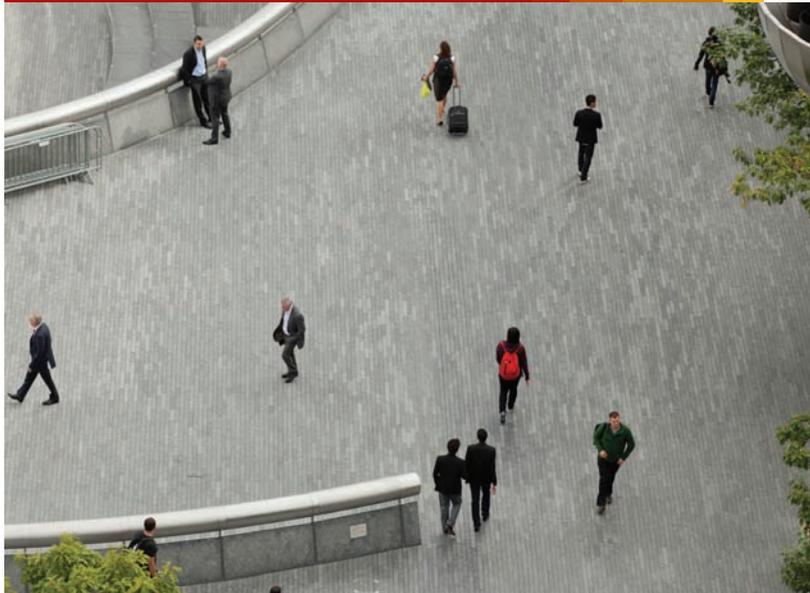


The challenges of implementing Microsoft Dynamics AX

*PwC internal survey of
AX projects 2010-2012*



Most AX projects fail to optimise the technology investment

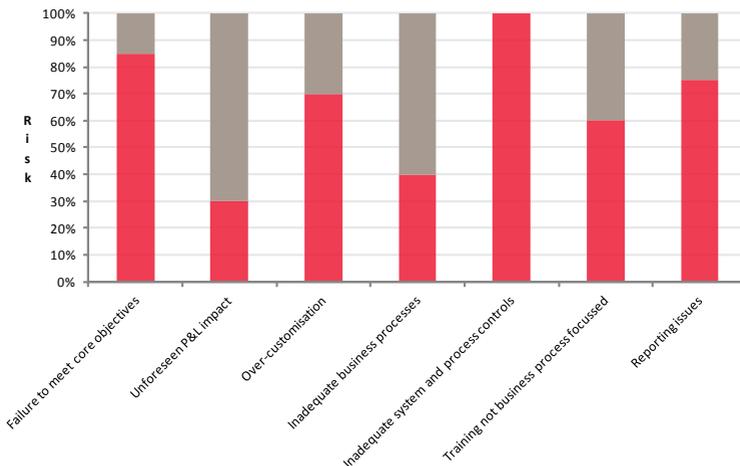
Microsoft Dynamics AX is a very powerful Enterprise Resource Planning (ERP) system that can bring huge benefits to an organisation implementing it. However, all too often the implementation process is fraught with difficulties with potentially disastrous and costly consequences. In all cases, the lack of awareness, skills and expertise coupled with poor project management is the root cause.

Source: PwC internal survey of AX projects 2010-2012

AX Project Review findings

- Over 85% failed to achieve the core objectives
- 30% had significant issues leading to unforeseen impact on the P&L
- Over 70% of implementations were over-customised resulting in high cost of ownership and upgrade complexities with future product releases
- Over 40% had inadequate business process documentation
- 100% had no formal mechanism for on-going monitoring of system utilisation and process controls
- Over 60% had training from an AX perspective rather than from a business process perspective
- 75% had reporting issues due to poor data migration or not enough reporting focus early on in the project

All the above contribute to poor optimisation of the investment in a robust technology.



Common themes

There are several underlying common themes that are evident in many AX projects.

No full-time client side Project Manager with AX experience

Lack of proper project methodology being applied

Over reliance on the AX partner Project Manager

Insufficient focus and ownership of business processes

No independent quality assurance

Unsuitable or poor project governance and project controls

Technology is seldom the issue

Is AX2012 implementation better?

AX2012 is Microsoft's latest version of AX launched in September 2011

AX2012 contains major functional enhancements and is a significant upgrade on previous versions of AX. It is becoming more suitable for mid to large size organisations and is a worthy contender in the enterprise space. However, implementation challenges remain and are exacerbated as AX projects become more complex in multi-company, multi-country and multi-culture organisations. Some key challenges we see for companies implementing AX2012 are:

- How to select the right Microsoft partner
- How to set up an effective project structure
- How to focus on business processes aligned to AX to minimise customisations and optimise processes in a controlled environment
- How to roll out a standard 'template' approach to drive common processes and standard functionality
- How to optimise the purchase of licences
- How to ensure AX is used correctly so that data and reports contain valuable and trustworthy information

How can PwC Risk Assurance help?

- Independent advice, challenge and guidance through our own Dynamics experts
- Our AX Assurance methodology provides a robust framework and key 'gate' reviews during the lifecycle of the project
- Assistance to set up a Project Management Office to ensure the right structure and governance is in place
- Optimisation of Dynamics AX through data integrity and security controls using specialist tools and expertise
- Advice and guidance on AX licences
- Proven approach to embed process controls and KPIs in AX

Further Information

For detailed information on how we can help you with Microsoft Dynamics AX, please contact your local PwC contact.

Alternatively please contact our Microsoft Dynamics AX specialists in this area:

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