HYDRA-POWER SYSTEMS, INC.
MICROSOFT DYNAMICS AX INTEGRATION

"With TrueCommerce EDI we're finally getting the full benefits of EDI, like elimination of dual data entry, fewer errors and time savings. For us, EDI also simplifies transactions by reducing the need to deal with supplier portals … It's been rock solid."

– Robert Jablonski
IT Manager, Hydra-Power Systems, Inc.

OBJECTIVE

➤ Streamline purchase order processing and reduce manual effort and IT overhead by replacing a legacy EDI system with a robust and easy-to-use EDI solution that integrates seamlessly with Microsoft Dynamics AX

SOLUTION

➤ Implement a fully embedded EDI solution for Microsoft Dynamics AX that addresses current and evolving EDI needs

BENEFITS

➤ Increase overall productivity

➤ Faster, simpler order processing workflow with fewer errors

➤ Reduce IT management time and administrative effort

BACKGROUND

Limited integration with Microsoft Dynamics AX ERP drove the need to replace a legacy EDI solution and streamline purchase order processing.

Hydra-Power Systems, Inc. (HPS) is a leading distributor of hydraulic and pneumatic components for the fluid power industry, as well as a designer and manufacturer of custom hydraulic and pneumatic equipment and components. In business since 1970, HPS serves OEMs, resellers, and users in all industries, including agricultural, construction, forestry, industrial, marine and mining.

With warehouses in Portland, Oregon and Birmingham, Alabama, HPS offers same-day shipping and fast, cost-effective delivery. HPS implemented EDI with the goal of streamlining their order-to-cash and procure-to-pay business processes. Their initial attempt to implement EDI did not deliver on all of the anticipated benefits. The legacy EDI system actually added bottlenecks and additional manual effort to the fulfillment process, mainly due to its limited integration with the Microsoft Dynamics AX ERP system.

GETTING THROUGH THE DOOR

Cumbersome import processes made EDI marginally better than manually rekeying information from emails or faxes.

HPS uses EDI primarily with their accounts payable vendors to automate and accelerate business transactions with their strategic and highest-volume suppliers. HPS leverages EDI to automatically release purchase orders to their vendors and also to import EDI 810 invoice transactions from vendors into Microsoft Dynamics AX. It also became increasingly important for HPS to receive EDI 855 purchase order acknowledgments back from vendors, both to confirm the transaction and to help eliminate the need to manually track purchase order (PO) receipt and delivery dates.

Since their previous EDI provider couldn't deliver "day one" integration as promised, HPS had to use a batch processor to retrieve inbound documents from their suppliers. The burden of integrating the transactions into Dynamics AX became the responsibility of HPS' IT and their reseller. They were required to write custom code and create mapping tables for each supplier. This added considerable unplanned costs, schedule expansion, and AX upgrade risks. Their EDI vendor provided no support to address these critical business issues.

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This time-consuming process created a bottleneck that significantly reduced the value of EDI for the company. "If you have to go back and do a bunch of work on documents you import into AX, that's no more efficient than manually entering the contents of an email or fax," states Robert Jablonski, IT Manager.

Another issue was that users had to login to both the legacy EDI system and Dynamics AX to view EDI documents. This hampered productivity and required extra training for Accounts Receivable and Accounts Payable staff, while also taking up IT's valuable time with support.

"I needed to be able to turn the whole process over to AP and AR—it couldn't be an IT project," Mr. Jablonski asserts. "All they wanted was to have their invoices show up in AX every day. Instead, they had to go to another machine and learn another system and manually import documents and move directories and start another process…"

MAKING IT PAINLESS

With TrueCommerce EDI, "everything just works."

What HPS needed most from its EDI solution was the ability to automatically import 810 invoices from the EDI solution into Dynamics AX. Based on a recommendation and a demonstration showing how easy this would be with TrueCommerce's embedded AX solution, HPS made the switch in 2013.

HPS's rollout of TrueCommerce EDI was painless and smooth. Because the EDI solution is embedded within Dynamics AX, the team was able to set up and thoroughly test the new solution before cutting over to it. "We were transacting EDI with our major vendors the day we switched to the new system," notes Mr. Jablonski. "There was no downtime or extra work dealing with two systems.

"We also liked that everything on the user side happens in AX, which is the system we know," offers Mr. Jablonski. "Now EDI 'just works' and I rarely need to interact with it directly." Invoices, POs and acknowledgments arrive in Dynamics AX seamlessly—another key reason why HPS chose TrueCommerce EDI.

SUCCESSFULLY MANAGING INVOICE STATUS IN DYNAMICS AX

In many Dynamics AX environment workflows, vendor invoices can be entered in "pending" status until goods are actually received. Once the product has been received, these invoices can be posted against the appropriate packing slip.

"The TrueCommerce EDI solution interoperates cleanly with AX so this workflow isn't an issue," Mr. Jablonski says. "The TrueCommerce solution is deeply embedded with AX which means EDI is woven directly into the native AX workflows. With our old EDI system, this was a major problem.

"When shipments come in, we use the packing slips to update the invoice status in AX," adds Mr. Jablonski. "For example, our major vendor is in Florida, so there's five days' transit time. They invoice us the same day they ship, but we don't see the parts or the packing slip for five days."

A FLEXIBLE SUPPORT APPROACH

HPS enjoys having the flexibility of being able to onboard additional EDI customers and suppliers on their own or being able to reach out to the TrueCommerce EDI team to set these up for them at no additional cost.

"TrueCommerce EDI has been very flexible regarding support," Mr. Jablonski observes. "They are happy to do turnkey projects for us or provide training or guidance on request."

This flexibility enables HPS to build skills and optimize costs while getting the right level of support and expertise from TrueCommerce EDI whenever it is needed, while ensuring that in-house staff has a manageable workload.

ROCK SOLID

Distributors expect improved efficiency and reduced exposure to mistakes as benefits of using EDI—provided there is adequate integration between the EDI and accounting/ERP systems, and the overall solution aligns with your fulfillment workflow.

"With TrueCommerce EDI we're finally getting the full benefits of EDI, like elimination of dual data entry, fewer errors and time savings," Mr. Jablonski points out. "For us, EDI also simplifies transactions by reducing the need to deal with supplier portals.

"And as basically the only IT person working on EDI, I appreciate how much easier the new system is and how much less of my time it requires. It's been rock solid.

"The only problem I have now is that, because I don't have to solve EDI problems anymore, sometimes I have to refresh my memory on how to do something," jokes Mr. Jablonski. "When a system is set up and works really well, after a few months you kind of forget…"

ABOUT TRUECOMMERCE

TrueCommerce gives your business a competitive edge with simple, adaptable and cost-effective solutions that harness the power of our trading partner community. From the factory to the warehouse, from distributor to retail storefront, achieve new levels of business connectivity and performance from the world's most complete network.

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THE TRUECOMMERCE TEAM IS HERE TO HELP!

If you have any questions regarding TrueCommerce, or how it applies to your business, our passionate, EDI focused team is here for you.

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