Microsoft Dynamics 365 Business Central Implementation

Functional Requirements Document

Prepared for

Customer Name

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Introduction

Innovia Consulting (Innovia) conducted a requirements discovery at [Customer Name] from May 24th through May 26th, 2022. The objective of this planning engagement was to learn [CUSTOMER NAME]'s current business processes and to identify opportunities for process improvement for the re-implementation from Microsoft Dynamics NAV-X (which is based on NAV 2015) to the latest version of Microsoft Dynamics 365 Business Central (BC).

A Functional Requirements Document and Fit Gap Analysis Document were prepared based upon business requirements described by [CUSTOMER NAME]'s core team users during the planning process. The Functional Requirements Document identifies the functional requirements of the solution to be implemented. The Fit Gap Analysis Document is a supporting document to the Functional Requirements Document, which identifies any gaps found in the functionality, along with implementation options identified.

Executive Summary

Innovia Consulting recommends a <u>re-implementation</u> to the current version of Microsoft Dynamics 365 Business Central in a SaaS (Microsoft Cloud Solution) environment. This recommendation is based upon:

- Capitalizing on the latest technical standards for development of modifications and ISV (Independent Software Vendor) solutions
- Keep up to date on software versions
- Benefits of the SaaS environment (Microsoft Cloud Solution)
  - ✓ Automatic software updates; [CUSTOMER NAME] will always be on the latest version
  - ✓ Reduces hardware purchases and related network maintenance
  - ✓ Microsoft promotes a 99.9% uptime
  - ✓ Microsoft is responsible for backups of [CUSTOMER NAME] data
  - ✓ ISV (Independent Software Vendor) Solutions are responsible for keeping apps up to date with latest version release date
  - ✓ Functionality is added to SaaS but not On-Premise
    - ▪ I.e. – Edit in Excel, Default Power BI reports & Charts, Advanced Power Automate workflows
- Benefits of re-implementation vs. upgrade
  - ✓ Review current processes; Identify and implement improvements
  - ✓ Ability to change/restructure setups of environment
  - ✓ Clean-up of master data

Innovia recommends bringing forward only necessary modifications. Modifications are listed in the Fit Gap Analysis Document. During the design, we will review each modification in detail with [CUSTOMER NAME] and perform any necessary changes/updates to either improve the modification or design the modification to be less invasive to the product.

Overview

[Customer Name] would like to begin the re-implementation project immediately, and their target date is July 1, 2023.

[CUSTOMER NAME] has a heavily customized environment. The customizations apply to standard objects, new tables, and Independent Software Vendor (ISV) related programming (see the database assessment report for more details). Microsoft has introduced Extension as a mechanism to add new logic and functionality. Innovia will code all customizations via Extensions. Further analysis would be needed to determine the potential path for all customizations and ISVs. In some cases, Microsoft has added new functionality in Business Central that might eliminate the need for customization.

[Customer Name] uses NAV-X, which is based on NAV 2015. Some of the ISVs in [CUSTOMER NAME]'S existing NAV-X environment include:

1. Document Management
2. Commission Management
3. Credit Card Processing – ChargeLogic
4. Credit Management
5. Sales Taxes – Avalara Avatax
6. eCommerce – Sana (Evaluating DynamicWeb)
7. Mobile Warehouse Solution – Lanham eShip
8. Workflow – Agiles Workflow (Never Used)
9. Security – EasySecurity
10. National Accounts (not known if it's technically an ISV, might be part of NAV-X)
11. Rail (not known if it's technically an ISV, might be a customization)

Others not mentioned in the functional reviews, but which showed up on the Database Assessment include:

1. Nav E-Shop (Not a consideration going forward)
2. Webshop
3. Cost Control Quality
4. Sikich Bundle (Not a consideration going forward)

Additionally, [CUSTOMER NAME] would like to evaluate the following solutions:

1. Hedge Module – Rebuild existing customization or evaluate ISV
2. Quality Control – Customize or evaluate ISV
3. Automatic batch e-mail delivery (multiple addresses) for multiple processes
4. PowerAutomate for Calendar Integration

5. EDI – [CUSTOMER NAME] receives EDI orders but via FTP. The EDI information is received via a portal and orders are then manually entered which is ideal for integrating and adding all transactions. The Sales team states that many customers ask to transact via EDI.
6. Business Intelligence/Reports

Companies

[Customer Name] runs two companies in NAV plus a consolidated one. Note that there are no intra-company transactions set up. All entries are manually done at the end of the month via journal entries.

All orders occur in the "[Customer Name]" company. The entries in the "CTRANS" company are related to Purchase Invoices using G/L accounts. The "[CUSTOMER NAME] Consolidated" company is not currently being used for reconciliation purposes, but [CUSTOMER NAME] would like to utilize it moving forward. Note that there are multiple items in the "CTRANS" company. According to [CUSTOMER NAME], those do not need to be migrated.

Users

[Customer Name] has about XX users and XX warehouse employees with handhelds in their two shifts. Their license says XX full concurrent user CAL licenses. Microsoft changed its licensing scheme in Business Central. It is now user-based. Further analysis will be needed to define the type of license and cost.

Global/Multicurrency Support

[Customer Name] does not need any multilanguage functionality or multicurrency support. All transactions are done in US Dollars (USD).

Relationship Management

[Customer Name] is currently using Salesforce. There is a pull integration to Salesforce from NAV that will need to be reworked from BC, but [CUSTOMER NAME] has decided that is something they will handle internally. The Sales team creates all opportunities and contacts in Salesforce. Other functional units like Accounting and Procurement use the Contacts list in NAV, but they are not always updated.

Sales

Customers

[Customer Name] has about XX,000 active customers consisting of ~XX,000 web clients and ~XX,000 regular customers. Anyone can use the web portal to buy products. Regular customers are primarily manufacturers in the food service industry. Web clients are primarily soapers/crafters.

The naming convention for customer is derived as to whether the order is being entered manually into NAV or coming down and being automatically created from the webshop. For those entered manually, they begin with a "C" and those coming from the webshop begin with "WEB". Regular customers are typically assigned to a dedicated salesperson.

Some customers can have multiple ship-to addresses. For parent/child relationships, some child companies have been set up as individual customers using the "Bill-To" field to roll payments received to the parent company. There are currently customizations around the handling of what [CUSTOMER NAME] calls "National Accounts" where invoices are sent to and paid by the parent company on behalf of the children companies. See further details in the Accounts Receivable/Invoicing section of this document.

About 97% of customers are domestic, while 3% are international. Some domestic customers are brokers that might ship internationally, but the orders are treated as domestic.

Customization: There is customization in Sana to create new customers in NAV for all new web customers. This integration will need to be replicated in Business Central.

Active customers are those with activity within the last two years. A report in SQL Reporting Services is run yearly to review the customer list. Customers with no activity over the previous two years are changed to Prepaid payment terms.

Recommendation: A Job Queue to activate/deactivate customers can run daily and automatically change the payment terms.

All web customers need to prepay when placing a sales order. Regular customers have different credit limits based on their worthiness which the credit department evaluates. The standard payment terms are typically 15 days. Note that payment tolerances are not in use, but typically, they are 15 days with no penalty fees.

[CUSTOMER NAME] indicated that they would like to review their payment terms moving forward and feel that they could be cut by well more than half

Payment methods include checks, ACH, credit cards, and wire transfers. The NAV-X Document Factbox is used to add comments. It is also used on Vendor Cards, Sales Orders, Purchase Orders, Sales Contracts, Purchase Contracts, etc... essentially anywhere there would be a need to attach a document to a record.

Since the sales team is using Salesforce, contacts in NAV are only used by the accounting and procurement departments. The use of Contacts is inconsistent.

Recommendation: Users must be proactive and constantly update e-mail addresses if they want to use an automated e-mail delivery system. Any obsolete e-mail addresses will bounce back and generate mistrust in the solution.

Customization: The "Customer Type" field on the customer card identifies the branding used on documents. Depending on the value, the logo would dynamically change on the report. Example: Sales Order Confirmation. Evaluate "Document Layouts" as an out-of-the-box alternative.

Customer Pricing/Discounts

Pricing is mainly done using Sales Contracts and Sales Orders with spot pricing. [CUSTOMER NAME] is using a spreadsheet to track all spot prices. Only Division A has a price list in NAV and there are no discounts set in the system. Any discounts are applied for paying early using payment terms.

Quoting Process

[CUSTOMER NAME] does not use Sales Quotes in NAV. Estimates are done using Excel since pricing can change multiple times during a single day. The sales representative who owns the account will manually create and e-mail the sales quote. No approval processes are necessary.

[CUSTOMER NAME] indicated that they are not currently interested in reviewing any ISVs for Quoting.

Ordering Process

[Customer Name] receives orders via phone, e-mail, EDI, and online. They have a couple of processes for entering orders. Online orders are automatically created from the eCommerce portal. The sales representatives manually enter regular orders. Some are made from a predefined Sales Contract, while others are manually entered from what is received through the EDI portal. Some EDI portals currently being utilized are SPS Commerce, Tungsten and Gentran.

Blanket Sales Orders are used for contracts. It defines the items, quantity, price and duration of the agreement. Anything outside of the Contract is treated as a regular sales order.

Customization: There are a few customizations to the Blanket Sales Order related to hedging and pricing that either need to be replicated or the process needs to be reviewed and redesigned. [CUSTOMER NAME] indicates that the current state does not meet all the needs for Sales Contract usage, so this process needs to be thoroughly reviewed. The Sales Contracts also tie into the National Account customization.

The Sales Team consists of about XX employees. Approximately XX to XX orders are entered daily with an average of XX lines per order. A new sales line is added to the bottom when a change order is required.

The system has been configured to auto-archive when printing a confirmation. Hence, version control is needed. Note that the Change Logs are enabled to track such changes. A purchase order document is usually required when creating a sales order. The pricing on the purchase order also needs to match the sales order.

At the time of order release, pallet calculation customization logic is creating and adding lines to the sales orders to account for gross weight of pallets/totes on the order.

Item Charges are used for incoming freight and allocated to all item lines by weight. Outgoing freight is usually included in the sales price or as a separate sales line.

Note that no reservations or substitutes are needed.

Customization/ISV: [CUSTOMER NAME] would like to send e-mail confirmations via e-mail to multiple individuals. The payment terms need to be included as part of the attachment.

Customization: There is a freight calculation tool that runs automatically on the sales orders that will need to be replicated in BC. Per [CUSTOMER NAME], this only relates to Local Internal CTRANS fleet deliveries and is an automated value being filled on the Sales Header Freight field that is always built into the item price. There are never any Freight line charges being added to an order for this.

Customization: Some customers buy the same product repeatedly. A customization will be needed to show history of sold Items by date range, including quantity and price. The current customization on the sales order holds this data in a separate table. That data is then used for easy Sales Lines creation similar creating lines from a Blanket Order.

Customization: At the time of order release, pallet calculation customization logic is creating and adding lines to the sales orders to account for gross weight of pallets/totes on the order. This will need to be replicated in BC, but perhaps tweaked.

Drop shipment is in use at the item level. For donations, the team manually adds a G/L line to offset the price.

Customer Returns Process

[Customer Name] uses the Sales Return module with a return reason code to learn from their transactions.

Customization: Adding any returned product from the Sales Return Order to a Sales Contract is painful. A customization might be needed to adjust the sales contract automatically. Users have to update the quantities manually, which is prone to errors.

The sales team usually enters the Sales Return Orders, but the accounting team posts the invoice. Accounting also applies for any credits, like in the case of damaged goods.

Any restocking fees are applied manually once the merchandise has been inspected. The warehouse team usually attaches pictures to the document.

After receiving returns, the inventory is put into a quarantine bin for inspection both physically and systemically. If it passes quality control, the items are moved to stock. If it fails, the merchandise is re-worked or scrapped. Note that scrap items are moved to a separate bin and are reworked into the Waste Stream items.

Approvals for returned merchandise are granted on a case-by-case basis. At this time, there might not be enough standardization around return approvals to facilitate automation.

Inventory

Items

[Customer Name] has about 13,000 active items in its system. Items with no activity after one year are blocked. There are about 7,500 items blocked or discontinued. New items are initiated from the sales or procurement teams. The item number is manually assigned using a predefined template. The first three digits represent the product group code.   The next 2-4 digits indicate Unit of Measure. Customer-specific items are appended to the item's number. The item format helps users identify the packaging required and number of units per container. Note that Item Templates are in use.

Customization: Several fields will need to be replicated (Ex. Brand, Needs CBOT, Hedge Category, etc.). Adding a new "Item Type" field might benefit from segregating Raw Materials, Intermediate, and Finished Good items. The "Item Packing" configures the customers' pallet/tote quantity combination.

The Item Category and Product Group Code are being used. Note that Microsoft decommissioned the Product Group Code field. However, the Item Category can now have multiple layers.

Recommendation: Some Items are set up as Service Types. Microsoft changed the structure of inventory and non-inventory items. Non-inventory items are now called Catalog Items. Innovia will need to migrate these records to the new table.

Recommendation: Items with the same content have been created individually to represent the multiple Units of Measure. They can be consolidated into just one Item and use the Units of Measure table to configure all combinations (Ex. LBS, DRUM40, DRUM551, TOTE2100). There are over 280 different units of measure set up in NAV. This topic will need further analysis.

Recommendation: Microsoft introduced Item Attributes that can be used to define the product's characteristics further. Follow-up discussions might be needed.

Recommendation: Pictures are currently not being stored for any items. Business Central can easily upload and keep a picture of the item. Mobile devices can show the product's image while picking to help warehouse employees identify the right product faster.

Item Tracking

[Customer Name] uses Item Tracking Codes to generate lot numbers for inbound and outbound transactions. All Finished Good items are lot tracked. Raw Material items, except packaging and labels, are also lot tracked. Some item categories are tracked by Expiration or Best By dates, like in the case of oils.

Per [CUSTOMER NAME], the current state NAV Expirations do not work due to a conflict with their Pick Creation Customization on Sales Orders. It will need to be reviewed in further detail if the base

out-of-the-box BC functionality will fit their Expirations requirements or if customizations will be required.

Additionally, customization on the Lot Numbers series forces the Lot to only be auto-assigned if the "No Series" flag called "Manual" is not marked YES. In NAV 2015, there is no code that is triggered by whether this flag is checked. For [CUSTOMER NAME], it is currently being used as a control point to require Lot numbers to be set automatically versus allowing a user to manually enter one themselves. This needs to be bounced against BC functionality to see whether a customization is required.

Customization/Recommendation: Customization on the lot number format includes today's date. However, parsing dates in an alphanumeric string is difficult and unreliable. Innovia recommends using "Expiration Dates" to track raw materials' aging. Warehouse users will be forced to enter the actual expiration date rather than defaulting to the receipt date. The process requirements need to be reviewed to see if the base BC functionality will meet the business needs.

Production Orders for some items will go to a Quality hold bin. Someone in Quality Control will need to inspect and approve the merchandise before moving it to stock. See the "Quality Control" area for more details.

Recommendation/Customization: The quantity-on-hand field shows all inventory regardless of status. Users are painfully navigating each item card and checking for actual available inventory. Two new fields on the Item list and card can be added for Available and Quarantined stock.

Note: Per [CUSTOMER NAME], the Expiration Date field highlighted above is a custom field not tied to any base NAV functionality. The Expiration Date setting is handled from an Item Card value. Base NAV Expiration is not turned on due to a conflict with regular Reclass workflows which would generate additional Expiry's on ILE and lock an item down.

Assembly

Assembly Orders are used to blend or change items to a different package. Note that multiple items are created to represent individual units of measure.

Inventory Costing

[Customer Name] is setting up items with two costing methods: Average and FIFO with Average being the most used. [CUSTOMER NAME] would like to change the costing method to FIFO for all items during the re-implementation.

Landed cost is added using the Item Charge feature. The cost is distributed by weight. [CUSTOMER NAME] indicated they need to do an internal process review to determine if charge items should still be used for freight out.

Research and Development (R&D) uses products for testing. [CUSTOMER NAME] would like to take advantage of tax credits. Innovia is working with [CUSTOMER NAME] beginning in July 2022 to find a way to segregate R&D costs from production. The proposed method from Innovia is to use the Jobs module in BC. If [CUSTOMER NAME] proceeds with Shop Floor from Insight Works, ensure to the integrate from Shop Floor to Jobs. Currently, [CUSTOMER NAME] is using Excel.

Production BOMs

The Quality Control and R&D teams create the new Production BOMs. QC is responsible for the oil items and R&D for the dressing category. There might be up to four BOM levels, but the norm is two. A typical BOM contains about 5 to 6 lines on average.

Recommendation: [CUSTOMER NAME] is overwriting BOMs when a change is needed. Using version controls in BC would allow tracking changes with ingredients and quantities over time. Using the version control functionality would allow easy visibility to previous recipes used. A combination between Active Date and Status can be used for planning purposes. [CUSTOMER NAME] currently must update the BOM recipe on the effective day. According to [CUSTOMER NAME], this process relates to the current hedge / CBOT reporting. BOM versioning cannot currently be used due to data conflicts that occur within the current reporting structure. If the reporting constraint is overcome, then using base solution BOM versioning is a viable option.

There is no need for alternate BOMs. If any changes are needed, they will change the components at the release production order level on a case-by-case basis.

The Flushing Method for all items is set to Manual. Some items might be good candidates for Forward or Backward flushing.

Customization: Some Production BOMs might use different ingredients or quantities based on which plant they are produced in or which machines they are produced on. Users pick the correct BOM number on the Planning Worksheet from a dropdown menu. They have to make sure the BOM number and location match. This Customization needs to be replicated or enhanced.

Recommendation: Scrap is not being used on Production BOMs. However, up to 10% of scrap factor per day can be used. Populating the scrap field within the production BOM should allow the Procurement team to order inventory accurately and never have to rush orders.

Recommendation: As noted previously, multiple item numbers are created for the same product to accommodate multiple units of measure. When using an item with a large unit of measure like TOTES, the recipe conversion carries numerous decimals that confuse users. Using one Item configured with multiple units of measurement should alleviate this issue. Further discussion and analysis are needed.

Routings

[Customer Name] has multiple routings representing the production lines per location. The routings include a list of Machine Centers, but no times or capacity have been entered.

Recommendation: [CUSTOMER NAME] should start populating average run capacity per production line to allow the system to calculate start and end dates. Currently, the system assumes infinite capacity - meaning that a production order can start today at 9:00 AM and finish right

away. The production team is crunching these numbers outside of the system. Per [CUSTOMER NAME], Production currently plans based on Start Date not Due Date. This is primarily used to assist in printing out shop floor shift schedules. This creates a pain point around planning & availability because of base NAV functions looking at Due Date as the key data point. The [CUSTOMER NAME] team would like to analyze this process further internally as not using Due Date causes the data points to not line up correctly.

Note that work instructions/notes are entered into the routings for the operators. These instructions show up when printing the traveler report. Labor cost is not being tracked by production order or machine center.

Production Orders

The Production team defines what items to produce. They use the "Item Turnover" report in NAV to forecast production. The Planning Worksheet tool in NAV is run daily per location to display a list of suggested items to produce. The "Ending Date" on the Calculate Plan option goes as far as one year. All lines are converted to Firm Production Orders. As time progresses, the team will use a combination of demand (Sales Orders) and production forecast to group similar items and convert them to Release Production Order on the same day or week. Grouping similar items in a production line minimizes contamination risk and cleanup time. The team will ensure all ingredients are in stock and inspected before releasing the production orders.

Recommendation: Creating Firm Plan Orders too far in advance creates a significant amount of noise on the Planning Worksheet. The horizon should be shortened. Additionally, converting production orders from Firm to Released only one day in advance doesn't give Procurement ample time to react to any material needs. The Planned Production Orders status can be used as a placeholder for orders in the future with longer lead times.

Some products are Made-to-Order, while others are Made-to-Stock. The team is accurately setting the items.

The Reorder Policy with parameters is used on the Item Card and Stock-Keeping Units. Depending on the Item Category, the following parameters are selected: Lot-for-lot, Fixed Reorder Qty, Maximum Qty, and Order. Additionally, some items have Safety Stock quantities. The Requisition Worksheet will use these numbers to calculate what to order.

Recommendation: Instead of using the Item Forecast Report, the team might want to evaluate the "Production Forecast" module to calculate what to produce. There is an option on the Planning Worksheet to select the forecast and exclude any past estimates.

A stack of production orders is given to the floor one day in advance. The production floor will have all ingredients nearby. Note that oils are stored in tanks, and flowmeters track product displacement between pipes. Employees will write down the amount used per batch on the traveler report, including lot numbers if necessary. Warehouse employees should be picking the oldest lot.

Consumption is posted three to four hours later. Someone from the office will collect the travelers, enter the quantities, and post the consumption entries in NAV. Note that all consumption is currently done manually.

Output occurs in real-time from a mobile handheld when the forklift driver takes the product. The driver scans a pre-printed label on the pallet, and the system posts the output for the defined quantity. Note that all production output is assigned to the PRODOUT bin. Lot numbers are given to the production order, but for some products, they might need to be set at the batch level. Further discussion and involvement from Quality Control will be required.

[Customer Name] creates production orders to last one day and in batches. The "Quantity per Pallet" field on the Item card cascades to production orders and default production output to define how a label prints (how many labels to print and what quantity will be put on those labels) but has nothing to do with defining production output. Note that license plating is not in use.

Customization: Replicate the "Default Qty per Pallet" on the Item card and function during output. Currently, the system will duplicate the output quantity if the forklift operator scans the label twice. We will want to fix this issue in BC.

Partial pallets are moved to a dedicated bin where all partial inventory is kept. The warehouse employees will eventually combine partial pallets into full ones. They create assembly orders to combine the entries.

The production orders are marked as complete by the accounting team. They ensure all entries have been recorded, adding another layer of validation. Note that production orders cannot be reopened. Note that production orders cannot be reopened, thus the need for the accounting team to double-check the entries. Per [CUSTOMER NAME], there is a current pain point around Output/Consumption reversal entries vs WIP. These reversals are currently being handled by production processing personnel. There is a consideration to shift this workflow to accounting. [CUSTOMER NAME] would like to review this process internally.

Production Scheduling

As noted previously, the Sales Forecast or Production Forecast modules in NAV are not being used. [CUSTOMER NAME] is using ad-hoc reporting in Excel for planning purposes. Due to supply chain issues, supply availability is driving production planning. This is heavily tied to the Rail Integration. The "Expected Receipt Date" on the Purchase Orders is used during planning. Note that the team is grouping similar products on the same day or week to minimize downtime.

The IT department is evaluating a forecasting tool called John Galt. It has not been rolled out into production yet.

Recommendation/Customization: Instead of checking inventory one Item at a time, use the Shortage Report to schedule production orders properly. This will require that orders be planned with regards to Due Date rather than Start Date as is currently happening. This is identified as a

process that needs to be reviewed. The Shortage Report can also be used to expedite purchase orders. There is the potential to add a Supply Driven Planning module.

Recommendation: Populating the lead time on the item card can help with planning and scheduling. Due to supply chain issues and logistics, the lead times might change too often, thus the recommendation is to use the lead time field once the supply chain gets back to a more stable state.

Quality Control Recording

[Customer Name] inspects some raw materials, intermediate, and finished good items. Their Quantity Control (QC) team is responsible for taking samples, analyzing, and reporting them. [CUSTOMER NAME] is using a standalone QC software called <u>QCBD</u>. Innovia's Power Team is currently working with [CUSTOMER NAME] on automating MS Access with NAV.

Customization: Quality Control activities are currently done via e-mail. QC activities at the lot level can be incorporated into Business Central. Ideally, if an item is configured as Quality hold, the system can automatically set the lot to Quarantine and create a quality control activity for the technicians to report. The QC module would compare the results against a set of parameters and suggest if the lot fails or passes inspection. The QC team has the limit parameters per Item readily available which could be uploaded into BC. Add a field on the new module to define the technician running the assay. Lastly, print the COA using these data. It would be ideal to e-mail the BOL and COA simultaneously. Note that all elements need to be visible on the COA. Another option would be integrating the standalone QC solution with Business Central which would eliminate the need to update the lot status manually. The COAs will need to be brought over to BC.

[CUSTOMER NAME] tests raw materials, such as their oils, to compare the supplier's certificate of analysis (COA) with their results to ensure that the product meets [CUSTOMER NAME]'s quality control criteria.

Recommendation: Capture the Supplier Lot Number when receiving the merchandise. Currently, this information is not being recorded.

The QC team usually tests for 5-7 elements, but some products might have up to 20. In some cases, the whole lot should fail if one element fails. Note that re-tests are allowed.

The process of taking samples for dressing items is done per batch. The samples are sent to an outside laboratory which takes a day to reply with the results. In the meantime, the lot is put in a Quality hold status. For oil items, the samples are taken before starting the production run. The samples only take a few minutes to process.

Recommendation: Currently, [CUSTOMER NAME] creates a new item when a customer needs a specific COA analysis. This is a limitation of their current solution. Further discussion would be necessary to eliminate this limitation.

Recommendation/Customization: [CUSTOMER NAME] is using a global location for quality control. This extra step can be eliminated by changing the lot's status and splitting the Item's view with Available and Quarantined quantities.

Process Data Collection

Customization: Process data collection might be necessary to account for if the QC module is implemented or integrated into Business Central. The QC team constantly compares tare weights on scales, keeping track of temperatures and flow heads. These records are not tagged to a production order but to pieces of equipment and storage. Ensure that the data collection module can be assigned to Equipment, Work Centers, and Machine Centers. For example, scale weight is recorded every 30min and added to an Excel spreadsheet. The solenoids on the flow heads might record wrong values and need adjustment.

Customization: [Customer Name] is currently working with Innovia's Power Automate team to capture line inspection results. Savannah Dill is leading the implementation. It will need to be remapped to Business Central. This request would be eliminated if the reporting could be done in Business Central. The inspectors can use tablets to enter the results. The team can also take pictures and automatically attach them to the inspection.

Purchasing

Vendors

[Customer Name] has about XX vendors, of which XX to XX are active. Vendors with no activity within the previous two years are blocked. An Access database called QCBD is used for tracking vendors. New vendors need to fill out a form and submit it for compliance. The Accounting and Procurement teams are responsible for creating and updating vendors in NAV. [CUSTOMER NAME] deals with domestic and international vendors. The typical payment terms are 30 days.

Recommendation: Business Central has some basic e-mail capabilities. Purchase Orders can be e-mailed directly from BC. Users must be proactive and constantly update e-mail addresses if they want to use an automated e-mail delivery system. Any obsolete e-mail addresses will bounce back.

Customization: Vendor approvals are done by Quality Control using QCB. The "Vendor Items Catalog" in BC is then populated by item to show its approved status. BC will not populate an item on a sales order if the item is not marked as approved in the Vendor Item Catalog. Users will get a warning if they try to enter the item manually on an order

Customization: Quality Control needs to be able to accept or reject the ship-from location of the vendors. If a vendor has a rejected ship-from location, the receiving warehouse employee should get an automatic warning to confirm the location. This customization might need to be extended to the handhelds. The [CUSTOMER NAME] team would also like to prevent an item from being added to a purchase order if the Vendor Order address is not approved.

Vendor Pricing/Discounts

The Procurement team uses the Purchase Blanket Orders module for Packaging and the Purchase Contracts for hedging. Note that prices are constantly fluctuating. Users must spot price the market.

Customization: Some vendors require a minimum quantity per order. This information is not in BC. The system can block the release of orders for less than a specified minimum.

Quoting Process

The Purchase Quote module in NAV is not in use. All inquiries are made via e-mail. If [CUSTOMER NAME] would like to use the BC Purchase Quote Module, further discussions will need to be had.

Ordering Process

[Customer Name] has a total of XX purchasers/buyers in their team. They receive a list of items and quantities to buy from the Production and Sales team. About XX to XX purchase orders are

processed per day. There are five lines in a standard purchase order. Expediting is done by the Warehouse department. The Notes feature is used for any internal comments.

Recommendation: The team is not using the Requisition Worksheet for the system to calculate the items to buy. Other teams give them the list of raw materials. However, they can manually enter the necessary items and create all purchase orders from this module. There is also the ability to copy and paste the information into Excel where it can be edited and then posted to Business Central to create the purchase orders. Additionally, they can select from a dropdown list of all applicable vendors and spread the orders equitably among suppliers.

Per [CUSTOMER NAME], they have tested utilizing the Requisition Worksheet in NAV. It is not functioning as required. If they put in 10 lines for the same vendor, there is 1 PO created with 10 lines versus 10 POs being created. If this functionality is to be used, the user needs to be able to create multiple POs with single lines.

Recommendation: If [CUSTOMER NAME] decides to use the Production Forecast module, the Procurement team would have greater visibility into buying products and timing. There is also the ability to use the Sales Forecast to complement buying requirements.

Some items need more parameters to be entered for the Requisition Worksheet to accurately display the items to buy. These fields include Lead Time, Reordering Point, Reordering Quantity, and Safety Stock. These parameters can be done at the SKU level to represent unique requirements per location.

Recommendation: Approvals are done via e-mail. Business Central has a workflow module for approvals that could be used instead. Logic can be applied by functional units.

Returns Process

[Customer Name] is using the Purchase Return Orders module. Their sales department approves and creates the orders. They use the "Reason Code' field to categorize the return reasons. There are no critical issues with the process.

Warehouses/Locations

[Customer Name] has eight active locations in NAV. All locations have "Directed Put-away and Pick" turn on. The receiving and shipment transactions are processed from a workstation, while movements are done using handhelds. Note that Zones and Bins are correctly coded. [CUSTOMER NAME] is using a "Global" location for Quality Control. Items are not allocated to a dedicated bin. The items can be placed in multiple areas.

Per [CUSTOMER NAME], they are not using any standard NAV expiration. Oldest Lots are currently being suggested based on ILE entry date for ILE rows with remaining qty. This is a pain point when examined against the current customized warehouse Physical inventory process which posts full adjustments for items when being counted. This process can cause the Entry date to be reset, effectively making an item "Newer". This has required analysis by date within a Lot or external reporting to determine actual aging. This process will need to be reviewed/corrected so that the FIFO order will be accurate, and the system will prompt the warehouse user to the bin with the actual oldest lot. The desire is to use base BC functionality rather than having to put in a customization.

Recommendation/Customization: "Directed Put-away and Pick" sounds overkill since most transactions are posted from a computer. Evaluate the benefits of using a more straightforward configuration.

Recommendation/Customization: There seems to be a "Dynamic Transfer" customization on the handheld related to movements of QC inventory to a "Global" location. Per conversation with [CUSTOMER NAME], the process needs to be evaluated as there will still need to be a way to do an "easy"/fast transfer of packaging between buildings. Perhaps looking at the warehouse configuration might be an option. Would changing Rauls to a zone instead of a location solve the problem? If not, there will need to be a customization moving forward.

Receiving Process

There are three distinct receiving workflows where the points at which thing happen vary. The 3 receiving workflows are 1) Rail Cars, 2) Bulk Tankers and 3) Items that can be uploaded with a forklift.

[Customer Name] requires all truck drivers to walk into their Receiving office to get an assigned dock. Once at the receiving dock, a team of two will validate that the security seal matches the packing slip. The warehouse employees use the same packing slip to check all received lines and mark discrepancies. One employee is responsible for unloading while the other places labels. The packing slip is then given to someone in the receiving office for the final entry in NAV. The office employees post the receipt within ~30 minutes.

Note that the warehouse team is responsible for expediting purchase orders. They call all suppliers and continuously update the "Expected Received Date." Additionally, they use Outlook Calendar as a scheduling tool to keep track of available docks.

Customization: [CUSTOMER NAME] might need a "Backorder" customization. Further discussion will be required. Warehouse employees must adjust Purchase Orders when the supplier does not meet the total quantity ordered. Each time the amount received doesn't match the amount requested, a prompt can be presented to confirm if the transaction should be treated as a backorder. For Bulk tanker receipts which are always over/under the 48,000 quantity that is entered on the PO, there can be a tolerance set. The current way to identify those POs is via use of the "Bulk" flag.

Recommendations: Business Central has an "Over Receipt Tolerance %" feature. The system can automatically adjust the quantity ordered if the over-received amount falls within the percent tolerance. Currently, the team is reopening Purchase Orders, changing the quantities, and proceeding with the received. Hence, the standard business practice of separating the duties of the person creating the PO and the person receiving the PO is not being followed.

Some products like Oils arrive by rail. [CUSTOMER NAME] uses pumps, including flowmeters, to extract the content. The flowmeters capture the amount of oil received. Since all Oil orders are rarely exactly precise to the PO amount, Tolerance % and Backorder can help expedite transactions.

Customization: Depending on Quality Control requirements, users might need to check the Ship-from location per order. A customization can be added to confirm the ship-from location for specified suppliers. This feature might need to be extended to the handhelds.

Damaged or items that require inspection are moved to a "Global" location in NAV, and the lot status is changed to "Quality hold."

The team is struggling with scheduling rail orders. They don't know when the rails might arrive, making scheduling and processing decisions challenging. Note that some orders might have a lead time of 21 days. Additionally, [CUSTOMER NAME] gets fined $100 per rail car a day if railcars are not processed through the system quickly enough. The IT department is actively pulling Rail data from API feeds to create external reports to assist in Inbound Rail scheduling.

Put-away Process

Put-away transactions are done in two forms. Bulk Oils are written on a log sheet and given to someone in the office who will use a handheld emulator to post the receipt. For non-bulk products, a forklift driver will use a handheld to record the movement. Note that labels with barcodes were placed on all inventory. There are no dedicated bin entries in NAV, but users know where the products are usually stored.

Picking Process

[Customer Name] creates a Pick Order a few days before shipment to start staging the delivery. The Pick Orders are printed and given to the warehouse employees. Since warehouse employees follow a paper-based process, there is no wave picking. Mobile handhelds are used to record all transactions. Note that by creating a Pick Order, the system automatically creates the Warehouse Shipment document. When the order requires many non-palletized items, [CUSTOMER NAME] consolidates them into pallets. However, license plating is not in use.

The Sales Order picking logic is highly customized currently in NAV. Some of the key points per [CUSTOMER NAME] are:

- Picking logic currently breaks base NAV reservations
- There is an added field on BINS to flag EndCap/Partial bins
- Logic attempts to always pick:
    - 1st - Full pallets of oldest Lot from full pallet bin
    - 2nd - Full pallets of next lot from full pallet bin
    - 3rd - Partial pallets of oldest Lot from Partial bin
    - 4th partial pallet of oldest lot from full pallet BIN
- There is a customized Item Tracking Code "LOT AGED" that ties out to all the above logic except that all of the oldest lot MUST be picked before the next lot is assigned.
- If MAX Lots on Customer setup is hit, a warning is thrown.

Note: Production order picking does not follow this logic. That uses base NAV

Recommendation: The Pick report contains barcodes the warehouse employee will use when starting the Pick process. Picks can be assigned to a warehouse employee from Business Central. This would eliminate the need for a paper-based process. Demo this out-of-the-box process and best practice.

The inventory is usually rotated which helps facilitate picking the oldest lot first. The oldest lots are generally at the front of the rack. The handhelds will display the oldest lot to pick, but users can overwrite it if they can't find it.

Customization: Some customers ask for a maximum number of different lots per product and shipment (Ex. Deliver a maximum of three different lots per shipment). NAV was customized to handle this scenario at the pick order. [CUSTOMER NAME] would like to do an internal process review to determine if It will need to be replicated in Business Central. There are very few instances, and they can be overridden with supervisor discretion. Additionally, a Pallet Type requirement was added to the Customer card which will need to be replicated as well. Per [CUSTOMER NAME], this relates specifically to the "CHEP Customer" flag on the Customer Card. The need ties out to [CUSTOMER NAME]'s requirement to report on CHEP PALLET/TOTE inventories. This is more than just a picking process.

Any short orders are notified to the sales team once or twice a day. They will relay the message to the customer. Damaged items are moved to a damaged bin for re-work or scrap. The bin is treated like a "Lost and Found" area.

Shipping Process

[Customer Name] posts all shipments from a workstation. The team uses a standalone Transportation Management System (TMS) called MyCarrier for freight charges. There are no plans to integrate it with Business Central. The shipping department will create delivery trips for up to 10 stops. Note that there is no Delivery Trip module in NAV or Business Central. The team is using Outlook as an alternative. [CUSTOMER NAME] has many packing stations.

[CUSTOMER NAME] has a fleet of trucks. Some trucks are refrigerated. For outsourced shipments, the team will get a copy of the driver's license and ask them to sign the Bill of Lading (BOL) before departure. The BOL is created outside of NAV.

The amount of weight on a truck is manually calculated. However, the weight has been added to the Item card. After visual inspection, the order is posted.

Recommendation/Customization: The team would like to send e-mail notifications automatically. Business Central will need to be customized as it only sends one e-mail at a time. An ISV should be evaluated. Further discussion might be required.

Physical Inventory / Cycle Counts

[Customer Name] runs a full physical inventory for auditing purposes once a year. However, Cycle Counts are done by departments at different time intervals. For instance, Oils are counted monthly while packaging products are counted daily.

Mobile handhelds are used for accuracy purposes. Users scan a bin, item, lot number (if required), and enter the quantity counted. They will repeat the same process for all bins within their zone. Someone from Accounting analyzes the count and generates a list for recounting purposes. They run a two-step process since "Directed Put-away and Pick" is turned on for all locations.

[CUSTOMER NAME] does not use the Physical Inventory Journal. No Base NAV physical inventory components get used in the current process. A customized Warehouse Physical Journal is used to calculate lines. Handhelds can be used to populate data in the journal. Manual entries can be made in NAV only on lines that already exist. If an item/bin/lot does not match what is already in the Journal, a PC user must use the ADCS scanners emulation to manually enter all data required to populate the line in the Journal. Posting is processed as a regular Item Journal. The process needs to be reviewed and compared to base BC Physical Inventory functionality to see if it can be utilized.

Recommendation: Evaluate the need for "Directed Put-away and Pick." Any unscanned lines should automatically be moved to the "Lost & Found" bin. If the product is scanned later, the system could push the inventory from "Lost & Found" to the identified bin.

[CUSTOMER NAME] has to print the cycle and physical inventory journals because of technical issues with the handhelds. Occasionally, the mobile devices lose some transactions. The IT department has not been able to replicate the problem or find the root cause. The new system should eliminate this issue.
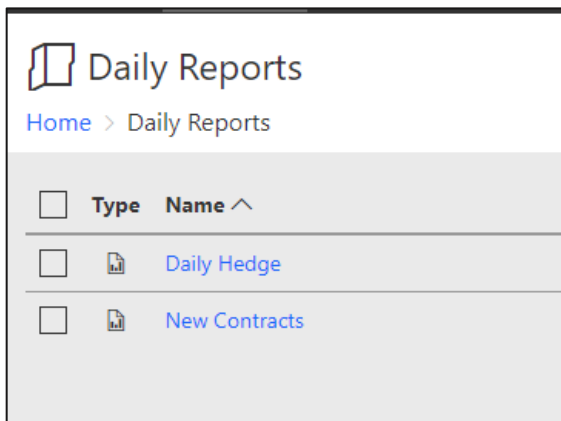
Hedge

[Customer Name] is hedging commodity items like Oils with the Chicago Board Trade (CBT). They run several reports, daily or monthly, to understand their position in the market. Their broker will take the information and hedge against risk.
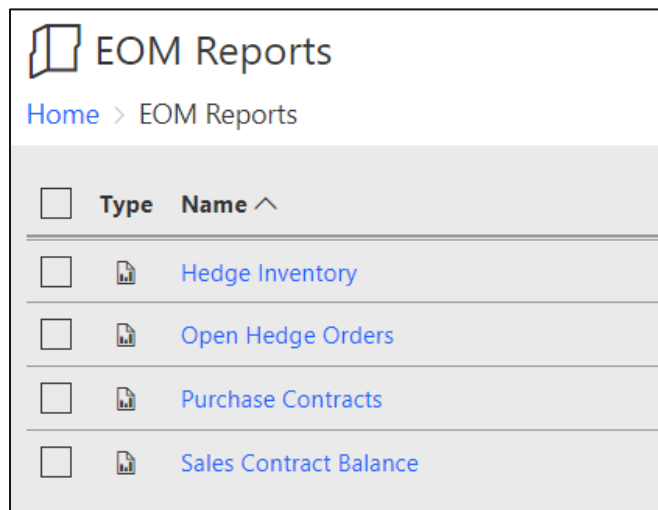
Pain Point: The current process is only able to dig 2 levels deep into BOMs to identify items that need to be added to the CBOT table and hedged against. This results in items being missed beyond the 2nd level BOM which results in over/under reporting of hedged materials which poses financial risk to the business.

Pain Point: Need to define the issue of CBOT table population rounding blend item percentages.

Some of the datasets on the reports include Purchase Blanket (Contracts), Purchase Orders, Sales Order, and Sale Contracts. One of the primary datasets for the reports is the "Created Date" field.

	Daily Reports
Home > Daily Reports	

	Type	Name ∧
☐	📊	Daily Hedge
☐	📊	New Contracts

	EOM Reports
Home > EOM Reports	

	Type	Name ∧
☐	📊	Hedge Inventory
☐	📊	Open Hedge Orders
☐	📊	Purchase Contracts
☐	📊	Sales Contract Balance

Before duplicating the process, it should be reviewed to see if things should be simplified/changed.

Customization: The Hedge module was developed in NAV. It will need to be replicated and possibly enhanced in Business Central. A "Board Price" table is manually populated. It defines the price of the market. The system automatically populates missing entries for orders entered before the price has been assigned.

Definition:
SoldPound = Orders taken but not shipped or invoiced. Contracts are included.
ShipPound = Any invoiced orders.
Position = Long or Short
Basis = Cost of refining the oil, shipment, and freight (The format is four decimal places)
CBT = Chicago Board Trade
Board = CBT x Basis

Accounts Receivable

Invoicing Process

[Customer Name] compares the Bill of Lading (BOL) to the Sales Order in NAV, and if everything looks correct, a Sales Invoice is created. When there is a difference in quantity, the shipping amount is changed so that the quantity invoiced and shipped matches, a sales invoice is created, and the Sales Order is closed. [CUSTOMER NAME] does not do backorders, so if a customer requires the rest of the quantity to be shipped, a new Sales Order is created, or the additional quantity is added to an existing Sales Order.

Once the Sales Invoice is created, it is posted and printed and sent to the clients via e-mail, EDI, or regular mail. Recommendation: We recommended an ISV (Zetadocs Delivery) where they could send batch invoices and customer statements to multiple clients and multiple e-mail addresses.

Invoices are processed individually: one invoice per shipment. Also, they are always created from a sales order.

There has been customization around what [CUSTOMER NAME] calls National Accounts referred to previously. There are shipments made to and invoices open against children accounts. The parent company of those children accounts will receive and pay the invoices as one cumulative payment. The single payment must then be broken up and applied to all of the children accounts' open invoices. This also applies to the PayPal payments from the webshop. Each webshop is set up as a child of the PayPal account. A single PayPal payment is received daily, and accounting then breaks up that individual payment and applies it to the appropriate webshop accounts. It needs to be further analyzed to determine if the "Bill to" functionality in BC will meet the requirements of the National Accounts process to identify if there will be any customizations needed in BC.

There is currently customization around Credit Management. The customization is used extensively and will need to be replaced going forward. Innovia will review potential ISVs with [CUSTOMER NAME] to find a solution.

[Customer Name] uses Avalara AvaTax (ISV) to calculate Sales Tax per line when the order is released and again at the time of invoicing.

For some customers, full prepayment is required for any sales order before it is shipped. [Customer Name] currently is not using the standard prepayment functionality in NAV. They have a customization where the terms are printed in the BOL, so the drivers know how to handle them before they are shipped. They are using NAVX credit management.

There is also a customization on Payment terms that flags for COD. This triggers COD notes to show on BOL for local fleet drivers to prevent delivery without collecting money.

Recommendation:
- Zetadocs Delivery to send batch invoices and customer statements
- Prepayment module should be utilized in BC – Prepayment Sales order should be added to the Production Planning list in order to be excluded until sales orders are released.

Currently [CUSTOMER NAME] is not using the Bill-to Customer No. field In the Customer Card. Instead, [CUSTOMER NAME] is using a customized field called National Account No. to identify the main account (parent company).

Recommendation:
- Using the Bill-to functionality (different from ship-to) and using the "Register Customer Payment" feature might eliminate the need for this custom field to be created in BC. The National Accounts process needs to be closely analyzed to confirm that using the Bill-to functionality would satisfy its requirements.

Credit Memo Process

[Customer Name] is creating manual credit memos and reversing every line (items and GL accounts). In addition, they are also creating Return Orders.

BC's new feature to Cancel/Correct Invoices will help [CUSTOMER NAME] to streamline the Credit Memo process.

Credit Card Processing

[Customer Name] uses credit cards and debit cards. For web orders, Charge Logic is used. For non-web orders (prepayments), the customers' credit card information is taken, and the order amount is charged against the cards using their authorization codes.

There are also payments made via PayPal which are processed the same way web orders are processed but utilizing a different function in Charge Logic via Sana PayPal connector. There are about 50 orders paid this way daily. These PayPal payments are part of the National Accounts process where one payment is received daily for all PayPal orders and payments are dispersed to the various accounts' invoices.

Recommendation: ChargeLogic should be fully integrated into Business Central to eliminate manual journal entries.

Reminders & Finance Charges

Currently, Reminders & Finance Charges are set up and ready to be used in their current system, but it is not being utilized. [Customer Name] does not apply finance charges.

Recommendation: For reminders, set up a job queue to utilize e-mails and send reminders to customers.

Customization: There is a customization currently that, when a reminder is sent manually (Using SMTP), the system looks first for the specific AP Inquiry contact at the organizational level code on the Contact Card for that account and, if there are no contacts there, then it will go back and look for the contact in the customer card.

There is a custom aging report which is called Credit Overview Inquire Report (by salesperson). Also, customer statements are sent to them when requested. There are some customizations to this report as well.

Sales Commissions

[Customer Name] tracks and calculates commissions using the Sikich Commission Module which is part of NAV-X.

The process is done at the end of the month where a payable commission report is run by salesperson and brokers. Commissions are paid based on either the dollar value or weight.

The setup needs to be in three different places for the commission detail to be created:
1. Salesperson Purchaser Card: the base commission rate or specific commission needs to be defined.
2. Customer Record and Ship-to Record: a salesperson and/or a broker must be added.
3. Custom field on Item Card: the Commissionable Checkbox needs to be marked.

Commissions are paid when the sales invoices are paid in full.

Recommendation: The BC Sales Commission module out-of-the-box functionality could be utilized to replace Sikich.

Customization: There may need to be a field added on the Item Card for the Commissionable Checkbox.

Invoicing Process

Vendors related to raw materials and oil items need to get approval and certification before they can be entered in the system. Once they are approved, accounting enters them along with the certificate of insurance, payment terms, etc., using a template. For vendors related to expense items, no approval is required. They are also entered into the system by accounting.

Vendor Invoices are created from both Purchase Orders and Purchase Invoices. Currently, there is no formal approval process, but approvals are done based on the amount of the Purchase Order.

Recommendation: Use the standard out-of-the-box Business Central approval process or Power Automate for all approval needs. In addition, considering the number of invoices processed daily (~XX), it might be beneficial to use an ISV like Continia to enter all these invoices in the system automatically.

Customization: There is a customization on the Purchase Invoices to link Purchase Orders to Sales Orders for Freight charges. The Order Types included are Sales Orders, Purchase Orders, Transfer Orders, and Sales Return Orders. Freight is treated as an Item Charge and distributed by weight for all purchase lines.

The 1099 information is being tracked, and the report (1099 Form) is adjusted and reset when and if the form changes.

Credit Memo Process

Credit memos are processed manually and then applied to purchase invoices.

Recommendation: Use the out-of-the-box Correct/Cancel functionality to process credit memos automatically.

Vendor Payments

[Customer Name] pays Vendors in the form of credit card, wire, check (positive pay), and EFT. There are also a few vendors that have authorization/access to perform direct debits from [CUSTOMER NAME]'s bank account. Where applicable, vendor discounts are applied. Batch payments are approved, and then payments are released.

Invoices are paid according to the vendor payment terms set up in the system. The BC standard out-of-the-box functionality would be able to handle and improve [CUSTOMER NAME]'s current process.

Recommendation: Use the BC Approval workflow for Journal Payments instead of e-mails.

Customizations: Currently, there is customization in the payment journal precheck report. The changes include the following:

- Description was removed & replaced with External Document #
- Vendor Name was added
- Report Selection had the following added as default selections
    - Journal Template Name
    - Journal Batch Name

Cash Management

Bank Accounts

[Customer Name] currently has two bank accounts: BOA and Wintrust. Their bank reconciliations are done outside of NAV.

Business Central provides the ability to track bank account transactions through individual bank sub-ledgers and [CUSTOMER NAME] will be able to reconcile this account monthly. An unlimited number of bank accounts can be set up and transacted. Transactions posted to the bank account are automatically posted to the respective general ledger account.

Business Central's bank reconciliation process will be a significant improvement to [CUSTOMER NAME]'s current process. The BC platform integrates with most major banks to import the monthly statements and perform automatic matching.

The current Lock Box process is a custom NAV-X process. The BC bank reconciliation process will need to be reviewed to see if it meets [CUSTOMER NAME]'s needs out of the box.

Check Format

[Customer Name] currently uses NAV to create checks. The format is Stub/Check/Stub. This will need to be added to BC and adjusted if necessary. A positive pay file is sent to the bank for the check run.

Electronic Payments

[Customer Name] currently has about XX customers that utilize electronic payments of which about XX are from the Division A side. There are two workflows for collecting payments from soapers' orders:

1. For online orders from the Sana Division A Website:
    a. The Customer is sent to Charge Logic payment portal to enter their credit card information for secure payment.
    b. The credit card information is tokenized and saved on the customer's account in Charge Logic. This allows future manual authorizations as per #2 below.
    c. The order comes down to NAV with the payment preauthorized.
    d. The charge will be settled at the time of invoicing if the actual shipment cost varies slightly.

2. For the Oil side or Manual Division A customers:

    a. A form is sent to the customer to collect the credit card information.
    b. The credit card information is entered into NAV on the Cust Card which is part of the Chargelogic integration.

c. The card is tokenized when saved in the system.
d. When a payment needs to be Authorized this is done from the Cust Card

[Customer Name] is using ADP for payroll purposes. There is no integration with NAV. All entries will continue to be handled via journal templates.

Fixed Assets

[Customer Name] will be tracking Fixed Assets in BC. Currently, they are maintained in NAV and the idea is to bring them at their current book value without any asset/depreciation details or history to be loaded into BC.

Fixed Assets are entered both directly and from a purchase order. [CUSTOMER NAME] is currently tracking approximately one thousand Fixed Assets.

Depreciation

[Customer Name] only keeps one Depreciation Book for accounting and tax purposes.

Insurance

[Customer Name] does not currently track Insurance as a part of Fixed Assets in NAV. Currently it is done via journal entry. This functionality is out of the box in BC and could be utilized going forward with some basic setup.

Maintenance

Currently, [Customer Name] does not track maintenance as a part of Fixed Assets in NAV. Going forward, the plan would be to use BC standard functionality to track maintenance costs.

External System Integration

[Customer Name] currently does not require any integration with an external system for tracking Fixed Assests.
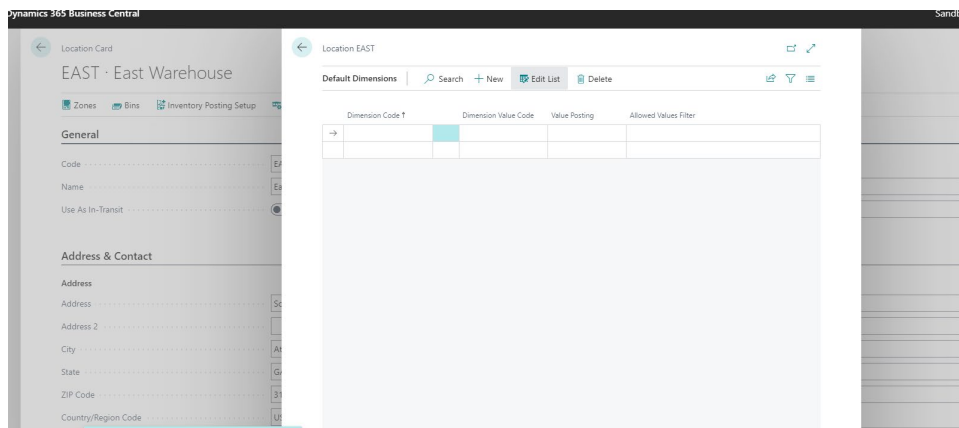
Chart of Accounts

[Customer Name] is planning on reviewing their current chart of accounts and making some changes. It is possible that [CUSTOMER NAME] will be increasing the number of digits in the accounts to make the GL numbering more flexible to enable them to insert new account numbers in the future.

Consolidation will be required. There are three companies: [Customer Name], Ctrans and [CUSTOMER NAME] Consolidated.

Once a final COA is determined, standard Account Schedules will need to be set up and training will be needed.

[CUSTOMER NAME] would like to use Dimensions to specify locations. Another option would be to add a GL account per location. Please note that BC Dimensions were added to the Location card.

Accounting Periods

[Customer Name]' accounting periods are on a calendar month basis. Inventory periods and accounting periods are the same.

The month-end process is controlled by the General Ledger Setup. Then, the accounting periods are closed and the month-end closing process is run.

The year-end process is done using the NAV standard process. In BC, the process is the same and will be handled the same way.

Intercompany Transaction Posting

[Customer Name] currently has a low volume of intercompany transactions, and it would be less work to do double entries than using the intercompany functionality. If volume increases, it can be setup and standard functionality could be used in BC.

Budgets

[Customer Name] currently does not use Budgets. BC standard functionality is ready to be used out-of-the-box.

Reporting

[Customer Name] will be using the standard out of the box Financial Statements and will be trained on Account Schedule, Analysis View, and Columns Layout to be able to create their own modified versions if needed. The standard Financial Statements are listed below:

- Balance Sheet
- Income Statement
- Cash Flow
- Trial Balance

Electronic Data Interchange (EDI)

[Customer Name] currently processes EDI orders received through EDI portals manually.

Recommendation: [CUSTOMER NAME] should configure EDI to get the full benefit of the solution. Additionally, the team states that many customers would like to trade using EDI. Hence, eliminating manual entries.

Rail Orders

[Customer Name] receives some items via rail cars. Their procurement team starts by creating a Purchase Order.

The data from the Rail Integrations is housed in NAV Table 50018 - Rail Car Table & 50830 - Rail Car Events Table.

Customization: Purchase Orders with rail cars use three fields at the line level, which will need to be replicated in BC. They are Rail Car, Rail Car No., and Waybill No. All fields and data need to cascade to all posted documents. There might be logic that looks at items flagged as "bulk" and a quantity threshold to automatically turn on the "Rail Car" field. This customization will need to be replicated as well.

Customization: The Rail Car (50018) and Rail Card Events (50830) tables will need to be replicated. [CUSTOMER NAME] will populate these tables from two API data sources. They will control if a record needs to be created or updated. [CUSTOMER NAME] will be responsible for the integration in BC.

Users manually link a Rail Card with a Purchase Order. By doing so, the Rail Card No and Waybill No fields on the purchase line are automatically populated.

There is always one purchase line in a rail card purchase order. However, if the order is larger than the balance on a contract, [CUSTOMER NAME] will create one purchase order for the remaining balance and a separate one for the rest. A "Split Car" functionality on the Rail Car page allows users to associate up to four purchase orders with a rail car.

CHEP Report

[Customer Name] must report all items rented from the CHEP corporation while in possession. Hence, the need to capture incoming and outgoing stock.

[CUSTOMER NAME] has created two items, CHEP Pallet and CHEP Tote, and two vendors, CHEP and CHEP Container. The CHEP Pallets are acquired from the CHEP vendor, while CHEP Totes are obtained from the CHEP Container vendor. Note that the report only displays inventory received from these two CHEP vendors, not third-party vendors.

For incoming CHEP items, the team is creating Purchase Orders and receiving them. When the CHEP totes come in, the warehouse employees use an App to scan each tote. The App will indicate to the CHEP corporation that [CUSTOMER NAME] has received the totes. There are no scan requirements for CHEP pallets. The rent fee for CHEP pallets starts ticking when the purchase invoice is processed.

Customization: Table Item Packaging (50013) will need to be recreated. This table keeps the number of units per CHEP item and customer combination.

For Outgoing CHEP items, the team is creating sales orders. A customization is triggered when releasing a Sales Order. It looks at all items and quantities on order and compares them with the Item Packaging configuration. If the record exists in the Item Packaging, the system automatically adds a new sale line for the expected number of pallets or totes to ship and an additional line for their weight. Note that the "Packaging Insert" field on the sales line determines if the line needs to be included in the calculation. Additionally, if a Sales Order is edited and the quantities are changed, the system will recalculate the number of pallets or totes and their weight. The Warehouse employees can update the quantity before shipment in case they consolidate some loads.