accounting system, Flakeboard chose Microsoft Dynamics™ AX business software. The company was attracted to the ease of use of the software and similarity to other, familiar Microsoft® products, particularly Microsoft Office Excel® 2003. To implement the solution, Flakeboard turned to Microsoft Certified Partner Strategic Solutions NW for its experience with industry-specific business processes.

“Strategic Solutions NW brought to the table its expertise on how to configure Microsoft Dynamics AX very quickly with a minimal amount of people and cost, and get it ready to fire up the chart of accounts, cut checks and run reports,” says Bennett.

Strategic Solutions NW deployed Microsoft Dynamics AX in only six weeks. The implementation entailed hosting the software from its own facilities with Microsoft SQL Server™ 2005 Enterprise Edition and migrating financial data from the old accounting systems of the previous business owner. Strategic Solutions NW also wrote code to enable Microsoft Dynamics AX to integrate with the company's already in-place custom order management system and its Maximo purchasing and inventory management software. In addition, Strategic Solutions NW configured Microsoft Dynamics AX to provide financial information through a business portal so that mill management can easily perform inquiry functions.

Benefits

Despite the pressures of a 40-day time limit, the implementation of Microsoft Dynamics AX was impressively seamless. Flakeboard employees have found the software easy to use and can perform all of the financial management tasks needed throughout the day.

"Microsoft Dynamics AX is an intuitive and flexible system," says Bennett. "There have been no bumps in the road—we were processing invoices on the first day and cutting our first check as soon as it was due. Our first month-end closing was completed in nine days. Since then, we've cut closing down to five days."

Cost-Effective and Fast Implementation

Over a six-month period, shared services with SAP R/3 would have cost Flakeboard an estimated U.S.\$6.5 million. With Microsoft Dynamics AX, not only was Flakeboard able to get up and running in only six weeks, but the cost was low. The services of Strategic Solutions NW, including implementation, cost

only U.S.\$1.5 million—a difference of U.S.\$5 million.

Enthuses Bennett, "Microsoft Dynamics AX was the solution that got us where we needed to be very quickly and very affordably."

Hands-Free IT Services

Because Microsoft Dynamics AX can be delivered by partners as a hosted solution, with the help of IT staff from Strategic Solutions NW, Flakeboard enjoys all of the financial management functionality that it would get from hosting the solution on site, without the need for its own IT staff.

Says Brijesh Anand, Managing Principal for Strategic Solutions NW, "On average, it only takes the hours of one full-time employee to provide technical support for Microsoft Dynamics AX."

Familiar and Easy to Use

Because Microsoft Dynamics AX works like the Microsoft products that Flakeboard employees are already familiar with, such as Microsoft Office Excel 2003, it was easy for Flakeboard employees to learn, adopt, and quickly become productive using the software. Says Bennett, "When we hire a new employee, it only takes an hour of getting familiar with the software before they are punching in invoices."

The interoperability of Microsoft Dynamics AX with Microsoft Office Excel was invaluable for financial reporting. "Integration with Microsoft Office Excel was essential to the whole implementation," explains Bennett. "We use it to upload journal entries and statistical information into Microsoft Dynamics AX, and then turn around and export it out, whether for reports or analysis, right back into a spreadsheet."

Easy Access to Information

Accessed remotely, Microsoft Dynamics AX has enabled the Flakeboard accounting office in Beaverton, Oregon, to successfully manage finances. From this location, ten employees manage all of the finances for the operations in the United States, including accounts payable, accounts receivable, treasury functions, general ledger, fixed assets, and reporting. In all, 20 Flakeboard employees use Microsoft Dynamics AX.

Because information is now accessible from one central location, Flakeboard has significantly streamlined its financial processes, including audits and same-day turnarounds on over 6,700 invoices per month. "The previous year, it took 12 audit managers and an audit partner six weeks and \$550,000 to complete the final audit for these six mills," says Bennett. "With Microsoft Dynamics AX, we had one audit manager and two auditors perform our first Flakeboard audit in a three-week period for under \$100,000."