

ANSWERS TO FREQUENTLY ASKED QUESTIONS ABOUT THE MICROSOFT DYNAMICS™ NAV HUB & SPOKE CONCEPT

What is the Microsoft Dynamics NAV hub & spoke concept?

The hub and spoke concept refers to a parent or holding company that uses one business software system (the hub), which is integrated with the systems used by its individual subsidiaries or divisions (the spokes). This concept is a metaphor, which uses the image of a wheel with a core component (the hub) and many sub-components (the spokes). Together, the hub and spokes form a whole that can progress forward as one unit.

In the world of business management software, the IT system of the parent company (the hub), must work together with the systems of its subsidiaries (spokes) in order to reach its destination, or business goals.

How can the hub and spoke concept help larger companies with many branches?

An organization's branches tend to have very different needs than the parent company, and therefore need a different system. First, they usually do not need the same level of complexity in their system as the parent company, and may not even have the resources necessary to acquire and maintain a system that was designed for a larger company. Second, if they are located in different countries, they will need a business system that reflects their local legal requirements as well as the business practices dictated by their location. Finally, they may have specialized functions that they perform because of the nature of their industry, their way of doing business, or the way that they do business together with their parent company.

How does Microsoft Dynamics NAV meet the varied needs of branch offices?

Microsoft Dynamics NAV was designed for small-to-mid-sized businesses. It is straightforward to adapt the standard functionality to meet the specific requirements of branch offices. It has multi-language capabilities. And, there are 40 localized country versions around the world. An extensive network of qualified partners helps local branches with their IT needs.

How can local branches adapt Microsoft Dynamics NAV to meet specific business needs?

Minor adaptations like changing forms are easy to carry out in Microsoft Dynamics NAV. You can remove columns, and add and modify fields without having to manipulate code. Industry templates make it easier and faster for Microsoft partners to adapt the solution for divisions with similar functions, and you can find vertical-industry solutions for more specific business needs from the extensive network of Microsoft partners.

When would I use industry templates, and when would it be a good idea to look for a vertical solution from a Microsoft partner?

If you have a number of divisional sales offices with similar functions, you might want to apply one industry-specific template to all your spokes. If, however, you need a solution for, say, the shoe manufacturing industry, then you might want to implement an industry-specific solution based on the Microsoft Dynamics NAV platform. The extensive catalog of industry-specific solutions and the industry templates can help reduce service costs and make it faster and more efficient to implement the solutions at your divisions or subsidiaries.

How do I make sure that the modifications that I make to the IT systems of branch offices aren't lost when I upgrade to a newer version?

There is an upgrade methodology and an upgrade tool, which help give you a smooth transition to new versions of your solution, without losing any specific modifications made for your business. The methodology and tool provide a framework to help you make sure you can continue to work with the solution with which you are already familiar, while still benefiting from new releases.

[How can I consolidate the financial data of headquarters and subsidiaries more efficiently?](#)

In Microsoft Dynamics NAV, you can consolidate financial statements for a series of business units from a single database, other Microsoft Dynamics NAV databases, or other programs. You can transfer from different accounting structures to your own. You can also ensure that financial statements in different currencies are consolidated trouble-free using the exchanged rate functionality.

Microsoft Dynamics NAV can also help you consolidate with Extensible Business Reporting Language (XBRL), an XML-based specification. XBRL uses accepted financial reporting standards and practices to export financial reports across all software and technologies, including the Internet. With XBRL, you enter information only once, and the same information can then easily be produced as a printed financial statement, an HTML document for a website, a raw XML file, or in a specialized reporting format.

[Will Microsoft Dynamics NAV help me meet increasingly demanding international standards, such as Sarbanes-Oxley and IAS 2005 \(International Accounting Standard\)?](#)

A key to compliance with Sarbanes-Oxley is the presence of an extensive audit trail. The idea is to provide the ability to trace source documents through the accounting systems to the final financial statements, and back to the original source documents. Microsoft Dynamics NAV offers an extensive audit trail, including extensive drill-down and drill around capabilities.

[Will I be able to get monthly reports, and answers to ad-hoc questions about my branch offices' businesses when they are running a different system from headquarters?](#)

With the business analytics available in Microsoft Dynamics NAV, employees at your subsidiaries can create OLAP cubes based on the data in their system. Business Analytics is integrated into your existing Microsoft Dynamics NAV system, giving you the full benefit of access to your stored data. A Data Transformation Services (DTS) package pulls data from Microsoft Dynamics NAV into SQL tables. From here, other DTS packages transform and structure these tables into multidimensional cubes processed in Microsoft® SQL Server® Analysis Services.

[Will employees at branch offices also be able to get analytical insight into their own business operations?](#)

Employees at your subsidiaries will not need extensive IT support, but rather, can quickly generate reports based on the relevant parameters. Because of the Analysis Services cubes, controllers at headquarters can then access the reports in Microsoft Sharepoint, Microsoft Excel, or another program that they use in their daily work. The result is better visibility into your entire organization with faster and more efficient reporting tools.

[How can sharing master data, such as vendor and price lists, help my business?](#)

When data is maintained separately in different systems using different formats, it makes it inconsistent. If, however, the parent company shares master data across the entire organization, it brings with it a number of benefits. Time spent sending and re-entering data manually is reduced. Shared vendor data increases opportunities for quantity discounts. And p-to-date and consistent customer data at every point of contact helps increase customer satisfaction.

[How can Microsoft Dynamics NAV help headquarters and branch offices share master data?](#)

Microsoft tools for electronic exchange of data allow the entire organization to share master data. One such tool is XMLports, which are used to create XML documents. These documents can easily be sent to and read by another application. For example, an XMLport can be created containing your product catalog and price list. This data can then be exchanged between a parent company using one system and subsidiaries using Microsoft Dynamics NAV. Rather than imposing burdensome requirements on subsidiaries, which may have limited IT resources, both parties can rely on a straightforward and efficient means of exchanging data.

If the data you need to exchange with your subsidiaries is greater or more complex, then you can use an electronic data-exchange solution based on Microsoft BizTalk Server (Microsoft Business Solutions–Navision Commerce Gateway) in combination with the XMLports. Predefined document exchange functionality together with the XMLports allows the application to handle XML documents faster.

Are there any scenarios where my company might want to, not only share, but also exchange data between headquarter and subsidiaries?

Yes, there are a number of reasons why an organization might decide to share the responsibility for certain services with their subsidiaries. The organization's customers might deal with multiple subsidiaries but wish to receive one invoice from corporate headquarters. Or, the organization may wish to divide tasks based on local competencies, such as production or distribution capabilities at the subsidiary level. An organization might also want to centralize the payroll or procurement process at headquarters for greater efficiency or to receive bulk discounts.

What tools does Microsoft Dynamics NAV have for exchanging data between headquarters and branch offices?

Depending on your organization's needs, electronic exchange of data based on Microsoft BizTalk Server or functionality for intercompany postings might be the right solution for you. You could use Microsoft Dynamics NAV's BizTalk Server solution (Commerce Gateway) to map between the hub and spokes' different systems taking into account any difference in currencies. Whether a purchase order were made via headquarters or locally at one of the subsidiaries, the experience would be the same for the user.

If, however, the parent company and subsidiaries work on a closed network (such as a virtual private network), are controlled by the same legal entity, and do not need to map the data that originates in the subsidiaries' systems, then you could use the Intercompany Postings functionality in Microsoft Dynamics NAV. Intercompany Postings can help you create all the necessary documents (including sales and purchase documents and general ledger entries) for the entire workflow, for more than one company at a time.

The integration between hub and spokes for sharing services can help you achieve a more efficient workflow that reduces costs. What's more, subsidiaries may be more willing to adopt shared processes because you do not impose the corporate system on them. They will have the same user experience they are accustomed to in their Microsoft Dynamics NAV system.

Can the branch offices interact among themselves as well as with headquarters?

Yes, Microsoft Dynamics NAV can be set up to treat interdivisional transactions as normal sales and purchase transactions between divisions to support an integrated supply chain. Just as with the interactions between hub and spoke, which we saw in scenario 4 above, the spokes can interact among themselves using a BizTalk Server solution to exchange data electronically, or Intercompany Postings, depending on their needs.

If two subsidiaries need to carry out transactions among themselves, you simply set up a customer account for each of the relevant partners. Microsoft Dynamics NAV then treats them as they would any external customer and vendor. The transactions occur within Microsoft Dynamics NAV, and time is saved throughout your organization because you eliminate multiple data entry as well as the sending, receiving, and printing of paper documents at the various sites.

Can Microsoft Dynamics NAV help headquarters respond more proactively to critical business events at branch offices?

Yes, it is possible to set up alerts in Microsoft Business Notification that will automatically generate e-mail messages to inform you of critical business conditions at your subsidiaries, divisions, or partners. For example, you could get an email warning you that a subsidiary that you rely on to deliver raw goods has had an unexpected delay. You can use the out-of-the-box templates included with Microsoft Business Notification, and you can set up your own alerts based on the way you like to run your business.

How can I learn more about the Microsoft Business Solutions–Navision Hub & Spoke Concept?

To talk to someone about how Microsoft Dynamics NAV can help your organization, Contact your local Microsoft Business Solutions country office: www.microsoft.com/BusinessSolutions/worldwide.aspx.

For detailed technical information, you can find an installation guide and a technical white paper at www.microsoft.com/BusinessSolutions/Navision/hubandspoke. On the Microsoft Dynamics NAV product page, www.microsoft.com/BusinessSolutions/Navision/default.aspx, you can read case stories, and find the following fact sheets, which help make the hub and spoke concept possible:

- Business Analytics
- Business Notifications
- Commerce Gateway
- Industry Specific Solutions Tools
- Intercompany Postings
- Microsoft Dynamics NAV 4.0 Developer Toolkit (which includes the upgrade tool)
- XBRL
- XML Document Exchange (XMLports)

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