

## **Challenge:**

Increase operational efficiencies by reducing manual processes and mundane tasks, replacing them with automated systems using Microsoft Dynamics NAV.

## **Enabling Technology:**

Microsoft Dynamics NAV

Lanham

Microsoft SQL Server 2005

Windows Server 2003

## **Results:**

- Replaced previous partner and ERP system
- Reduced order process time from 24 hours to real-time
- Improved accuracy of purchase requirements using Advanced Forecasting
- Validates order accuracy prior to invoicing
- Generates financial reports from TargIT reporting tool
- Automated the approval of inbound sales orders
- Increased order volume management without increasing staff
- Decreased manual order processing intervention to less than 2%

## **Background:**

Single Source is a large-volume provider of dry, refrigerated, frozen, grocery, paper, and chemical products for institutional commissaries, primarily correction institutions. Single source processes and ships approximately 250 million pounds of food each year nationwide, with only 22 total employees. After years of rapidly increased sales growth, Single Source needed to remove several barriers, including reduction in the manual reliance on paper, to leverage its existing human resources in other parts of the business.

After it was determined that the previous partner could not meet their needs, Single Source hired a Gold ERP Certified company, Innovia Consulting, to implement Microsoft Dynamics NAV. According to Rob Newhart, VP and CIO, “Single Source chose Microsoft Dynamics NAV because it was the only product



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available in the mid-market that allowed us to apply our unique business innovation processes.” After initial exploration by the Innovia team, the following challenges were identified by each department:

- **Purchasing** often lacked the daily data needed to make decisions on order quantities. By subjectively purchasing product and guessing on demands, inventory levels were not optimized coming in or going out. The NAV application would need to include a forecasting module to assist in identifying buying pattern customer demands.
- **Sales order processing** required significant manual intervention, often taking more than 24 hours to process a single order. With 2,500 monthly orders coming in, Single Source needed to eliminate manual, repetitive non-value added activities and automate the “exception capture” and rectification process if they wanted to stay above the competition. If NAV could automate the order process, employees would be able to concentrate on other parts of the business, and Single Source could process more sales without the increase of additional employees.
- **Landed Costs** of each item needed to be tracked and attached to the item upon receipt. Plus, it must remain with the items post shipment to meet auditing requirements of customers. The auditing required reports to be submitted electronically on a monthly basis containing detailed lot and landed cost information. The NAV application needed to automate this process for every item and customer.
- **Business Analytics** needed to report costs by indices such as items, customers, vendors, quantities shipped and major categories.

### **Automating the Workflow**

Single Source’s need to remove all barriers and automate the workflow translated into what they call a “No Touch” business environment. Meaning the processes needed to flow without much human intervention. “Automation is key in our business and Innovia stepped up to this challenge,” said Newhart. To accomplish this, Innovia customized the NAV system to integrate other resources into the application.

Taking on the Purchasing Departments first, Innovia used procurement formulas contained within Lanham’s Advanced Forecasting module, which was pre-integrated with NAV. This allows for automated procurement by building rules to



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mirror their customers buying patterns and apply buying rules to remove any subjective inventory purchases.

To optimize the sales order process, NAV was set to automate the approval of inbound sales orders by utilizing a series of rules. The goal was to reduce manual intervention from customer service while still providing order confirmations automatically to the customer. In addition, the tracking and validation of orders prior to being shipped is automated within this process.

A significant accomplishment in the implementation required a unique NAV feature known as variants. Certain products may have several different characteristics, purchased under different item numbers and received in different lots which are ordered and shipped under a single item number to the customer. Often times several stocked items are consolidated to comprise an order. In addition, lot tracking must be maintained. Through the use of variants, this process records and tracks the product through any phase of the order process.

After accumulating a significant number of transactions to analyze, Innovia recommended Single Source to leverage the TargIT Business Intelligence software. This NAV software add-on provided Single Source an integrated dashboard to show costs and profitability in few clicks. TargIT is the full scale edition of the Dynamics NAV Business Analytics granule and would provide the necessary business reports and analyses.

### **Results Achieved**

The true ROI is measured by reduced inventory levels, eliminated waste and expiration, and improved customer service, most of which was accomplished by automating the procurement process. However, Single Source is also experiencing a much higher volume of sales and purchases per employee, a top key performance indicator for them. Single Source accomplished its goal of a “No Touch” business environment by removing all barriers to allow the automatic flow of all transactions and leveraged human resources to the point where only exceptions require intervention.

The ability to process more orders has also increased. The process is so efficient that of the 2,500 imported monthly orders, less than 2% require manual intervention from customer service. Order confirmations are now sent automatically to the customer, thus saving up to 24 hours of time over the old manual method. Once the orders are picked and shipped from the warehouses, all pick documents are



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automatically imported and analyzed to validate that the orders were properly shipped before being invoiced. The ability to automate customer invoices has resulted in 98% of customer invoice processing being automated through NAV.

Lastly, the implementation of NAV and the use of automated processes has allowed Single Source to process more orders without increasing staff. "Innovia's ability to learn my company's complexities and challenges has helped us automate. Automation is the key to our future," said Newhart. This is resulting in significant business growth and increased customer service.

Since the initial implementation in 2007, Innovia has continued to upgrade and modify the system to fit the needs of Single Source. Newhart added, "Our last upgrade project was so successful that I was on a plane headed to a vacation five days later. With Innovia, we have a NAV partner capable of meeting our needs."

#### **About Single Source:**

The mission at Single Source is to provide a full line of dry, refrigerated, frozen, grocery, paper and chemical products in large volume to institutional commissaries, primarily correctional institutions. Single Source processes and ships approximately 250 million pounds of food a year, nationwide, with a total of 22 employees. In an industry where shelf life, expiration, FIFO management and lot tracking are critical for food products, inventory management is critical in the transferring of meals that are typically consumed usually within 24-40 hours upon receipt. For more information, visit [www.singlesource.com](http://www.singlesource.com)

#### **About Innovia Consulting:**

Innovia is a business consulting and IT services firm recognized for delivering exceptional client service and innovative ERP systems built on Microsoft Dynamics NAV. With 30 years in the business, four locations in the Midwest and hundreds of business software implementations, the company's ERP experts have helped customers in nearly every industry and of every size – from start-ups to Fortune 1000 enterprises. For more information, visit [www.innovia.com](http://www.innovia.com).



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