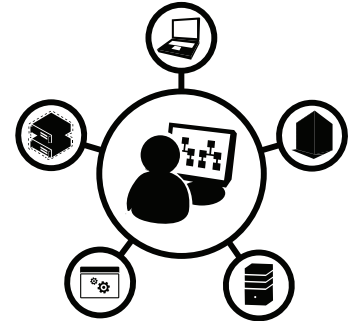


Avanade® Professional Services Add-on for Microsoft Dynamics AX

Optimizing Project Cost
Management to Reduce Risk,
Improve Profitability, and Cultivate
Unique Client Experiences



Executive Summary

Today's professional services firms typically seek to fulfill three key objectives when engaging in projects: reduce project risk, improve project profitability, and cultivate project experiences that meet client specific requirements. To reach these objectives, professional services firms must compress the time to project insight and action, taking into account all of the constraints of the project supply chain.

Designed from experience with dozens of professional services firms worldwide, the Avanade Professional Services Add-on provides advanced project cost, revenue and inventory visibility and provides control tools that optimize project cost management.

What is Avanade Professional Services Add-on

The Avanade Professional Services Add-on is a software solution developed to enhance the core capabilities of Microsoft Dynamics AX 2012 and enable professional services firms to improve how they manage project costs and resources. It enhances Dynamics AX in the functional areas of cost visibility and control, payment collections, project inventory management, time management, other key processes.

Project Management Changes Require a New Approach

The nature of professional services and project management is changing. Customers of professional services firms are demanding more flexibility in how projects are defined and managed, such as managing a portfolio of projects with multiple sub-projects each with their budgets, estimates, revenues, margins and other KPI's. This project performance should not only be tracked (past), monitored (current) but also predicted (future). Ideally, a project manager or controller should have all this relevant information “real-time” available on one place to analyze and quickly react upon, if required.

Outdated systems inhibits the response

Many firms are struggling to meet the new demands of a changing professional services world due to outdated business systems, which inhibit them from taking full advantage of new business. Realizing new opportunities while reducing financial risk and exposure require professional service firms to adopt business systems and processes that allow them to expertly manage growing project management complexity, especially in the area of project cost management.

Experience and capabilities to manage the complexity

Avanade provides the business solution capabilities that help professional service firms optimize their project management processes. We have developed our solution from experience gathered helping leading professional services firms with diverse service offerings across the globe. Our Professional Services Add-on for Microsoft Dynamics AX productizes this experience in a set of capabilities developed to help professional services firms manage the growing complexity of projects. These capabilities have help these firms implement the project management process improvements that improve project profitability as well as improve responsiveness to customer needs.

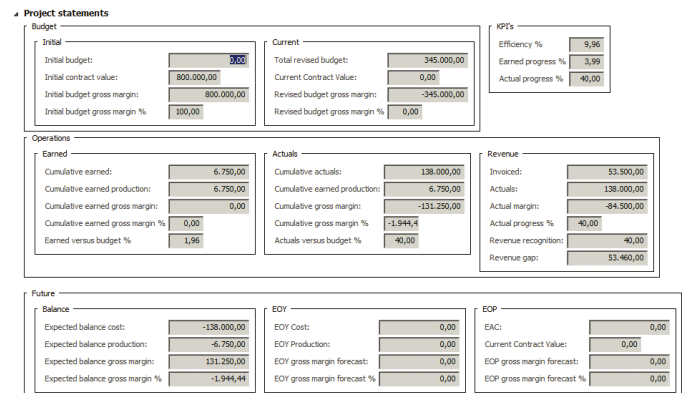
The Avanade Professional Services Add-On for Microsoft Dynamics 2012 delivers these advanced capabilities:

The Avanade Professional Services Add-On is comprised of administration tools, business logic, and end-user tools concentrated on enhancing Microsoft Dynamics AX 2012 to support project based accounting. The administration tools enable highly flexible set-up and maintenance of multiple project dimensions to facilitate various project cost tracking mechanism. The end-user tools provide project managers and project cost controllers with easy and comprehensive access to project information needed to make decisions and take action on project cost control measures. This means also providing the analytics capabilities to analyze past, current, and future performance.

Benefits of Professional Services Add-on for Dynamics AX

- Strengthens overall project cost control by providing project managers and project cost controllers with one central place for up-to-date project budget and cost follow-up, including state-of-the-art KPI's
- Improves inventory control by enhancing visibility into project owned and customer owned stock
- Enhances payment collections and revenue recognition by providing more granular tracking and collection of customer invoices and payments by project
- Reduces project financial risk and exposure by adding project based cost tracking across key project management dimensions, such as purchase orders
- Allows for a standardized/common approach for cost management across projects but also allows flexibility by project

Project Cockpit Project Statement View



With the advanced project cost control tools of the Professional Services Add-on for Microsoft Dynamics AX 2012, Avanade can help professional services of many types reduce project financial risk and exposure and improve project profitability and overall market competitiveness.

Project Cost Control Cockpit

Project professionals require quick and comprehensive visibility into all project costs to make key decisions that impact the profitability of a project. The Project Cost Control Cockpit provides one central place to gather, calculate, and analyze project costs across the lifecycle of a project. This capability extends the existing functionality of Dynamics AX to meet the unique needs of project professionals to complete their project related activities.

The Project Cost Control Cockpit enables users to input budgets and perform the following analysis:

- Earned value; ETC (Estimate to Complete); and EAC (Estimate at Completion) all with manual corrections and with free text notes (reasons and context)
- Real time data on projects using definable cost codes
- Budget vs. Earned vs. Actuals
- Follow up progress and efficiency
- Project statements including calculating multiple project KPI's: based on budgets, actuals, invoiced to customer, etc.
- Drill-down to transactions and audit trail
- Project control analysis
- Project control report (project control report on cost code level)
- Advanced analysis and reporting: multiple measures and dimensions available

Project Payment Collections

A critical need for project based organizations is to closely monitor receivables per project to ensure timely revenue recognition. This effort is complicated by business practices that may require specific payment terms for each project. The Avanade Professional Services Add-on extends the core Collections capabilities of Microsoft Dynamics AX to enable one customer to have multiple project specific invoices. Further, project specific collections actions and the tracking and collection of payment against invoices per period for a given project. Users can apply and configure a collection policy for each unique project, which guides the collections activities to be executed.

Project Inventory Management

How effectively a professional services firm manages project inventory can have a significant impact on project profitability. Improperly tracked and reconciled inventory can cause a project to lose money. The Avanade Professional Service Add-on enhances Microsoft Dynamics AX 2012 to enable professional services forms to carefully track inventory for each specific project.

The Avanade Professional Services Add-on provides new inventory tracking capabilities that allow users to link stock with a specific project. With this capability, inventory items can be tracked on a project basis through the entire flow of material in Microsoft Dynamics AX. For example, when scanning in a specific part of the stock a user can designate that the part is reserved for a specific project.

The new inventory management capabilities of the Avanade Professional Services Add-on also enables organizations to track the inventory source of each inventory item for a project. This capability allows organizations to distinguish between different sources of inventory including self-inventory and customer supplied inventory of project. This feature extends the inventory source dimension across the inventory lifecycle managed by Microsoft Dynamics AX.

Project Cost Tracking Mechanisms

Effective cost management can only be enabled if project managers and project cost controllers can easily view and track project related transactions and cost throughout their by business system. The Avanade Professional Services Add-on extends Microsoft Dynamics AX in multiple areas to add project tracking (by Project ID) as one of financial dimensions to enable the close tracking of transactions and costs by project throughout the system.

Tracking costs and transactions by customers has also been improved. It is now possible to associate a unique customer number-project ID sequence to improve the visibility into specific customer projects and costs. And since most projects are initiated by a purchase order, the Avanade Professional Service Add-on adds the capability to manage client purchase orders including tracking customer purchase order numbers and value to manage project costs and invoicing. This solution enables the tracking of multiple customer purchase orders on an AX project.

Time Entry and Management

One function that can have a direct impact on an organization's ability to invoice their customers more quickly and accurately therefore increasing cash flow for the firm is time management. The Avanade Professional Service Add-on adds several components to help drive efficiency and accuracy with time management. The employee record in HR module has been enhanced to define the worker's default office and location. Timecard entry will automatically populate a worker's default office and location which may be overridden as needed. An optional configuration for posting time is also made available for organizations that want to derive the financial dimensions from the worker record instead of the project master. Timesheet delegation has also been enhanced to support security groups in addition to individual delegates.

Enhanced Project Roles

Ensuring that the correct resource is assigned to the appropriate role will help to drive down risk on a project by making sure that worker's with the proper authority for approvals are assigned to a role.

Enhanced roles provide the capability to define roles required on a project based on the project group. The list of available roles is presented from security roles. When building the project master the appropriate roles will be displayed and the list of workers to select will be filtered by security role.

Why Avanade



AVANADE &
ACCENTURE
are the **LARGEST**
DYNAMICS
PARTNERS
in the **WORLD**



CURRENTLY
OVER **700**
ERP CONSULTANTS
GLOBALLY



DELIVERED
OVER **150**
DYNAMICS AX
IMPLEMENTATIONS



#1
WORLDWIDE
IN DYNAMICS
CERTIFICATIONS

To learn more about Avanade's ERP for Professional Services solutions contact a your Avanade sales team or visit: www.avanade.com/erp



About Avanade

Avanade provides business technology solutions and managed services that connect insight, innovation and expertise in Microsoft® technologies to help customers realize results. Our people have helped thousands of organizations in all industries improve business agility, employee productivity and customer loyalty. Additional information can be found at www.avanade.com.

©2013 Avanade Inc. All rights reserved. The Avanade name and logo are registered trademarks in the U.S. and other countries. Other brand and product names are trademarks of their respective owners.

North America

Seattle
Phone: +1 206 239 5600
Americas@avanade.com

Europe

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

Africa

Pretoria
Phone +27 12 622 4400
SouthAfrica@avanade.com

Asia-Pacific

Singapore
Phone: +65 3694 7888
AsiaPac@avanade.com

South America

Sao Paulo
Phone: +55 (11) 5188 3000
Avanadebrasil@avanade.com