



Smart Costing

Any company is extremely dependant on knowing their cost prices as they affect the contribution margins in the most direct way. Smart Costing introduces a new era for ERP systems where cost prices are fully recalculated and known at any point in time. Periodic jobs for calculating cost prices are history – **it's there and it's on-line available all the time.**

Real time - Real cost

The architecture of Smart Costing is based on the unique Watermark database technology. One of the major benefits of this technology is that any changes to the database can be tracked down to a very detailed level and that's actually the key for doing real-time costing.

At any point in time Smart Costing can detect exactly what has changed in the Inventory – eliminating the need for complete recalculations - with Smart Costing, changes are simply just being applied to the costing profile, their consequences are calculated and further applied in terms of adjustments. In fact all the known ingredients of the traditional costing process are included in this processing ... it just happens real-time.

This incremental costing processing is handled in a very efficient background process on the server, thus the on-line users are not

affected – the only impact is that the same on-line users have access to real-time calculated cost prices.

The process of closing the inventory is now just a matter of typing in a closing date in the system ... simply to prevent further posting in the closed period so there are no need to run any monthly closing batch function. Further any closed period can always be opened again, just by changing the closing date.

Functionality wise Smart Costing is adding a set of new features to the costing approach. These include the ability to have the entire costing fixed on packing slip prices. If prices have changed at the time of posting the invoices the changes will simply be posted on the standard cost price accounts. This is a very efficient way to prevent delayed invoices from causing cost prices to fluctuate over time – once posted then fixed.

The screenshot displays the SAP Smart Costing interface. The main area is titled "Smart Costing" and contains a "Summary" section with a "Recalculation" card showing the last run on 11/25/2019 at 11:00:00 AM. Below this are several statistics cards for various deviation types. To the right, the "Recalculation statistics" section shows a "Calculation list" with columns for "Type" and "Item number".

Type	Item number
Cost prices	4401
Cost prices	C0002
Cost prices	D0012
Cost prices	M0001

The "Links" section on the right provides navigation options for common tasks like "On-hand value", "Inventory accounting - reports", "Inquiries", "Postings", "Calculation execution", and "Setup".

Adjust anything at any time

The process of adjusting inventory on-hand levels or transactions can be rather cumbersome for standard Dynamics AX users. First of all it requires the inventory to be closed, which most often only happens on a monthly basis. Furthermore adjustment of on-hand levels cannot be performed directly from the on-hand form - with Smart Costing the ability to adjust anything at any time is available:

Anything: Besides from receipt transactions and on-hand levels, *issue transactions* can be adjusted. Often items are sold before their real cost price is known due to delayed purchase invoices, and often such issue transactions end up with an incorrect cost price estimate which will have a direct impact on GL when closing the period. With Smart Costing such issue transactions can simply be adjusted so that any period can be closed with a result which is not damaged by incorrect cost price estimates.

Any time: The standard requirement for having the inventory closed before doing adjustments is history with Smart Costing installed. Everything is fully recalculated at any point in time, thus adjusting inventory can be done whenever needed: if inventory value needs to change as of now ... simply go adjust now.

Cost price deviation monitor

Any CFO should be concerned about whether the inventory valuation and posted amounts are correct when the time for period closing is near. There are several reasons for that: Items are often sold before cost prices are known which means that cost prices are *estimates*, errors in data entry during the period, errors in prices, currencies, etc. It's a simple fact that it's impossible to manually check cost prices on all issue transactions within a period.

With Smart Costing the CFO is ensured that such illegal cost prices do not enter the system without being caught – this insurance is called *The Cost price deviation monitor*. Smart Costing is constantly monitoring all new cost prices in the system with the purpose of detecting suspicious cost prices. A cost price is said to be suspicious when it deviates more than 'n' percent from existing cost prices – obviously 'n' is defined in setup. Whenever a suspicious cost price is detected, a cost price deviation with detailed information about what caused the deviation is immediately created. Thus the cost price deviation monitor holds the complete list of suspicious receipts to be checked before being ready to close the period. Obviously cost price deviations are fully integrated with the alert system so that these warnings can find their way to mail boxes of relevant employees if required.

Finance and Operations Preview

Search for a page

USMF 585ms

Automatic calculation execution

Overview Processing General Database performance Summation Count

AUTOMATED JOB EXECUTION

The automated calculation execution is handling all update and maintenance tasks related to Smart Costing.

Some of the tasks are date dependent, i.e. they are only executed once per day, while other tasks are dependent on the ongoing activity in the system. The automated calculation execution is capable of detecting which tasks to execute at any point in time, thus it should be setup for batch execution with recurrence, e.g. every 10 minutes.

LAST EXECUTION TIME

Last execution date	Last execution time
11/25/2019	11:00 AM

CONCURRENT JOB PROCESSING

In situations where heavy inventory updates are running or inventory imports are set to be executed or parameters are to be changed, the automated calculation execution can easily be stopped using the 'Stop' button below.

The automated job execution can be started again by pressing the 'Start' button.

Stop

Smart Costing is developed in collaboration with Flying Tiger Copenhagen and Trespass UK



FSB Development

FSB Development is a software company developing modules for Microsoft Dynamics.

The Smart Costing module for Microsoft Dynamics is an extension to standard Dynamics AX Logistic modules. Smart Costing is the right choice for companies looking for real-time inventory cost / ledger management.

Smart Costing is available for version 2012 and D365 of Microsoft Dynamics AX.

FSB Development's Dynamics modules are sold via certified Dynamics partners in more than 30 countries. More than 175 Dynamics customers with over 20000 Dynamics users have chosen a module from FSB Development.

FSB Development ApS
Østergade 53, 3
1100 Copenhagen

Denmark
Phone: +45 3811 8085

Email: info@fsbdev.com
www.fsbdev.com