

## Case Study

# Standard ERP streamlines business operations



To optimize its business practices, Azelis rolls out Microsoft Dynamics™ AX in 11 countries



From Accenture and Microsoft

### **New standardized company structure**

Azelis, a distributor of specialty chemicals, was formed as the result of a merger between two Italian distribution companies. It then grew rapidly by way of mergers and acquisitions. Today, Azelis is a group of 38 specialist distribution companies located in 26 countries, mainly in Western, Eastern and Southern Europe, but also in Russia, India and China. Azelis faced two challenges: it needed to streamline the operations of all its entities and consolidate its business data and systems.

In mid-2009, Azelis outlined an entirely new operating structure designed to standardise both the business processes and the technology platform throughout the entire company. "To achieve this goal, we defined a two-stage strategy," says Azelis CIO, Adrian Jesinghaus. "During the initial phase, we rolled out Microsoft® Dynamics AX as a shared ERP platform as quickly as possible. This platform now acts as the foundation for phase two, in which we'll will further improve and fine-tune the system. Our new standard environment will enable us to absorb newly acquired companies much more quickly in the future."

### **Complete integration with a Microsoft platform**

"We're moving from a heterogeneous IT environment to standardised processes. Implementing one integrated ERP system is definitely helping us achieve that goal successfully," says Mark Desmaele, Business & Data Processes Manager at Azelis. "And we were convinced that going for the Microsoft platform would provide us with a lot of other benefits as well. Next to Dynamics AX for ERP, also Microsoft Dynamics CRM for customer relationship management and Microsoft Reporting Services for Business Intelligence purposes are part of the project. In addition, Gartner® rates Dynamics AX as the best choice for companies of our size."

To roll out Dynamics AX, Azelis needed to rely on a specialised implementation partner—a role the company entrusted to Avanade. "We didn't just want a generalist, we wanted a true AX specialist as a partner," Desmaele says. "Not only was Avanade able to provide the necessary expertise, but they're also a real pan-European player. And that was definitely a requirement for us, given the multi-country scope of our project."

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### One platform across the board

Avanade initiated a pilot project in Belgium, which is also where Azelis's central IT organisation is located. "It was the most obvious approach," Desmaele believes. "We are very familiar with the regional legal requirements here, and the Avanade offices are located nearby." Avanade successfully completed the pilot project within a four-month timeframe, after which Avanade continued to roll out Dynamics AX on a country-by-country basis. This included accounting, finance, purchasing, sales, production, stock management and reporting.

For Azelis, it was important to include the Safety, Health, Environment & Quality Management (SHEQ) of its products into the project scope. From the very beginning, the new ERP system also had to provide the necessary support for the European REACH directive (Registration, Evaluation, Authorisation & Restriction of Chemicals). During the first phase, Azelis minimized Dynamics AX customizations. "We just amended the system in order to comply with local legal requirements," says Jesinghaus. "We then tackled all issues standing in the way of the business and integrated Dynamics AX with the systems of external parties, such as our logistics partners."

The entire Azelis group uses one centralised Microsoft Dynamics AX system that is hosted at the datacentre in Denmark, where the company also has its own IT development department. Azelis staff members from all over Europe can easily access the system via Citrix®, a technology that connects employees to the central application via a local PC without having to install the client software of Microsoft Dynamics AX.

### Swift implementation

Adapting the system to meet local legal requirements was the greatest challenge. "Dynamics AX does not provide standard support to manage the difference in legislation that applies in the various countries," explains Desmaele. "But, fortunately, Avanade has a highly specialized knowledge of the local markets. This meant that, despite a number of customizations that were required from a legal standpoint, we were able to roll out the system quite quickly in all countries." After the pilot project in Belgium, other roll-outs followed in Spain, Italy and the Netherlands. In the Nordic countries and the U.K., the Azelis companies were already working with Dynamics AX. Desmaele notes: "We simply included the customizations that had already been developed in those regions as part of the roll-outs in the other countries. That way, we were able to make really fast progress."

A fast roll-out was crucial for Azelis. The company wanted to have a uniform platform in place as quickly as possible and considering the scope of the project, Avanade's role was, therefore, of great importance. Overall, 15 Avanade consultants were involved in the Azelis project full-time, supported by several local AX experts. Together, they handled the conversion of the old systems and the required adjustments to meet local legislation, as well as, solving any local issues hindering the business, training users and supporting the various go-lives.

To further streamline the new operational business structure, Azelis will be going through a Business Process Reengineering phase in the upcoming months. "We have outlined a blueprint," says Jesinghaus. "We are now converting that blueprint into a detailed implementation while simultaneously documenting how our staff will have to use the system."

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Avanade will also provide the necessary support during the introduction of these new business processes.

Microsoft Dynamics CRM is being implemented as well. "That is also one of the benefits of working with Avanade. If we would temporarily need additional resources for our CRM implementation, to accommodate peak moments, for example, we know that Avanade is able to help us immediately."

#### **A foundation for future growth**

By implementing Microsoft Dynamics AX, Azelis now has an integrated, uniform IT platform across the entire group. "We are now all working with the same system," says Desmaele, "which enables us to cooperate much better." At the same time, there is also far more transparency in reporting. Previously, it required the consolidation of a large number of local Excel reports. Today, everything is generated automatically by the same system. As a result, things get done a lot faster and management information is much more accurate.

In addition, Dynamics AX provides a platform capable of supporting the future growth of Azelis. "We continue to grow," says Jesinghaus. "The fact that we now have a standard environment in place will enable us to absorb newly acquired companies much more quickly into the company structure."

And, of course, using Dynamics AX has also had a positive impact on the cost structure of the IT department. "We now have only one system to maintain, instead of a dozen," he adds.

Additional fine-tuning of the implemented system will be carried out until the end of 2011. In 2013, again in cooperation with Avanade, Azelis is planning to migrate to Dynamics AX 2012.

#### **Results**

- One integrated ERP platform for an enterprise group operating in 26 countries, enabling greater efficiency, better collaboration and lower costs.
- A solid foundation for further growth: the uniform environment will enable Azelis to absorb future acquisitions much more quickly into the group
- Easy integration with other Microsoft solutions, including Microsoft Dynamics CRM and Microsoft Reporting Services.

#### **About Azelis**

Azelis is a leading pan-European speciality chemicals distributor. They provide a diverse range of products and innovative services to more than 50,000 customers operating in various industries including chemicals, coatings, MPA (materials, pigments and additives), polymers, composites, rubber, food and health, pet food, pharmaceutical products and personal care. Through a network of suppliers and distributors covering all important markets, Azelis offers in-depth local knowledge, supported by value-add services and tailored international solutions. The corporate service center of Azelis is located in Antwerp, Belgium. The company has a turnover of €1.4 billion and employs a staff of 1100 highly-skilled professionals.



#### **About Avanade**

Avanade provides business technology services that connect insight, innovation and expertise in Microsoft® technologies to help customers realize results. For more information, visit [www.avanade.com](http://www.avanade.com).

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