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ICM, Inc. Cuts Annual ERP Costs by More Than \$400K While Streamlining Project Management

To provide project managers with an easier way to analyze costs, resources and product orders, ICM deployed Microsoft Dynamics AX. In addition to reducing the cost of resources to administer ERP by \$400K, project managers can keep construction and retrofitting projects on schedule and within budget more easily.

Results

- Integrates project management, manufacturing, procurement, and finance to create efficiencies among operating units.
- Reduces ERP system resource costs by \$410,000 per year.
- Provides project managers with complete visibility into project costs, resource availability, and the status of product orders.
- Reduces the time to generate financial statements from days down to hours.

Industry
Energy

Country or Region
United States

Customer Size
300 employees

Number of Users
300 employees

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"With Microsoft Dynamics AX, our critical project management function now runs much more efficiently. We significantly improved our ability to keep construction projects on time and within budget."

Mike Spellman, Applications Manager, ICM, Inc.

The majority of ethanol plants in the United States rely heavily on equipment and processes produced by ICM, Inc., a company that makes ethanol production more efficient for manufacturers around the world. ICM, Inc. also improves efficiencies across the entire biofuels spectrum by pioneering technology for power plants and grain-processing facilities.

As construction project cost accounting, resource management, and scheduling grew more complex, ICM, Inc. identified the critical need to deploy a new enterprise resource planning (ERP) platform. "We could not coordinate these three functions to the extent we required," explains Mike Spellman, Applications Manager for ICM. "We wanted to give our project managers greater control over their projects by tying all these areas together, so changes in one would automatically flow into the others. Our project managers could then manage projects more efficiently."

Integrating Business Functions

ICM, Inc. typically manages 200 projects at a time, including new plant construction and retrofitting projects that run for months or even years. With the previous ERP platform requiring a team of seven accountants that focused only on project cost accounting, ICM, Inc. hoped to deploy a new ERP solution that would reduce this requirement so accountants could be reassigned to other financial tasks.

ICM, Inc. researched ERP solutions from Microsoft and SAP. With a focus on project management capabilities that integrate with manufacturing and service management, Microsoft Dynamics AX provided a perfect solution for the company's needs and proved to be popular with employees in a variety of roles. "We ran a weeklong pilot with half of our users," Spellman says. "All of them felt that Microsoft Dynamics AX was the most user-friendly and the easiest system to navigate."

The ability to manage warehouse resources was another key factor in choosing Microsoft Dynamics AX. "The tight integration between manufacturing and project management is important because most of our manufacturing jobs are tied to specific projects," Spellman explains. "Our project managers need visibility into the production orders associated with each project."





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Western Computer provides world-class ERP, CRM, supply-chain management, and business intelligence solutions for mid-size and large businesses. As a partner for scalable, integrated, and secure Microsoft Dynamics deployments, Western Computer offers solutions that meet unique technology needs and ROI objectives.

"Western Computer was instrumental in helping us manage the project and our expectations as well as providing expertise to leverage Microsoft Dynamics AX to generate the most bang for our buck. We could have spent a lot more on customizations we did not actually need, but Western Computer helped us work through those decisions to keep costs down. They know exactly how to apply Microsoft Dynamics AX to specific ERP processes."

*Mike Spellman,
Applications Manager, ICM, Inc.*

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Improved Accounting Resource Efficiency

ICM, Inc. deployed Microsoft Dynamics AX with assistance from Western Computer, a Microsoft partner. The deployment included Adeaca Advanced Projects CEC, a plug-in solution that further enhances project management processes within Microsoft Dynamics AX. The solution generated immediate results: Project managers increased their ability to manage resource capacity and project scheduling across multiple projects. Another key improvement is the ability to reallocate three of the seven accountants assigned to project cost accounting to other financial tasks—while allowing the remaining accountants to take on additional tasks.

"The financial reports generated by Microsoft Dynamics AX allow us to slice-and-dice data much more easily," Spellman says. "We also automated our financial statements, which we now generate in just a few hours compared to the multiple-day timeframe the previous system required."

Costs Reduced by \$400K per Year—with More Savings to Come

The business process improvements that Microsoft Dynamics AX enables allow ICM, Inc. to significantly reduce the resources required to support its business. In addition to freeing up accounting resources that were required for project cost accounting and financial statement generation, Microsoft Dynamics AX also reduces the resources required for processing purchase requisitions, time sheets, and travel and expense reports.

"Microsoft Dynamics AX will reduce our overall costs to support all of these processes by approximately \$410,000 per year," Spellman says. "As we integrate more subsidiary operations, the cost savings will grow."

Better Control of Service Contract Performance

Microsoft Dynamics AX will also improve management of service contracts. ICM, Inc. currently uses the Project module to track services and warranty work, but anticipates that implementing the Service Management module will reduce the overhead required to manage these services.

"We currently bid on and manage service contracts as though they were projects. This process consumes too much time," Spellman says. "When we deploy the Service Management module, we will accelerate the time to generate proposals and make it much easier for management to track service contract performance."

The processes will be further enhanced by the mobile capabilities of the Service Management module, which will enable service people to update the service call from the field when and where the work is taking place—rather than waiting until they return to the office.

Setting the Stage to Enhance Other Apps

Spellman says this project is the largest implementation he has ever been involved with: "ERP typically presents the biggest challenge, but Microsoft and Western Computer helped us succeed. ERP is the center of our application ecosystem, and having a solid, efficient platform is key so all other apps can have access to the data they need to perform as required. With the success of this project, we have set the tone for the next business processes we need to enhance."

For more information about Microsoft Dynamics, go to: www.microsoft.com/dynamics

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THIS SUMMARY. Document published April 2014.

Microsoft