

Avanade Flexible Calculation for Finance and Operations

Assess overhead costs to ensure the financial health of your business



Avanade Flexible Calculation provides transparency and overhead control without demanding significant time and effort from manufacturing production planners, product developers, finance managers, and sales execs.

For many manufacturers, the standard calculating capabilities in Microsoft Dynamics 365 for Finance and Operations are not versatile enough to support complex calculations of production costs, sales prices, discounts, surcharges, or margins. Avanade Flexible Calculation makes it possible to determine these values following your preferred calculation method and run simulations to assess the impact of cost or price changes on financial outcomes.

Reliable, fast cost calculation on your terms

In Flexible Calculation, you start your overhead calculation with a sales order, a production order, a sales quotation, or a released product. Calculation results automatically transfer into sales orders, sales quotations, and product master data of any price type or costing version. You can perform calculations for single items or product lots, run them individually or in batches, and save them for reuse. For instance, you can determine the costs for entire product groups according to your costing schemes, repeating the calculation as often as you like.

Companies need to calculate their prices including storage cost, insurance and freight charges, they need to add indirect distribution cost and general expenses. Or they need a custom calculation, because the client is less tolerant for transportation damage, which raises efforts for packaging, load control and insurance..

Manufacturers use the solution for one-step calculation of sales prices or complex production costs. You can assume minimal, maximal, or standard quantities for bill-of-materials (BOM) items and item assembly. Prices for BOM items can be based on purchase and cost prices or on trade agreements with your vendor. You can determine surcharges per item, for certain amounts or ratios, or based on labour hours.

Improve profit margins with sound planning decisions

By running simulations in Flexible Calculation, you can illustrate how changes in costs, margins, prices, discounts, labour hours, and other components of item costs impact business performance and customer commitments. Armed with this information, you can establish pricing that is competitive and profitable. You also have the evidence to decide on the replacement of BOM items, equipment purchases, or process optimizations.

As long as you are familiar with the processes in your business, Flexible Calculation is easy to learn and use. It is available for Microsoft Dynamics 365 for Finance and Operations in English. The solution integrates fully with the Dynamics standard and is typically deployed through Microsoft Dynamics Lifecycle Services.

To learn more about Avanade Flexible Calculation, contact us at <https://www.avanade.com/en/technologies/microsoft-dynamics-365>

Key Benefits

- Improve the financial performance of products, items, or product groups.
- Align cost management with customer experience goals.
- Control overhead costs according to the objectives and values that fit your production operation.
- Mitigate the potential risks and impacts of cost changes on financial performance, procurement, and customer retention.
- Extend the standard Microsoft Dynamics 365 environment without changing software code.

