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– Sander Lommertzen, Business Systems Manager, Endace



Endace puts the ERP into accounting

Endace are world leaders in network traffic capture and analysis, concentrating on high speed networks. Their technology can be found monitoring and securing some of the largest and most complex networks on the planet with a primary focus on telecommunication providers, government agencies and financial institutions including many Fortune 500 companies.

From their roots in 2001 as a spin-off from Waikato University, Endace have grown into a publicly-listed global organisation (London Stock Exchange). Based in Auckland, New Zealand with offices in USA and UK, they have a staff of more than 130 people around the world.

AX serialises inventory

Endace initially ran operations on the financial package MYOB, however when it became apparent they were rapidly outgrowing its capabilities Endace selected and implemented Microsoft Dynamics AX 3.0 with a local partner. At this stage the company had only around 40 staff but had clear and determined plans for rapid growth.

Endace was expanding the portfolio of DAG (Data Acquisition and Generation) cards which they design and manufacture. In addition, Endace was starting to integrate this unique DAG capture technology in network monitoring appliances. Endace

sales teams are spread globally and the delivery of goods and services to the customer had to be best-in-class.

The move to a fully featured ERP to support this growth was essential. Crucially, Dynamics AX 3.0 delivered inventory and serial number registration as standard, vital features for tracking high value products.

Endace operates across multiple time zones with close to 20 staff using Dynamics AX on any given day.

Assessment of requirements

Even though Dynamics AX was a huge step forward for Endace, the company realised they weren't optimising the in-built functionality to obtain the maximum return on their investment.

Sander Lommertzen joined Endace as business systems manager in 2007. Lommertzen had considerable experience with



Industry: Technology
Project Type: Upgrade

Quick Facts:

<p>Website: www.endace.co.nz</p>	<p>Workstations: 11 users</p>	<p>Benefits:</p> <ul style="list-style-type: none"> • Renewed confidence in Dynamics AX • Upgrade to AX 2009 provided a foundation for growth • Empowering users across the board by comprehensive training and up-skilling, resulting in productivity gains • Full utilisation of General Ledger, AP, AR, Bank, Inventory, Fixed Assets, Production and MRP modules
<p>Customer Size: Medium</p>	<p>Year: 2005</p>	
<p>Solutions: Microsoft® Dynamics AX 2009 Microsoft® Windows Server Microsoft® SQL Server 2008 Microsoft® SQL Reporting Servers Microsoft® SQL Analysis Servers Microsoft® Dynamics FRx Reporter Atlas XL - Globe Software</p>	<p>Functional areas: Financials, Fixed Assets, Trade, Logistics, Master Planning, Production and Business Analysis</p> <p>Scenario: Enterprise Resource Planning, Financial reporting, Business analysis Export documentation</p>	

ERP systems, including time spent at DHL and Gillette working with their systems.

He quickly observed opportunities for improvement.

“When I arrived, the company wasn’t confident of certain information coming out of Dynamics AX and it required extra work to confirm and verify the numbers, especially with inventory. We knew that Dynamics AX could do the job but needed to get more expertise to understand why it wasn’t.”

Endace wanted to minimise the in-house AX expertise and leverage partners. This resulted in a move to New Zealand’s leading Microsoft Dynamics AX implementation partner, Koorb Consulting, and a commitment to an ongoing training programme.

It’s all about trust

With the move to Koorb Consulting, Endace felt a renewed confidence around being able to access the true value of the solution. “The big change for us with Koorb has been that their consultants have the knowledge, and I am happy to reach out to ask for help. Obviously there is a cost involved, however it means that I can concentrate on process improvements instead of detailed system configuration. That’s a big benefit.”

In 2009 Endace decided to upgrade from Dynamics AX 3.0 to AX2009. “Our decision to go to 2009,” said Lommertzen, “was to have a foundation for growth, a step towards getting even more out of the system.”

Koorb successfully completed the upgrade inside the fixed deadline and budget, with the help of Endace’s end users who were responsible for testing and approval.

Empowering the users

through training

Lommertzen is a strong advocate of investing in training, seeing it as critical to the success of any ERP implementation.

“The main failing of an ERP implementation is usually the lack of budgeted training. When you cut training out of the budget you find that people don’t use the system that well, or are not happy with it because of their lack of skills and knowledge.”

“I’ve looked to Koorb to deliver training on both new and underutilised existing modules. This makes our users’ lives easier by enabling them to understand what AX can automate to save having to manually key transactions.”

For him, training and up-skilling go hand-in-hand with having an ERP. “You can give people tools,” he says, “but it’s important to give them instructions as well on how to use them. Once you’ve done this you may find the transactions that once took an hour, could now just take five minutes.”

More training is on the cards for Endace staff as Lommertzen looks for them to work in a way which is smarter still, recognising that errors and misunderstanding of processes costs the company in terms of wasted time and resources.

“With the time saved they can take on other challenges and be more productive in other areas.”

We have an ERP, finally

The investment in training has seen a shift in the perceived value and status of Dynamics AX within Endace.

Lommertzen explained: “When I joined more than three years ago, Dynamics AX was seen as an accounting system, whereas now we classify it as an ERP system. By fully utilising functionality in the General Ledger, AP, AR, Bank, Inventory, Fixed Assets, Production and MRP modules, there’s been a big cultural change. We’re also looking forward to seeing what else is on the Microsoft road map.”

Developments for the general good

Endace commissioned Koorb to deliver some specific changes to reflect the way they did business.

This included moving all of their AX companies to the US dollar as their master currency, meaning they could standardise their general ledger and chart of accounts across every part of the global organisation.

Another custom-built modification is around serial number registration for Endace’s DAG® cards – their unique network packet capture product. Modifications to Dynamics AX now automate a series of actions as each unit passes through a range of critical quality tests.



Further developments are under way to manage intercompany transactions and to synchronise product information and pricing across multiple companies.

Lommertzen values both the strong collaboration between the companies and the depth of experience available to them via Koorb consultants: "I am very happy with the knowledge that they have. I appreciate the honesty of the relationship and the knowledge that they will indeed come back to me with an answer."

Looking to the future

As Endace continues to grow strongly, delivering impressive financial results for investors, they remain focussed on providing first class solutions for their customers.

Microsoft Dynamics AX is an important part of the growth equation for them as it scales effortlessly to meet the challenges of expansion across more sites, more countries and more staff.



About Koorb Consulting

Koorb is a 100% NZ owned company - privately owned and operated by the Directors, Nicholas Birch and Paul McDowell-Hook. Both Directors work in the company. The company was established over 12 years ago and has offices in Auckland, Wellington, Christchurch and Dunedin.

The main focus of our business is implementing and supporting Microsoft Dynamics AX and Dynamics CRM. Our 30+ certified consultants together comprise the largest Microsoft Dynamics AX and CRM practice in New Zealand. All are certified and have extensive and wide ranging industry experience.

We have implemented and are supporting close to 60% of all Dynamics AX sites in New Zealand. This is a direct reflection of our strong leadership, highly experienced people and proven methodology.

In both 2007 and 2010 we won the Microsoft Partner Award for the Dynamics ERP Solution of the Year.



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