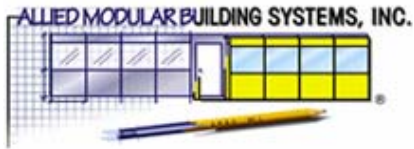




## Microsoft Dynamics Customer Solution Case Study



## Modular Building Manufacturer Integrates Operations, Builds Foundation for Growth

### Overview

**Country or Region:** United States  
**Industry:** Manufacturing

### Customer Profile

Located in Orange, California, Allied Modular Building Systems is the largest manufacturer and distributor of commercial prefabricated buildings in the Western United States.

### Business Situation

Disparate business software applications hindered Allied Modular Building Systems as its business grew. Multiple, manual data entry points resulted in expensive errors and prevented visibility.

### Solution

Microsoft Dynamics™ NAV, Microsoft Dynamics CRM, and associated Microsoft® technologies provided the integrated business management solution Allied Modular Building Systems needed to meet its goals.

### Benefits

- 20 percent inventory reduction
- 300 percent faster factory order fulfillment
- More efficient workforce
- Increased visibility into business

“Microsoft Dynamics NAV and Microsoft Dynamics CRM provide medium-size businesses with the same business management resources Fortune 500 companies have, and at minimal investment.”

Kevin Peithman, President, Allied Modular Building Systems

In the summer of 2005, Allied Modular Building Systems enjoyed rapid growth in the market for pre-manufactured, panelized building solutions, but found itself increasingly hindered by disparate, small-scale business IT applications. Business managers lacked visibility into the business and market, sales teams struggled with complicated lead processes, and a geographically growing field force needed collaboration tools. To solve these problems, meet customer expectations, and achieve the company's revenue goal of U.S.\$100 million, President Kevin Peithman decided to adopt Microsoft Dynamics™ NAV, Microsoft Dynamics CRM, and complementary Microsoft® technologies. With the help of Microsoft Gold Certified Partner Tectura, Allied Modular Building Systems deployed Microsoft Dynamics NAV in just one month and has already increased manufacturing productivity by 300 percent.

TECTURA™

 Microsoft Dynamics™

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Kevin Peithman, President, Allied Modular Building Systems

## Situation

Allied Modular Building Systems (AMBS), a U.S.\$12-million manufacturer of prefabricated commercial buildings based in Orange, California, was experiencing rapid growth—becoming the largest manufacturer and distributor of prefabricated, panelized modular buildings in the Western United States. However, disparate IT systems and more business was straining AMBS’s departmental approach to IT and preventing the company from realizing maximum profit on increased revenue.

AMBS President Kevin Peithman, who founded the company in 1989, realized a piecemeal approach to business management systems would not support his vision of growing AMBS into a U.S.\$100-million operation. AMBS relied on 14 separate systems to run its operations, each chosen and maintained by departments. In addition to a single IT consultant, knowledgeable personnel in each department contributed as needed to software projects, even though those duties were outside their job descriptions. Because of the disconnected systems, manual data entry was often required and, consequently, resulted in small but costly errors.

“Almost every project had an error of some sort that cost us money, whether it was the wrong measurement, shipping error, or wrong contact information—there were a variety of different problems stemming from lack of integration,” says Peithman.

In addition, data essential to making proactive business decisions was buried in departmental silos. For instance, the company’s Goldmine CRM package provided each salesperson with his or her own small database of contacts and related information, but did not allow an individual to share that data on an enterprise level. AMBS needed a comprehensive, all-in-one solution that

provided employees with quick access to unified data.

AMBS examined its options for solving the problem. The company had developed its own manufacturing system and considered expanding that to cover other functions. Another option was purchasing ERP software from SAP and Oracle, but Peithman was leery of both the cost and difficulty often associated with large software implementations. “Anytime we talked to anybody who went through an implementation with SAP or Oracle, it was always, ‘Oh, you don’t know what you’re in for!’” he says.

## Solution

In 2004, a recently hired sales and marketing vice president suggested Microsoft Dynamics™ NAV, then known as Microsoft® Business Solutions–Navision®. The solution was appealing because AMBS staff already used Microsoft products, such as Microsoft Office Excel® 2003 spreadsheet software and Microsoft Office Outlook® 2003 messaging and collaboration client—daily, at home and at work. AMBS believed a business management solution that maintained the look and feel of those Microsoft products could reduce training time and minimize change management problems after deployment.

“We were using a Goldmine CRM system that we always had problems with. And because our people used Outlook at home and had no problems, it made sense to consider a Microsoft product that everyone would be familiar with,” says Peithman.

Most importantly, Microsoft Dynamics NAV was an adaptable system that would allow AMBS to make modifications without hiring outside IT resources.

“With just a couple clicks, I can answer key questions about our business performance; for example, How much does a department cost? What’s the ROI [return on investment] on a specific campaign or trade show?”

Kevin Peithman, President, Allied Modular Building Systems

“Our main business is manufacturing buildings, but having the right technology to support that business is crucial. Being able to make changes ourselves—quickly—is a phenomenal benefit,” says Peithman.

#### **One-Month Deployment**

AMBS enlisted the services of Microsoft Gold Certified Partner Tectura because Tectura presented clear and realistic expectations for the implementation. Moreover, Tectura proposed a complete Microsoft solution that would support AMBS’s ambitious growth goals, including: Microsoft Dynamics NAV for financials, supply chain, and manufacturing; Microsoft Dynamics CRM 3.0 for sales force automation and marketing; Microsoft Office SharePoint® Portal Server 2003 for integrated collaboration services; and upgraded infrastructure components like Microsoft Windows Server® 2003 operating system and Microsoft SQL Server™ 2000.

Microsoft Dynamics NAV was deployed in just over one month, capturing 186,000 part numbers. Microsoft Dynamics CRM 3.0 Professional was deployed next, and AMBS is in the final stages of implementing the Tectura CRM Connector module for Microsoft Dynamics NAV to enable full integration between the two systems.

Says Peithman, “When we went through the first phase of the implementation—the core ERP [enterprise resource planning] function—I have to say I expected difficulties. But we had none of that. Pretty much everything that was said about the implementation, happened.”

#### **Integrated Systems, Integrated Business**

AMBS uses SharePoint Portal Server for online collaboration, pulling data from both Microsoft Dynamics NAV and Microsoft Dynamics CRM. Sales people across the country now have access up-to-date pricing sheets and other documents, as well as dashboards and scorecards that track their

colleagues’ performances in real-time. In addition, AMBS also extended Microsoft Dynamics CRM to its employees’ handheld e-mail devices. AMBS sales people and project managers in the field use SharePoint to determine the status of factory orders and other manufacturing information.

The final phase of the Microsoft Dynamics NAV implementation involves integration with a web-based, three-dimensional design application that will allow AMBS personnel in the field to quickly build bills of material from CAD drawings. Peithman already had this type of application in mind when AMBS was shopping for a business management solution, and during the search, found Microsoft Dynamics NAV provided unique extensibility to allow this type of integration.

“We talked to a lot of vendors about integration with web-based, three-dimensional quote tools, but only Microsoft Dynamics NAV provided enough flexibility to give us confidence that it would work,” he says.

#### **Benefits**

By eliminating paper processes used to transfer information between systems, AMBS immediately benefited from its Microsoft Dynamics NAV implementation. The company reduced inventory by 20 percent, drastically reduced the amount of time needed to fulfill orders, and eliminated expensive manual processes in accounting. Other benefits continue to accrue as AMBS institutes new, streamlined workflows that take advantage of its interconnected Microsoft Dynamics NAV, Microsoft Dynamics CRM, and Microsoft SharePoint technologies.

### **20 Percent Inventory Reduction**

Because manual data entry was required at different points in the supply chain before implementing Microsoft Dynamics NAV, AMBS factory workers often ordered more materials than were actually needed, just to be sure necessary supplies were on hand. With Microsoft Dynamics NAV, there is total visibility in both incoming and outgoing inventory—and more accurate information.

“It probably took us the first month to truly rely on the manufacturing resource planning system because nobody believed the data. We had to send someone out to actually touch the inventory, and, sure enough, it was there,” says Peithman.

Greater inventory accuracy—and greater trust in the system—has translated into a 20 percent reduction in on-hand inventory.

### **300 Percent Faster Factory Order Fulfillment**

Tighter inventory control, automation of work order processes, and improved workload management capabilities all contributed to a 300 percent increase in factory productivity. Whereas it previously took one and a half weeks to fulfill an order, the average production time is now just two days.

Not only has use of Microsoft Dynamics NAV improved factory production speed, it also has decreased the amount of manpower involved in managing the workload. Before the implementation, AMBS employed one person to scan incoming work orders daily and figure out who could put together which pieces—not a trivial task considering AMBS’s 186,000-part inventory. Microsoft Dynamics NAV automates the process of creating work orders, helping to ensure maximum productivity with minimal management overhead.

### **More Efficient Workforce**

Together, Microsoft Dynamics NAV and Microsoft Dynamics CRM allow AMBS to run its business as an integrated operation, yielding tremendous efficiency gains. Instead of manually entering data into each departmental system, they can key in entries once and let the system automatically route the data according to business rules. Where, before, it took its two purchasing agents expending all their time just to determine appropriate vendors and fill out purchase orders, now, with its new integrated, automated systems, the agents can manage incoming and outgoing purchase orders and products in half the time.

And because sales people have access to up-to-date manufacturing data via SharePoint, there has been an 80 percent reduction in calls coming from the field into the factory to check on customer orders.

### **Increased Visibility into Business**

Microsoft Dynamics NAV enables AMBS leaders to monitor and analyze performance in a variety of business activities with the help of “dimensions.” This feature automates the task of segmenting financial data according to territory, department, campaigns, people, or other categories so the data can be quickly pulled up for reports.

“Now, I don’t know how I would live without dimensions in Microsoft Dynamics NAV. With just a couple clicks, I can answer key questions about our business performance; for example, how much does a department cost? What’s the ROI [return on investment] on a specific campaign or trade show? Which territory is performing and which is not?” says Peithman.

While Microsoft Dynamics NAV provides visibility into business performance, Microsoft Dynamics CRM helps AMBS leaders to act on that information by dramatically streamlining

## For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to: [www.microsoft.com](http://www.microsoft.com)

For more information about Allied Modular Building Systems products and services, call (714) 516-1188 or visit the Web site at: [www.alliedmodular.com](http://www.alliedmodular.com)

For more information about Tectura products and services, call (650) 585-5500 or visit the Web site at: [www.tectura.com](http://www.tectura.com)

marketing functions, such as setting up e-mail and direct-mail campaigns and newsletters. CRM automates follow-up activities to measure performance of those campaigns, captures customer leads from the company Web site, and automatically generates a letter or e-mail to provide new customers with contact information for their AMBS representatives.

"Microsoft Dynamics NAV and Microsoft Dynamics CRM provide medium-size businesses with the same business management resources Fortune 500 companies have, and at minimal investment," says Peithman. "Now, I can gauge my manufacturing productivity in real-time, as opposed to looking at last month's figures. And we're still learning how to take advantage of these capabilities."

## Microsoft Dynamics

Microsoft Dynamics is a line of integrated, adaptable business management solutions that enables you and your people to make business decisions with greater confidence. Microsoft Dynamics works like familiar Microsoft software such as Microsoft Office, which means less of a learning curve for your people, so they can get up and running quickly and focus on what's most important. And because it is from Microsoft, it easily works with the systems that your company already has implemented. By automating and streamlining financial, customer relationship, and supply chain processes, Microsoft Dynamics brings together people, processes, and technologies, increasing the productivity and effectiveness of your business, and helping you drive business success.

For more information about Microsoft Dynamics, go to: [www.microsoft.com/dynamics](http://www.microsoft.com/dynamics)

### Software and Services

- Microsoft Dynamics
  - Microsoft Dynamics NAV
  - Microsoft Dynamics CRM 3.0,
- Microsoft Office System
  - Microsoft Office Excel 2003
  - Microsoft Office Outlook 2003

- Microsoft Servers
  - Microsoft Office SharePoint Portal Server 2003
  - Microsoft SQL Server 2000
  - Microsoft Windows Server 2003

### Partners

- Tectura