Microsoft Dynamics GP

Strategies for multi-entity environments

White Paper

Approaches used to deploy Microsoft Dynamics GP for multi-entity clients

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Microsoft Dynamics™

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Introduction

Microsoft Dynamics GP serves the needs of many multi-entity customers today in a variety of business scenarios. While multi-entity deployments can carry a greater degree of complexity than single-entity deployments, the flexibility and strength of Microsoft Dynamics GP provide solid solutions for most scenarios. Because there are several options at your disposal, it is important to have a sound and disciplined process when determining the best deployment solution for any particular customer scenario.

This document discusses suggested procedures and resources you can use to support your decision process when recommending multi-entity deployment solutions. Additionally, you will find customer examples that highlight particular deployment scenarios. You'll learn that by following a disciplined analysis and decision process, you will be able to represent your proposed solution to your client with the confidence necessary to earn their business. Continuing one step further, you will be able to carry that solution to the deployment process and provide a thorough roadmap for implementing the solution successfully.

Overview

The discussions in this document focus on proven methodology you can use to successfully apply Microsoft Dynamics GP in multi-entity environments: assessment, research, strategy development.

Stages of Building a Solution	
Assessment	Define the client's needs and requirements.
Research	Consider options that are the best fit for the business structure and meet the client's needs.
Strategy Development	Build a solution strategy based on your assessment, research, and advice from experts.

The solution strategy you develop ultimately becomes the plan that guides you through the implementation process.

Beginning with a thorough assessment of the client's business practices is essential before making suggestions and forming conclusions about the solution. Listening to the client's concerns and observing the operation's procedures focuses your efforts and helps ensure you'll search for the solution that best meets their needs.

Sound research should follow the needs assessment. Be aware of misconceptions in the capabilities of Microsoft Dynamics GP, especially those involving the use of a single database versus multiple databases, and be prepared to present information that dispels any inaccuracies. In many cases, a single database can be successfully applied.

Consider contacting other experts for recommendations and examples that can help you not only develop your strategy, but add credibility to the solution you present to your client.

During your research, you may find that an independent software vendor (ISV) application is required. Be sure you know the roles played by ISVs and the products available as you move into strategy development.

The strategy you develop is ultimately the solution you will be asked to implement for your client. Your research should lead you to a solution that you can present with certainty; a solution that's backed with

credible examples from the field. In turn, your client will trust your strategy recommendation and have confidence in the solution you'll be asked to implement.

When you begin preparations to implement your solution, you can use your strategy to help map the procedures you're going to follow. Also, your strategy will help you when you're asked to communicate each step of the implementation and how it all fits together to build the client's solution.

Applying this methodology will not only take the guesswork out of your strategies, but will also help you approach your clients with well-thought solutions that can be implemented with confidence.

Start with a thorough assessment

When you're asked to propose a multi-entity solution using Microsoft Dynamics GP, you must have a comprehensive understanding of the operation and each of the processes you need to take into consideration as you develop the strategy.

"Assessment is about listening to what your clients tell you about their business, and it's about asking questions. Assessment is not about demonstrations for the latest, greatest tools and features that your products have available," offers a Microsoft business consultant. She continues, "It seems obvious, but it's one of the most common mistakes I see people make. Features and functionality aren't important until you fully understand your customer's business requirements."

A thorough assessment will specifically define the needs of your client, as well as identify their expectations about how the solution will work to address those needs. Assessment involves listening carefully to your client and analyzing what they've told you so you can avoid making hasty recommendations.

Determine the client's needs and requirements

Understand what the client ultimately wants to achieve with the implementation. Some of the common reasons for considering new solutions are to:

- Improve internal and external processes

- Boost productivity

- Achieve operational excellence

- Streamline financial reporting

- Increase reporting capabilities

- Keep up with evolving technology

You should have a clear picture of the client's situation before you start demonstrating tools and features or recommending options.

When a Microsoft Dynamics account team was asked for a consolidated reporting solution by WebMD, a leading healthcare information company that provides best-in-class services for consumers, physicians, corporate healthcare programs, and online interactive portals and publications, the team conducted multiple, in-depth discovery sessions to ensure a complete understanding of WebMD's business requirements.

The immediate needs communicated by WebMD revolved around the consolidation of dissimilar financials, financial reporting, billing, and human resources. With more than 600 employees in the New York area and

revenues of $160 million, WebMD first considered implementing Oracle, which was in use by its parent company. However, WebMD was not convinced Oracle would be a prudent investment nor would it provide the control the company wanted over its destiny at a cost that made sense.

In this example, the Microsoft Dynamics account team's extensive experience in the publishing and media vertical was instrumental in contributing WebMD's confidence that it was dealing with a company and solution that best fit its business. The sale of Microsoft Dynamics GP drove the sale of multiple Microsoft platform products, including Windows workstations, Terminal Server for remote clients, Microsoft® SQL Server, Windows Server 2003, and Microsoft Office, which was leveraged for reports and e-mail notifications. In addition, the Microsoft Dynamics GP Business Portal deployment and the PubSuite workflow engine drove SharePoint Portal licenses.

During assessment in the discovery sessions, it was the account team's responsibility to thoroughly outline WebMD's expectations for improved financial reporting. Before offering demonstrations and suggestions, they were careful to clarify exactly how WebMD pictured a solution fitting into their particular environment. For WebMD, improved reporting meant consolidating financial data would eliminate repetition and streamline reporting procedures. For other organizations, improved reporting may have involved the ability to customize the way the information was to be presented in their reports. You see, then, how introducing and demonstrating an application or feature too early during assessment may not be appropriate to the requirement you define in the end.

Avoid judging the situation too quickly

You want to avoid offering a hasty recommendation about a solution you feel would meet the client's needs. Time, money, and credibility are lost when you have to backtrack and find custom fits for something you misrepresented.

"It's very easy to get caught up in the technology," states a Microsoft partner. "We're always anxious to apply new tools and features, but sometimes that excitement gets in the way of making the right decision." He continues, "And, sometimes it's the client that asks for the new applications or tools without understanding their purpose. So, it becomes extremely important to stay focused and guide them through each part of your approach while finding the right solution."

Comprehensive research for sound strategies

To build a sound strategy, you want to consider a variety of options that may be a good fit for the business structure, while addressing the specific needs of your client. Because there's an abundance of options available, this is where the bulk of the solution process takes place.

Your research should include an analysis of using a single versus a multiple database solution. You must also be aware of situations and environments that are going to require custom solutions, and where you can find providers to meet those needs.

If your best efforts still fall short, you need to know how to reach the experts that have the resources and experience to help you.

Research several options for your client

Be sure you have adequate knowledge about potential options before preparing your strategy. Analyze a number of options for how well they fit the business structure and address the specific needs and requirements expressed by your client.

Your research should dispel any misconceptions about the database options, consider advantages and disadvantages to each method, and include outside resources when needed.

Not long ago, a management team at corporate headquarters for Six Flags amusement parks was faced with a complex financial management situation. The 39 different theme and water parks were entertaining nearly 50 million guests annually across 8 different countries, each running a different general ledger system, and all while the multi-national organization continued to grow. The management team realized they needed a single, integrated business solution to span the parks' diverse management needs and reduce the cost of ownership of the unrelated systems. The team looked to Collins Computing, Inc., a Microsoft partner, for the solution.

At the park level, the Six Flags' solution had to support the local language, including adherence to local tax codes and local currency computations. At the corporate level, the solution had to provide management global reporting capabilities. To handle this challenging implementation, Six Flags needed a coordinated international effort. The slogan "Thinking globally, acting locally" became the mission statement for the implementation.

Collins Computing used Microsoft Business Solutions-Great Plains, in conjunction with Microsoft Business Solutions Analytics, Microsoft Business Solutions Financial Management, and Microsoft SQL Server 2000 to provide Six Flags with immediate insight into their financial operations around the globe. The solution streamlined financial reporting, provided quick analysis of financial data, improved inventory management, improved business processes, and resulted in expense savings of close to $1 million USD annually. In the world of family fun, the improvements gave Six Flags more opportunity to focus on its highest priority, pleasing customers.

Database considerations

A major consideration is the database set up: a single database versus multiple databases. Your strategy will be built around the database option you determine is most beneficial for client's overall solution.

Common multi-entity database misconceptions

Common misconceptions about security, taxes, and reporting lead many to believe that a multiple database solution is the only way to meet the client's requirements. The truth is the functionality exists today to meet these requirements in a single database as well.

- Security

  Many incorrectly believe that using multiple databases is the only way to ensure user access is limited to just those entities where the user is authorized to enter or view transactions.

  In fact, you can use Account Level Security and enhancements by ISVs to restrict user access to master records, transactions, and accounts by entity in a single database to meet this security requirement.

- Taxes

Another popular belief is that a multiple database set up is required when each entity must generate 1099's for its own vendors, and sales and payroll taxes also must be tracked by each one separately.

In this case, functionality provided by a proven ISV application allows you to associate a Tax ID to one or many entities within a database to create 1099's per entity.

In payroll, all entity-specific information can be saved in one database and payroll tax information can be produced by entity. Payroll check runs can also be processed simultaneously for all entities.

- Multi-entity payables, receivables or cash processing

  Many organizations believe that payables, receivables, and cash processing cannot be achieved centrally if multiple databases are deployed within a GP installation.

  Developing business processes, integration, and ISV solutions can provide functionality that allows organizations to achieve their business objectives.

- Reporting

  Another common belief is that producing trial balance reports, aging and consolidated financial reports for each entity requires multiple databases.

  In a single database, using FRx functionality gives you the ability to create individual financial statements when you restrict the account segment value. Additionally, you can consolidate financial statements, where you have no account restrictions.

  Creating reports in one database for multiple entities is much less complex and it provides higher performance than multiple databases.

Concerns about multiple database solutions

Misconceptions about the capabilities of single database solutions many times rationalize a multiple database approach. However, clients soon realize issues associated with the multiple databases that often become pain points.

Users' most noted pain point about a multiple database set up is how information needs to be accessed. For many organizations, the same pool of administrative professionals is responsible for completing entries and transactions in all databases. This requires the individual to log in and log out every time they move to a new company to complete transactions or entries.

For database administrators, the concerns most noted are:

- Time to create and configure multiple databases

  Creating and configuring multiple databases is a concern because it is considerably more time consuming to set up these solutions.

- Amount of maintenance required

  Efforts of maintaining one database are multiplied by each additional database the business adds.

- Duplication of data

  Most businesses require master records that have to be repeated in each of the databases used. For example, in many scenarios, the multi-entity customer has vendors or General Ledger (GL) accounts that are shared by each entity. When this occurs, all related information must be entered repetitively in each database for each entity.

- Shared transactions over multiple entities

  It's also very common for the multiple entities to share a single operation, such as an IT department that is responsible for all IT-related activities and purchases for each of the entities, further increasing maintenance efforts. When this scenario exists with multiple databases, all related transactions need to be entered across entities and into several databases. In this case, maintenance requirements are more challenging, and the potential for errors also is greatly increased.

  Centralized Accounts Payable (AP) processing, where checks are generated from a parent entity, is also common to multi-entity environments and creates maintenance effort concerns.

- Effort to consolidate reports

  When a financial report requires information to be consolidated from several databases, the effort is time-consuming and, again, creates an added possibility for inaccuracy.

Advantages of single database solutions

When you understand the challenges of utilizing multiple databases, you may see how a single database approach would have advantages.

- Master records are stored in the database and are not required to be shared across other databases.

- Administrative professionals will log in to the database once to gain access to the records they work with throughout their work day.

- Transactions for shared services are maintained in the one database.

- Consolidated financial reporting is inherent to a single database set up.

When you consider custom solutions

As you research options available to include in your strategy, don't overlook opportunities offered by independent software vendors (ISVs). An old school of thought believes that looking outside Microsoft solutions will make your Microsoft Dynamics GP system appear to have weaknesses. The fact is, ISVs have been developing sophisticated, credible applications that not only integrate with a Microsoft Dynamics GP system, but enhance and improve its functionality for a number of business types and processes.

For example, Binary Stream Software, a Gold certified ISV partner, has developed an elaborate add-on product for a single database solution called Multi-Facility Processing to address the needs of various industries. Current customers include long-term care facilities, construction companies, food service organizations, utility companies, and hospitality service corporations. All of the above organizations have benefited from the single database approach by capitalizing on the product's ability to provide shared and controlled access to all master records, the ability to create entity specific profit and loss reports, and the ability to centralize AP or Payroll processing.

Resources are available to assist your search for ISV solutions, such as:

- Partner Solutions – Solutions Directory

  This is a listing of all solutions offered by Microsoft partners that you can use to search for applications in any industry.

- Microsoft Solution Finder

  You can use the Microsoft Solution Finder to search for add-in and custom solutions that have been created by technology providers and independent software developers to meet the unique needs of midsize businesses in specific industries or professions. These solutions are created by Microsoft partners and can be integrated with Microsoft products that help midsize businesses automate and better manage financials, customer relationships, supply chain, and other needs.

- Additional resources to consider

  Access the information provided by Microsoft Dynamics PartnerSource and CustomerSource for current information about ISV solutions and more. Also, you can reach a Microsoft sales representative, or a local contact in your area, to visit about solutions you may want to consider.

Ask other experts for assistance

There may be times, despite your best research effort, when you have difficulty finding all the pieces to a solution. Or, you may not have answers readily available to answer your client's questions. Remember that it is acceptable to admit when you don't have a solution or answer. However, point out that you have Microsoft experts readily available to provide the information needed. You will gain more respect with this approach than you will by misrepresenting the product and later trying to back out of it.

One of your greatest resources is the team of Microsoft experts who can offer suggestions, provide examples of solution strategies that are successful for other businesses, and bring added credibility to the strategy you recommend.

Assistance is available through these Microsoft resources:

- PartnerSource

  PartnerSource is a portal available to partners who focus on Microsoft Dynamics and related business products. It provides up-to-date tools that help partners connect to customers, improve the skills of their personnel, and deliver innovative products and superior customer service. It's available any time, from anywhere, allowing partners access to product updates, downloads, and training materials. Partners also can attend online sessions, register for special events, and exchange information with other partners.

- Microsoft Momentum

  Momentum's team of experienced writers, editors, and thought leaders delivers content especially designed for growing and midsize companies, while focusing on best practices and advice on solutions, applications, and modules. Together with the website, Momentum's e-newsletter can help your business achieve enterprise-class efficiency. Each month, its journalists and thought leaders explore new topics providing features, tips, and viewpoints.

- Additional sources of assistance

  You can utilize the resources available through the Partner Account Management Team and Technical Support, via either the 800 number or self service. Additionally, you can search Knowledge Base for articles and information related to multi-entities, multi-companies, and inter-company set ups.

Develop a solution strategy

After you have a thorough understanding of the options most suitable to meet your client's needs, you're ready to build your solution strategy.

As you build your strategy, you'll make decisions about using a single database and the best approach to do so. You may determine a multiple database approach is your best, or only, solution option. You also may decide that there are ISV modules you need to include in your strategy.

Carefully document your decisions, the research behind each of your choices, and how it's all intended to fit together for the final result. This will help you accurately communicate the solution to your client, as well as aid in the implementation planning and execution that follows.

Reasons to use a multiple database strategy

If during your needs assessment and research you find that the following situations apply to your client, then a multiple database strategy is your only solution option. These situations are:

- Limited report requirements

  Choose the multiple database approach when the only consolidation requirement is for financial reporting. Here, tools such as FRx are available to consolidate financial reporting. In this scenario, the best approach is multiple databases because transactions do not cross entities and master records won't need to be shared.

- Separate set ups and procedures

  When each entity has its own, unique chart of accounts, or has unique customer and vendor lists, a multiple database approach is the best fit. Also, follow this approach when at least one of the entities closes its books independently of the other entities in the business.

- Limited inter-company transactions

  If the amount of transactions that are shared across the entities is minimal and the transactions occur infrequently, you should recommend a multiple database approach.

- Currency differences

  You need multiple databases when at least one of the entities operates with different currency units than others in the same business, such as dollars versus euros.

- Calendar differences

  Multiple databases are needed when businesses have entities using different fiscal calendars that start and end on different dates.

Approaches for single database strategies

If you determine a single database solution is going to best meet the needs and requirements for your client, you next need to determine which set up option is going to be used as you build your strategy and prepare for implementation.

Examine the Account Segment and the Transaction Dimension Code approach descriptions to determine which is best for your client's business. Both approaches are well-suited to any number of customer scenarios. Your recommendation will be based on functionality preferences.

Account Segment

During the needs analysis, you should collect enough information about your client's business practices to learn whether the Account Segment approach will best meet their expectations. Some of the benefits to using the Account Segment approach include:

- Master records are shared and available to each entity

- Users are not required to log in and log out of each entity or company

- Consolidation of financial reporting is inherent for this set up

- Transactions across entities are available throughout

While the Account Segment strategy provides these benefits, there are some considerations to include in your strategy development. Often times, an ISV application is utilized to resolve the considerations as described in the summary and examples that follow.

Account Segment Summary	
Consideration	**Solution Examples**
Assigning security to multiple levels	Account Level Security allows security for users at an account level, as well as at the facility level to represent an entity.
Reporting, such as trial balances, needs customization	Consider Binary Stream's Multi-Facility Processing application, or other business intelligence tools like Tensoft, for multinational scenarios where reports per entity are easily generated.
Customizing by account segment is required for 1099 generation	You can create 1099s by facility or by company after assigning Tax IDs to one or several entities within a database when you use Binary Stream's application.
Filtering using customized inquiries to filter by company for customer and vendor summaries	With Binary Stream's application, you can assign various master records to one or many entities. For example, you can assign customer and vendor master records, then both customer and vendor summaries are modified to filter inquiries.
Inter-company posting capabilities	Typical inter-company transactions are supported in Binary Stream's application, where processing "Intracompany" transactions takes place within the database.
Account allocations by facility	Multi-Facility Processing also allows allocations, or costs, by facility and distributions are automatically updated.

Module integration performance	The Binary Stream application integrates with General Ledger (GL), Accounts Payable (AP), Accounts Receivable (AR), Bank Reconciliation (BR), Cost Management (CM), Purchase Order Processing (POP), Sales Order Processing (SOP), Payroll, Financial Accounting (FA), Wennsoft, Mekorma, and Analytical Accounting.

Transaction Dimension Code

In comparison, you may find during your analysis the Transaction Dimension Code approach best meets your client's expectations. Some of the benefits to using the Transaction Dimension Code approach include:

- Master records are shared and available to each entity

- Users are not required to log in and log out of each entity or company

- Consolidation of financial reporting is inherent for this set up

- Transactions across the entities available throughout

Along with the benefits of this strategy, there are considerations for your strategy here as well. ISV applications are often the solution to resolving the considerations as described in the summary and examples that follow.

Transaction Dimension Code Summary	
Consideration	**Solution Example**
Reporting, such as trial balances, need customization	The partner solution requires building custom reports or modifying existing reporting to allow for a company dimension as selection criteria for a report, such as customer and vendor aging.
Customization by dimension code is required for 1099 generation	The partner solution requires a build out process for creating 1099s based on the company dimension.
Customize inquiries to filter by company for customer and vendor summaries	Because financial data is consolidated in a single database, you may need to consider solutions that provide the capability to filter and further breakdown the financials.
Year-end processing needs to be customized to close by dimension code	The partner solution requires building out the year end close process based on the company dimension.

Approach for multiple database strategy

If you determined that the best way to meet your client's needs and requirements is with a multiple database approach, you need to consider which options are going to be used as you build your strategy and prepare for implementation. Benefits to the multiple database approach include:

- Supports different currency units for multiple entities

- Multiple entities can use different fiscal calendars

- Allows use of unique accounts and lists to each entity

- Advantageous when compliancy issues play a role for entities

Considerations for a strategy using multiple databases may involve solutions from ISV applications as described in the summary and examples that follow.

Multiple Database Summary	
Consideration	Solution Example
Sharing master records, supporting multi-entity allocations, and triggering document creation in other databases	Customizations are possible using the functionality provided by Web Services and Visual Studio Tools for Microsoft Dynamics GP.
Creating "due to" and "due from" transactions across different databases	These transactions require a solution such as Inter-company for General Ledger and Accounts Payable, or a solution from an ISV application, such as that offered by MC2.
Searching for added inter-company capabilities	Consider an ISV application, such as those offered by Nolan Computers and MC2, that provides options designed to meet this requirement.

Position the strategy with confidence

Investing the effort in the solution strategy process, you stand to gain in three significant ways:

- You will have a comprehensive understanding of the solution you're going to recommend and you will be able to position it with absolute confidence to your client.

- Your complete understanding will make designing the implementation model and process less complex and you will be able to better communicate with your client.

- In turn, your client will have confidence in your recommendation and respect you as a knowledgeable expert.

"Is it possible to recommend a strategy without the due diligence?" asks a Microsoft solutions expert. "Sure. But, I've been around long enough to see the difference in customer satisfaction with a solution that was well-researched and well-planned, compared to a solution that appears to be a series of band-aids designed to patch something together, hoping it'll work," she continues. "If you want to be respected as a reliable, knowledgeable partner that offers the best solutions, you'll put in the time. In the end, the rewards will be worth it because they'll trust you and they'll continue to look to you first when they have needs to meet."

Use the information you gather from the client during the needs assessment to efficiently research available solution options, include expert resources and examples of successful strategies to back up your recommendation, and you will have a credible solution strategy you can confidently present.

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 and with familiar Microsoft software, automating and streamlining financial, customer relationship and supply chain processes in a way that helps you drive business success.

U.S. and Canada Toll Free 1-888-477-7989

Worldwide +1-701-281-6500

www.microsoft.com/dynamics

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