



## Orthodontics Manufacturer Promotes Growth and Productivity with Powerful ERP System

### Overview

**Country or Region:** United States

**Industry:** Manufacturing

### Customer Profile

American Orthodontics develops and manufactures orthodontic devices, marketing them globally through international subsidiaries and independent distributors.

### Business Situation

The company's unconnected legacy systems caused inefficiencies and had the potential to interfere with increasing growth and an uncompromisingly high standard for service excellence.

### Solution

American Orthodontics implemented Microsoft Dynamics NAV as its enterprise resource planning (ERP) system and is transitioning to a business infrastructure based on Microsoft technologies.

### Benefits

- Take charge of the company's direction
- Streamline and automate processes with new efficiencies
- Pursue revenue growth and international expansion
- Enable people to be successful, happy employees

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*Deb Schmidt, Administrative Manager, American Orthodontics*

Orthodontic products maker American Orthodontics, at the end of the useful life of several legacy software systems, needed to find a way to manage operations with better efficiency. Following a strategic decision for Microsoft technology, the company implemented Microsoft Dynamics NAV as its enterprise resource planning (ERP) system in an engagement with Microsoft Gold Certified Partner SPSI-ADNM. American Orthodontics quickly generated efficiencies in customer service and finance management. With the ERP system, the company manages higher order volumes and has realized a significant increase in year-over-year revenue. Executives can take a firm hold on the company's direction with complete, reliable information. American Orthodontics is now preparing to bring its global subsidiaries onto Microsoft Dynamics NAV to direct international growth for best results.



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Will Weyandt, IT Manager, American Orthodontics

## Situation

[American Orthodontics](#) designs, manufactures, and distributes a large portfolio of orthodontic products. The company is headquartered in Sheboygan, Wisconsin, from where it has done business for more than 42 years. In addition to its U.S. operations, American Orthodontics maintains a global presence through fully owned subsidiaries in Australia, Brazil, China, France, Germany, Mexico, Switzerland, and the United Kingdom and through a network of independent distributors in other countries. Approximately 400 of the company's more than 500 employees work at headquarters, where all manufacturing takes place.

Employing its own team of automation engineers who design manufacturing machinery, American Orthodontics brings remarkable innovation to the manufacturing process and the design of its products. These products often consist of multiple components and materials, resulting in remarkable complexity in the company's processes for materials planning and sourcing.

## Efficiency Gaps

For many years, American Orthodontics had used the same business software tools to manage its complex processes and support its high standards for customer service. Two separate systems, a software product from Command Line Corporation (CLC) and Basic 4 supported manufacturing and finance, which included accounting and sales. A custom web application called AONet accessed information from both systems and presented it to sales associates, finance managers, and other employees. However, employees had to enter information into each system separately. Deb Schmidt, Administrative Manager at American Orthodontics, explains, “Because the finance and manufacturing systems were not integrated, information from one did not

always agree with information from the other system. We could only make updates in batch files, so information was not always current. Also, after every month-end close, we had current year-to-date numbers but lost the financial details of the month that had just passed.” When a customer phoned in a new order, a customer service representative had to print it, adding handwritten information from the on-screen customer profile. A finance manager entered the order into the finance system and printed it for the shipping department, where employees reentered the information into their systems.

As the company continued to grow, working with the legacy systems became more cumbersome. Company executives found it difficult to assess actual business performance to goals. Such tasks as month-end processing and paying royalties were time-consuming and could easily result in errors. Maintaining control and consistency in doing business with customers became more difficult; for example, the sales reps supporting customers in the United States offered hundreds of different pricing arrangements.

## Unreliable Business Systems

System reliability was also a concern. Will Weyandt, IT Manager at American Orthodontics, says, “Our older systems had become unstable. When the server went down, customer service representatives could not enter orders and the factory was offline for 20 minutes or longer. Over time, these interruptions incurred an unacceptable cost in terms of lost productivity.”

Looking for new solutions to replace aging business technology, American Orthodontics began looking at enterprise resource planning (ERP) systems. As Schmidt explains, “Our service was excellent and we always delivered products quickly, but it became harder to maintain the same

level of service as we won many more customers. Therefore, we hoped to find a single solution that could house information from the entire business and that could help us work with greater efficiency."

### Solution

During its search for an ERP system, American Orthodontics closely considered different products and eventually decided to implement a certain solution. However, the vendor was unable to implement the solution to fit American Orthodontics's business. After 15 months, American Orthodontics chose to start over with [Microsoft Dynamics NAV](#).

The vendor that represented Microsoft Dynamics NAV, [SPSI-ADNM](#), a Microsoft Gold Certified Partner, had already served as a technology and expertise resource for American Orthodontics. Early in the solution selection process, SPSI-ADNM performed a needs assessment for American Orthodontics to help the company prepare its systems and processes for the implementation of a new ERP system. "SPSI-ADNM was extremely helpful even in supporting the attempted implementation of a competitor's system," says Schmidt. "We think very highly of them."

#### **Progressive Implementation of Microsoft Dynamics ERP System**

SPSI-ADNM performed a second needs assessment in preparation for the deployment of Microsoft Dynamics NAV, established a project plan with American Orthodontics, and brought the new solution to the company's sales and accounting business groups. After migrating the company's financial data, the partner replaced Basic 4 with Microsoft Dynamics NAV. Today, employees work with Microsoft Dynamics NAV, which is deployed at American Orthodontics's new data center in Milwaukee, Wisconsin, and

available to employees through Citrix terminals. Employees who use the ERP system also include executive management, shipping, and employees who track shipments and perform quality control.

To make the technology transition as smooth as possible, American Orthodontics decided to go live with the manufacturing management functionality of Microsoft Dynamics NAV in a second phase, in the spring of 2011. Even before that, employees were already able to use Microsoft Dynamics NAV to write inventory detail to the CLC software so that inventory information is consistent between the two systems.

#### **New Efficiencies Across Business Groups**

One-time data entry replaced multiple entering of information. American Orthodontics employees already were familiar with the web-based AONet system as the user interface for sales and accounting, and the company wanted to minimize any disruption that the introduction of new technology tools might cause. SPSI-ADNM [reengineered AONet](#) to integrate with Microsoft Dynamics NAV. AONet today continues to serve as the interface for order entry and other critical tasks, writing and receiving information to and from Microsoft Dynamics NAV. In addition, customers access AONet to place their orders into the new ERP system.

By using the price group feature in Microsoft Dynamics NAV, American Orthodontics replaced the large number of manual pricing arrangements with a much smaller amount of practical, meaningful pricing categories.

SPSI-ADNM integrated Microsoft Dynamics NAV with ProShip software, through which American Orthodontics's shipping department connects with leading service providers' systems. In addition, the solution integrates with Targit business intelligence

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and reporting software to ease the creation and dissemination of business reports.

#### **New Business Infrastructure Built on Microsoft Technologies**

The implementation of Microsoft Dynamics NAV and the solution’s business database, built on [Microsoft SQL Server](#), was the first large-scale deployment of Microsoft technologies at American Orthodontics.

The ERP system is the cornerstone of a new business infrastructure based on Microsoft technologies. The company anticipates several other implementations of Microsoft solutions in the near future, including [Microsoft SharePoint Server](#) and [Microsoft Exchange Server](#).

In addition, American Orthodontics will implement [Microsoft Dynamics CRM](#) to replace AONet. More than a simple replacement, the xRM programming environment and tools of that solution will allow the company to extend it beyond traditional customer relationship management. Says Weyandt, “We will find innovative ways to use Microsoft Dynamics CRM. The xRM capabilities of the solution can help us develop tools to better manage important relationships and further streamline our business processes.”

#### **ERP Solution for Global Growth**

American Orthodontics is also planning to roll out Microsoft Dynamics NAV to the international organizations. Starting with the subsidiary in Brazil, followed by the one in Germany and, eventually, Australia, China, and France, the operations across the entire company will be on the same ERP system within an integrated business management infrastructure. “We can easily support international financial standards and languages in Microsoft Dynamics NAV,” says Weyandt. “What’s more, we have already seen how versatile and scalable the solution can be.”

## **Benefits**

Today, American Orthodontics thrives with a new ERP system that fits the company’s vision and business model. Says Schmidt, “We made a radical change in how we run the business. By using Microsoft Dynamics NAV, we can continue to grow with the level of service quality we aim for and introduce new efficiencies as we move forward.”

#### **Take Charge of the Company’s Direction**

Managers and decision makers at American Orthodontics now have direct access to all the information they need to direct the company in the most fruitful manner. Detailed financial data, for example, no longer become unavailable after a month ends. “We’re in a different world than we were before,” says Weyandt. “With Microsoft Dynamics NAV, we can review all information about the business and have much better control over our direction.”

Company executives use the Microsoft Dynamics RoleTailored user interface to analyze and understand sales and business performance, assess changing customer needs, and make reliable forecasts. Without being distracted by information or features that are not relevant to them, they can view details of order processing or shipping to manage teams more effectively. Or, they can navigate to a more strategic level and see large-scale trends in ordering patterns and market behavior. Says Schmidt, “Company leadership appreciates the RoleTailored experience. It helps executives conduct smart business planning and minimize the risk of decision making with complete, accurate information.”

#### **Streamline and Automate Processes with New Efficiencies**

Throughout American Orthodontics’s business operations, Microsoft Dynamics NAV promotes new efficiencies. Says Schmidt, “Although we have not had the opportunity to analyze the return-on-

investment from our new ERP system, we know we are saving significant time and costs in many areas of business operations."

The elimination of redundant data entry alone takes hours out of order processing. The company also eliminated the time and expense of printing multiple sales orders. From a customer service representative entering an order, to on-screen review, to invoicing, fulfillment, and shipping, American Orthodontics has a single workflow for all critical tasks in helping customers. "When it gets busy, customer service representatives can help each other catch up with the processing of customer orders and move them forward promptly," explains Schmidt. "In our previous, paper-based process, that was not easy to do."

Automating discounts and streamlining pricing structures with the new ERP system have also made the business far less complex and more agile. Says Weyandt, "Without Microsoft Dynamics NAV, we would've been unable to introduce this level of automation. We managed to remove a large number of needless manual steps from our processes, which saves a huge amount of time and gives much better control in ensuring that we optimally serve our customers."

#### **Pursue Revenue Growth and International Expansion**

With Microsoft Dynamics NAV, American Orthodontics can continue to grow the business without incurring proportionate increases in overhead. "With revenue growth up consistently year over year, we can rely on Microsoft Dynamics NAV to scale with the business," explains Schmidt. "Our employees can now be extremely effective, even with increased workloads. We found this out immediately after the implementation when our order volume skyrocketed and we still got products out the door very quickly."

The company's international expansion would be unthinkable without an efficient business management solution. Says Weyandt, "When we implemented Microsoft Dynamics NAV and realized what it is capable of, we immediately decided to bring our international subsidiaries onto the same solution. This would have been impossible with our legacy technology or the ERP system we decided not to pursue. And, even with the expanded scope of operations that Microsoft Dynamics NAV supports, it is rock solid and reliable. I never get the midnight problem calls anymore."

#### **Enable People to Be Successful, Happy Employees**

Many employees make American Orthodontics their life's career and spend many years working at the company. With the ERP system, American Orthodontics has remained a preferred employer that enables its staff to succeed in their fields. "After we deployed Microsoft Dynamics NAV, morale went up," says Weyandt. "It offers people a way to work at their best level."

From the RoleTailored experience, which removes distraction and presents precisely the information and capabilities that employees need the most, to enhanced efficiencies across the company, the new ERP solution is making workers' lives easier. As Schmidt comments, "With Microsoft Dynamics NAV, many jobs have become less stressful. Assignments like month-end closing and determining payable royalties now come with a mere shadow of the complexity they used to present. People find it so much easier to catch up and move on to help the next customer or accomplish another task."

## For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers in the United States and Canada who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to:

[www.microsoft.com](http://www.microsoft.com)

For more information about American Orthodontics products and services, call (800) 558-7687 or visit the website at: [www.americanortho.com/](http://www.americanortho.com/)

For more information about SPSSI-ADNM products and services, call (414) 302-2929 or visit the website at: [www.spsinet.com/ap-workflow.cfm](http://www.spsinet.com/ap-workflow.cfm)

## Additional Resources

- [Read about Microsoft Dynamics NAV in different industries.](#)
- [Visit the Microsoft Dynamics NAV community page.](#)
- [Get insight, news, and customer stories on the Microsoft Dynamics ERP blog.](#)

## 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](http://www.microsoft.com/dynamics)

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- Microsoft Server Product Portfolio
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  - Microsoft SharePoint Server
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### Partners

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