

## Case Study

# Reducing costs and improving agility with streamlined connectivity



Avanade helps retail headquarters reduce costs, improve efficiencies and prepare for the future.



From Accenture and Microsoft

### **Business Situation:**

P.F. Chang's China Bistro, Inc. owns and operates two restaurant concepts in the Asian niche: P.F. Chang's China Bistro is a full-service, upscale casual dining restaurant, and Pei Wei Asian Diner is a quick-casual, limited-service restaurant. More than 350 restaurants are open in 38 states. Attentive and personal service, an inviting dining environment and a great value for the dollar are the hallmarks of the P.F. Chang's China Bistro customer experience.

P.F. Chang's had outgrown their legacy implementation of Great Plains ERP. In addition, a proliferation of more than 300 Microsoft® Access® databases and numerous custom reports in use across the organization were limiting their ability to ensure the information they used to make decisions was accurate, up-to-date, and consistent across departments.

"We had 100's of Access databases for internal reporting because our ERP could not carry the load," said Mark Mumford, P.F. Chang's Chief Financial Officer. "We needed 'one version of the truth' to consolidate key data and streamline reports. We can do this now with Dynamics AX."

### **The Solution:**

To improve data accuracy and reporting as well as support future growth plans, P.F. Chang's considered several alternatives including an upgrade to Microsoft Dynamics® GP as well as tier one reporting solutions. While many options were discussed, the one point the IT and Finance departments agreed

on was that they wanted to remain on the Microsoft Platform.

"There was never any serious discussion of moving off the Microsoft platform," said denBreeijen "We knew that Microsoft had ERP solutions that could handle the needs of a fast growing organization like ours in a way that was cost-effective. Plus, our people were familiar with Microsoft applications and we knew that would allow us to shorten our learning curve dramatically."

P.F. Chang's chose Avanade to help them further analyze their business requirements and to recommend and implement a solution that would allow them to improve efficiency today and support their future growth plans.

"We were confident in our choice of Avanade as a business partner because we could immediately see that they had expertise in all the Microsoft Dynamics ERP solutions and could help us make the choice that was right for our organization," said denBreeijen.

Avanade worked with P.F. Chang's to assess their current business situation, further define requirements and develop a scoring system to lead them to the solution that would work best for them. The scoring system focused on three main categories:

- Functional and reporting requirements
- IT scalability to support current performance requirements and future growth
- Interoperability with current systems

### **P.F. Chang's China Bistro**

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### **Solution Summary**

- Replace legacy Great Plains ERP with Microsoft Dynamics AX
- Integrate Aloha POS using Microsoft Dynamics AX Application Integration Framework (AIF)

### **Results**

- Cut number of external custom Microsoft Access databases by over 90%.
- Decreased the time needed for financial consolidations from several hours to thirty minutes.

“P.F. Chang’s had already implemented Aloha®, a POS system designed for the restaurant industry, and it was working well for them,” said Randy Misener, Avanade’s Retail Industry Executive. “We wanted to leverage the investment they had already made by recommending a solution that could be easily integrated to their existing POS.”

With the assistance of Avanade, P.F. Chang’s chose Microsoft Dynamics AX, Microsoft’s ERP solution designed for large enterprise organizations. It had the features and the flexibility to meet their requirements and the scalability to support their growth plans.

“It was hard to leave Great Plains behind as it had worked well for us when the company was younger,” said denBreeijen. “But our growth path dictated a solution that would support our large and rapidly growing organization. The advanced architecture, scalability, and security features of Microsoft Dynamics AX gave us what we were looking for.”

Avanade used the Microsoft Dynamics AX Application Integration Framework (AIF), Microsoft’s integration framework for exchanging data in XML format with external systems, to integrate Microsoft Dynamics AX to P.F. Chang’s existing POS system.

## Results

Avanade replaced P.F. Chang’s legacy implementation of Great Plains with Microsoft Dynamics AX and integrated the new solution to the POS system using Microsoft Dynamics AX AIF. This

streamlined the process of updating the general ledger with current store data from a process that had taken IT several hours to complete to an automated process that could be completed in thirty minutes.

“Our employees are more productive thanks to Microsoft Dynamics AX and the process improvements we were able to make during the implementation,” said denBreeijen “We’re confident that as we grow we won’t need to add as many employees and that will have a huge impact on our ability to control costs.”

The initial implementation of Dynamics AX gave P.F. Chang’s the ability to track more information, such as individual store details, in the current system and eliminated the need for most of the Access databases in use across the organization. The advanced enterprise reporting capabilities of Dynamics AX meant that P.F. Chang’s executives were able to get the information they needed from reports provided within one system.

“It takes a fraction of the time to create the reports that we use to manage the business using Dynamics AX. Just knowing that everybody is working off the same up-to-date data set gives us a confidence in the numbers that we never had before,” said denBreeijen.

Using the advanced functionality and architecture of Dynamics AX, Avanade was able to help P.F. Chang’s realize several added improvements to business processes. Working with

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**Arie denBreeijen**  
**Manager of Financial Processes**  
**P.F. Chang’s**

P.F. Chang's business leaders to match the implementation to the business environment, Avanade helped the organization to:

- Eliminate multiple COA versions across the organization allowing for ease of consolidation and reporting and significantly reducing the time it took to perform consolidations .
- Eliminate the duplicate data set of companies used to manage fixed asset reporting of book vs. tax depreciation.
- Align assets to implement IRS "cost seg" studies. Implementing IRS guidelines as communicated through "cost seg" studies greatly reduced complexity in computing fixed asset tax depreciation.
- Create a single enterprise vendor master and reduce maintenance and duplication of vendor records across multiple entities.
- Implement EFT/ACH electronic payments minimizing the possibility of check fraud and reducing the burdensome process of printing and mailing checks.
- Enforce credit limits and approvals at the purchase order level.
- Automate and streamline the matching of PO documents to the posting of AP invoices.

P.F. Chang's also needed to keep the system within budget.

"The total cost of owning Microsoft Dynamics AX including system purchase, maintenance and implementation was far less than what you often see at similar retail organizations," said Misener. "We were very pleased that we could provide P.F. Chang's with an enterprise level system that could handle their functional and scalability requirements and help them contain IT costs so effectively."

While they have already seen significant improvements in efficiency and cost reductions since the implementation of Microsoft Dynamics AX, P.F. Chang's is not done yet.

"In addition to working with Avanade to integrate new stores into the system as we continue our expansion plans, we will work with them to uncover ways to reduce the costs of running our business by leveraging additional efficiencies," said denBreeijen. "With a lower cost of operations and the improved agility afforded by Dynamics AX, we're well positioned to take advantage of new opportunities."

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**Randy Misener**  
**Retail Industry Executive**  
**Avanade**



#### About Avanade

Avanade provides business technology services that connect insight, innovation and expertise in Microsoft technologies to help customers realize results. Avanade's services and solutions help improve performance, productivity and sales for organizations in all industries.

[www.avanade.com](http://www.avanade.com)

#### Americas

Seattle  
Phone +1 206 239 5600  
[America@avanade.com](mailto:America@avanade.com)

#### Europe

London  
Phone +44 0 20 7025 1000  
[Europe@avanade.com](mailto:Europe@avanade.com)

#### Asia-Pacific

Sydney  
Phone +612 9005 5900  
[AsiaPac@avanade.com](mailto:AsiaPac@avanade.com)