



Microsoft Dynamics Customer Solution Case Study



Hosting Firm Provides On-Demand Services With a Tailored, Scalable ERP Solution

Overview

Country or Region: United States

Industry: Hosting—Hosting and application service providers

Customer Profile

Located in Plano, Texas, Layered Tech is a rapidly growing IT-hosting company that provides on-demand servers for customers in over 120 countries.

Business Situation

Layered Tech wanted to gain visibility into inventory and have a more flexible billing system that would ultimately enable the company to provide better customer service and continue to grow.

Solution

Layered Tech engaged Microsoft® Gold Certified Partner Sunrise Technologies to deploy Microsoft Dynamics® AX. The company found that the scalability and agility of the system met the needs of its business.

Benefits

- Streamline processes and maximize efficiency
- Improve inventory traceability
- Increase customer satisfaction
- Support company growth

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John Pozadzides, Chief Marketing Officer, Layered Tech

Layered Tech is a growing IT-hosting company that provides on-demand servers for customers in over 120 countries. Deploying Microsoft Dynamics® AX helped the company consolidate operations into an agile, scalable, business management solution. Layered Tech now has insight into inventory, enabling it to better manage purchasing decisions and provide proactive quality control that optimizes the health of customers' servers. By using Web services in Microsoft Dynamics AX, employees can access up-to-date information at any time through their company Web site. Microsoft Dynamics AX makes flexible payment and billing options available for customers and provides heightened levels of data integrity and security with improved internal controls. With Microsoft Dynamics AX, Layered Tech better serves its customers, maximizes efficiency, gains visibility into operations, and supports future growth.



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Situation

Layered Tech is a leading provider of on-demand IT infrastructure with data centers all over the world. “Large clients—with hundreds of dedicated servers—rely on our ability to provide them with data centers and high-end hardware that run mission-critical applications,” explains John Pozadzides, Chief Marketing Officer at Layered Tech. “Our facilities have poured-in-place concrete walls and multiple power grids and generators that protect customer data in case of power failures.” The company also has one of the fastest lead-times in the industry for provisioning servers.

Layered Tech is committed to providing customers with optimal hosting services, giving the company a competitive edge that supported more than 60 percent growth annually for four years. The company found it challenging to manage such a dramatic increase in information, personnel, infrastructure costs, and ongoing support costs. “The systems we deployed when we were small worked quite well, but they got stretched beyond their limits as we grew. We needed a robust solution that could scale to accommodate growth, not inhibit it,” says Pozadzides.

Layered Tech used QuickBooks to manage financials, ModernBill to manage billing processes, OQS Software for order management, and a number of custom software applications to manage production. With manual data entry acting as the only integration between six disparate systems, Layered Tech had limited visibility into accounting and inventory.

“Low visibility made it difficult to give our customers on-demand status reports of their servers,” recalls Carl Nunes, Microsoft Dynamics® AX Project Coordinator at Layered Tech. “With 17,000 servers and multiple data centers located across the globe, we have to

know which data center and which slot each server is located in.” In addition, the company struggled to provide customers with flexible payment options and discount pricing for promotions.

Issues became more apparent as Layered Tech pursued larger enterprise accounts. Finding a scalable, end-to-end enterprise resource planning (ERP) solution that could maximize efficiency and resource utilization soon became one of the company’s top priorities.

Solution

Through a referral, Layered Tech engaged Microsoft® Gold Certified Partner Sunrise Technologies. The partner suggested using Microsoft Dynamics AX as a potential ERP solution, and it created a working prototype for the company. Layered Tech was thrilled and continued to work with Sunrise Technologies to shape the system.

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Proactive Operations Management

Microsoft Dynamics AX helps to ensure that operations run smoothly for Layered Tech. The provisioning department reviews an order and creates pick tickets and route cards in Microsoft Dynamics AX, specifying components and slot locations. The tickets are then sent to the appropriate data center. Because each major component’s serial number is tracked within the system, the inventory group can easily trace components and find necessary hardware for assembly.

“Not only can we find inventory easier this way, but if a hard drive or motherboard is low in stock, Microsoft Dynamics AX will

automatically notify the purchasing department and create a purchase order to be sent out,” explains Pozadzides. Likewise, if a batch of hard drives shows a high failure rate after being deployed in several servers, the inventory group uses Microsoft Dynamics AX to find the rest of the hard drives in that batch and proactively replace them before they fail in other servers.

As the provisioning department assembles the server, their progress is tracked through an internal portal called LT Services. Using Web services in Microsoft Dynamics AX, key performance data is pulled from the system, viewed, and updated on LT Services to track status and prevent holdups. The portal also provides search tools, including a device locator that helps the inventory group search for available and consigned inventory.

Coordinated Customer Service

Using Web services, Sunrise Technologies integrated Microsoft Dynamics AX with LT Web, the corporate e-commerce site of Layered Tech. As a customer places an order on LT Web, a business relation is automatically created in the CRM module of Microsoft Dynamics AX, while billing cycle details are established in the Accounts Receivable module. A customer’s billing-cycle details are determined by various discounts and payment options. After an order is complete, a quotation is created in the CRM module in Microsoft Dynamics AX.

The Layered Tech customer service team uses Microsoft Dynamics AX to better serve its customers. The team takes inbound phone calls, handles billing questions, and creates support tickets based on the customer’s account history. The Accounts Receivable module also works with the company’s e-mail server, helping to deliver automatic e-mail notifications, such as billing statements and payment reminders directly to customers.

In addition, Layered Tech provides a value-added service to its customers by taking advantage of Web services to integrate Microsoft Dynamics AX with Encompass, the client Web portal of Layered Tech. When a new server is built, the IP address and Encompass logon information is sent in an e-mail message to the customer. Using this information, customers can log on, place orders, and view account information, such as server health, bandwidth usage, billing statements, and invoices.

High-Level Security

Layered Tech took advantage of the security features in Microsoft Dynamics AX to create a role-based user profile system. This ensures that the right people access the right information and centralizes access of critical intellectual property to designated departments. “Microsoft Dynamics AX allows us to define rules and have multiple levels of security,” says Pozadzides. “For example, our support groups can view support tickets, but they aren’t allowed to view the customer’s billing information.”

Layered Tech has found this level of security especially important for its larger enterprise customers. “Microsoft Dynamics AX delivers a level of systematic security granularity that larger enterprises demand,” explains Pozadzides.

Benefits

Layered Tech sought an expandable, flexible ERP system to support future growth, provide high visibility into operations, and increase accounting flexibility. With Microsoft Dynamics AX, the company eliminated manual data entry and centralized business data, enabling all employees to work from the same information. By using Web services, Layered Tech extended access to key business information in Microsoft Dynamics AX to employees and customers alike.

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John Pozadzides, Chief Marketing Officer,
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Streamline Processes and Maximize Efficiency

Layered Tech uses Microsoft Dynamics AX to maximize each department’s efficiency and foster collaboration efforts to improve productivity and make better decisions, faster. Now, employees only enter information once, and all departments have access to the information they need as it flows through the system. “It’s hard to quantify the gains we’ve seen with Microsoft Dynamics AX because it was nearly impossible to measure the inefficiencies we had before,” explains Pozadzides. “I can just say it’s been a lot more efficient. Because we no longer have to do multiple entries into the system, we do anticipate seeing ROI within 12 to 24 months, particularly in the area of redundant data entry.”

Although Layered Tech is among the fastest server-building companies in the hosting industry, the efficiency gains realized with Microsoft Dynamics AX will enable the company to further accelerate its lead-times. “In the near future, as we become more proficient in our work processes that include Microsoft Dynamics AX, we’re confident we can facilitate customer orders more quickly, and reduce our turn-around time from two to three days down to a matter of hours,” states Nunes.

Improve Inventory Traceability

With Microsoft Dynamics AX, Layered Tech now has visibility into all 17,000 of its hosted servers. “One of the big bonuses of Microsoft Dynamics AX is that we not only get a clear understanding of where the server is, but we can keep track of the different components in each server as well,” explains Pozadzides. The company can provide on-demand reports on server health when requested by a customer, and identify each component within a server to find and replace parts when necessary. High visibility into inventory has reduced the risk of ordering components

already in stock and helped decrease holding costs by as much as 50 percent.

Increase Customer Satisfaction

With Microsoft Dynamics AX, Layered Tech has improved the customer experience by streamlining the order process from start to finish. “Customers can originate an order with us online, customize the order, receive notifications as their servers are built, and view their completed servers along with their account information whenever they want,” says Nunes.

In addition, Layered Tech is better able to respond to customer requests. “If a customer has a billing issue, they want to talk to the accounting department. If it’s a service issue, they want to talk to the technical department. Microsoft Dynamics AX gives us the ability to better manage our contacts so that we can, on the very first pass, make sure our customers are talking to the right person for help.” By storing information in the CRM module of Microsoft Dynamics AX, Layered Tech can better tailor services to satisfy customer needs. The company also uses multiple security levels within the system to more readily meet the security needs of larger enterprise companies.

Support Company Growth

Layered Tech was growing at a rapid pace and found that Microsoft Dynamics AX could replace disparate systems and scale to support anticipated growth. “We have aggressive growth goals and need a system robust enough to support that growth,” says Pozadzides. “Microsoft Dynamics AX is capable of doubling, tripling, or quadrupling in capacity with us.” In addition, as the company grows, Layered Tech can deploy additional functionality to the system as needed and be prepared for the future.

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inventory management, tracking, purchasing, and support, giving us a calculated advantage over our competitors," says Pozadzides. "It was a very strategic investment that will continue to pay dividends."

Microsoft Dynamics

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 familiar Microsoft software such as Microsoft Office, which means less of a learning curve for your people, so they can get up and running quickly and focus on what's most important. And because it is from Microsoft, it easily works with the systems that your company already has implemented. By automating and streamlining financial, customer relationship, and supply chain processes, Microsoft Dynamics brings together people, processes, and technologies, increasing the productivity and effectiveness of your business, and helping you drive business success.

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

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