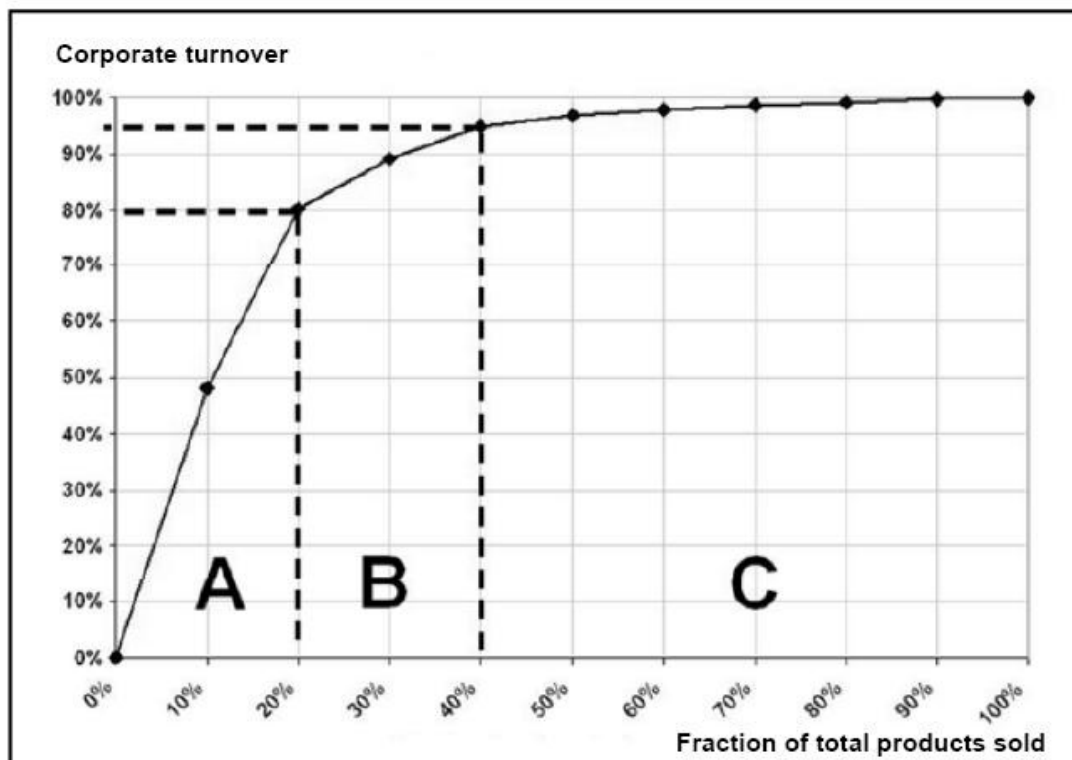


Introduction to ERP MS Dynamics NAV concise clauses = part seven:Pareto Analysis

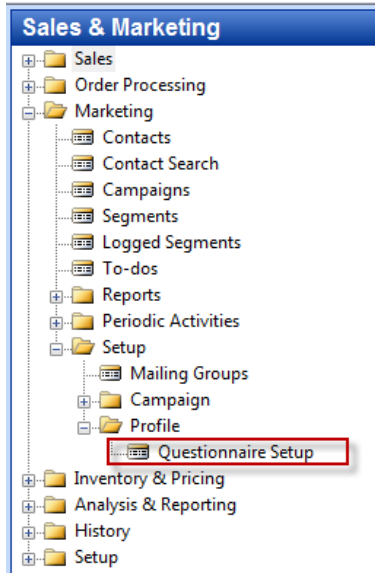
Created by : Jaromír Skorkovský
 Date : 7.11.2013
 Reason : Concise instrument helping in tuition and study
 Accompanying mat. : no

Analysis

1. Basically in ERP system you create document such as Sales orders, Purchase orders, Production orders, Credit Notes and so on. You register to the database all transaction connected to these documents by pressing F11. Then you create Item Ledger Entries, Customer Ledger entries, Dimension Entries, Vendor Entries, Value Entries, General ledger Entries an many, many more. In order to get out of these records the reasonable reports you need a simple tool in order to create an easy reports. The following example will show you how to get out of it data which can be used to mark by code A,B and C our business partner. This segmentation is necessary in order to support different group of our business partners. Pareto analysis is also called ABC analysis (do not mixture with Activity Based Costing please). This explanation follows another material (Pareto Analysis simplified which was uploaded to study material).So it is not intended to explain what does mean Lorenz Curve of ratio 80|20.



2. Go to Sales and Marketing ->Marketing and setup ->Profiles



3. From there you can open below already created questionnaires , which were explained during practical lessons. On questionnaire example which depends on the chosen Profile questionnaire code in upper part of the window is stated below :

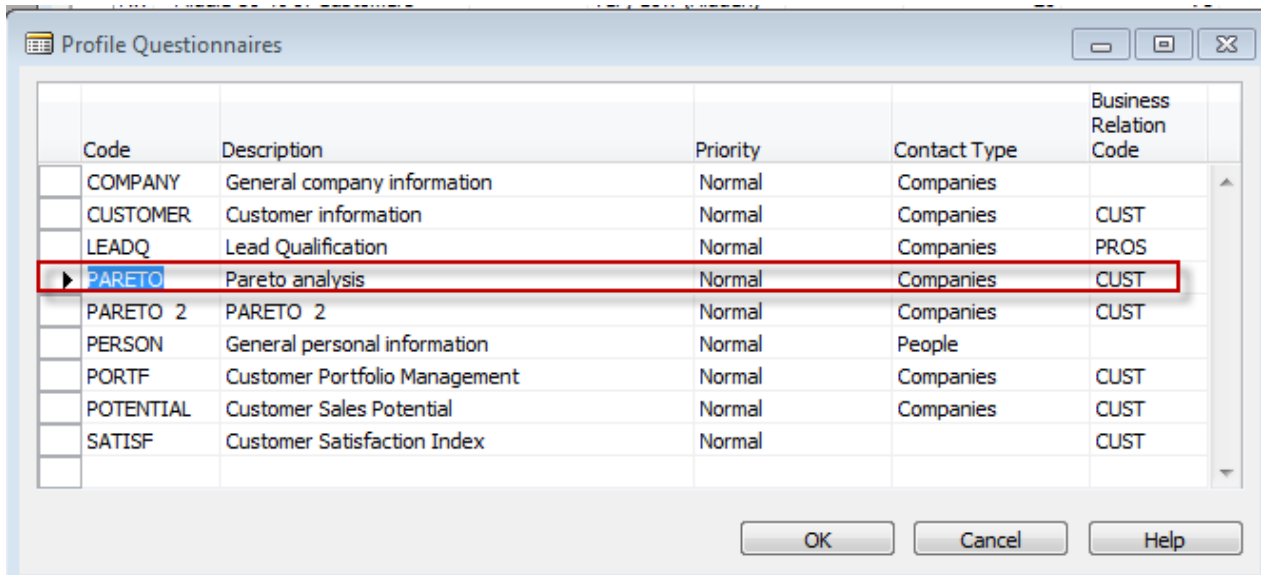
Profile Questionnaire Setup

Profile Questionnaire C... CUST... (dropdown)

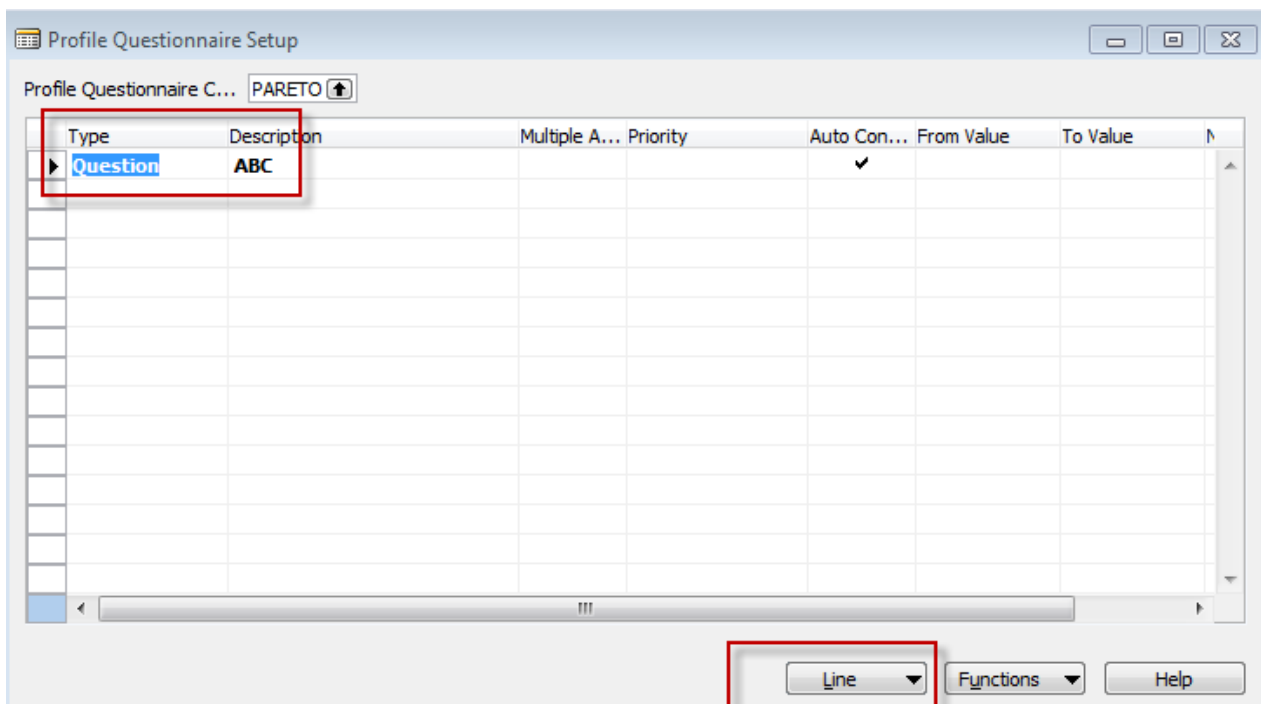
T...	Description	Multiple A...	Priority	Auto Con...	From Value	To Value	No. of Co...
Q..	Profit (LCY) last year			✓			
A..	Top 25 % of Customers		Very Low (Hidden)				25 17
A..	Middle 50 % of Customers		Very Low (Hidden)		26	75	34
A..	Bottom 25 % Customers		Very Low (Hidden)		76		17
Q..	Profit (LCY) Current Year			✓			
A..	Top 25 % of Customers		Normal				25 17
▶ A..	Middle 50 % of Customers		Normal		26	75	34
A..	Bottom 25 % Customers		Normal		76		17
Q..	Discount (%) Last Year			✓			
A..	High discount usage		High		5		
A..	Medium discount usage		Normal		2	4	
A..	Low discount usage		Very High				1 68
Q..	Discount (%) Current Year			✓			
A..	High discount usage		High		5		5
A..	Medium discount usage		Normal		2	4	1
A..	Low discount usage		Very High				1 62

Line Functions Help

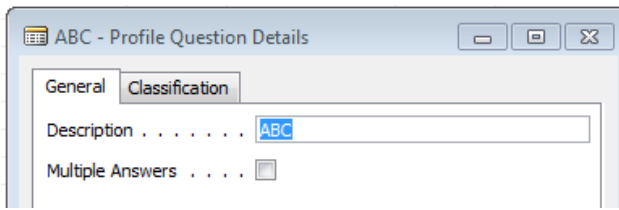
4. Go by F6 or mouse to upper filed (marked by res color and open it. Go down and create new code and a name of the new questionnaire (e.g. Pareto and Pareto analysis as it is shown below. You have to setup by F6 and Entre key also a type of the business relation code of the partner –Company and CUST (which means code for Customer). After setting a line (either at the end of this list or by use of F3 (new) push button OK bellow :



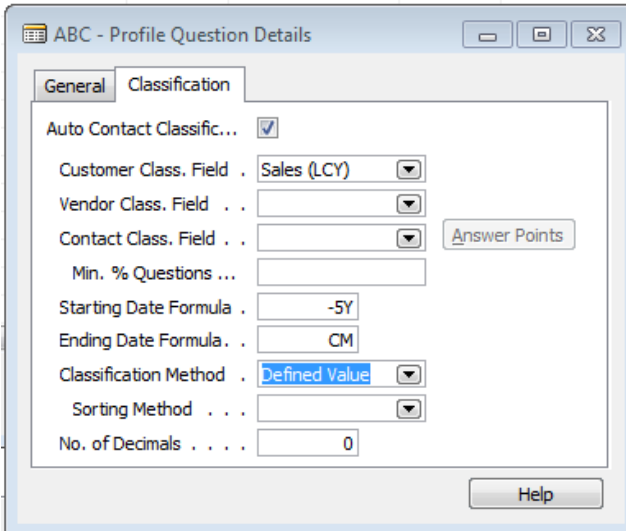
5. In the window below you have firstly modify a property of the question by pushing button line but before you have to choose the type of the first line as Question . After you push Line enter details of the question as it is shown below :



And details setting (by use of F6 -> the values of the fields can be optional) :



and



The detail of the question means, that you have to scrutiny all issued invoices from the time five years ago til the end of the current month.

Ctrl-F5

Customer

Posting Date	Document Type	Document No.	Customer No.	Description	Curre... Code	Original Amount	Amount	Remaining Amount	Due Date
31.12.07	Invoice	00-12	20000	Opening Entries, Customers		55 010,04	55 010,04	0,00	31.01.08
31.12.07	Invoice	00-14	20000	Opening Entries, Customers		38 083,88	38 083,88	38 083,88	31.01.08
31.12.07	Invoice	00-2	20000	Opening Entries, Customers		42 315,42	42 315,42	0,00	03.01.08
31.12.07	Invoice	00-5	20000	Opening Entries, Customers		25 389,25	25 389,25	0,00	04.01.08
31.12.07	Invoice	00-8	20000	Opening Entries, Customers		50 778,50	50 778,50	48 945,77	10.01.08
10.01.08	Payment	2594	20000	Payment 2008		-42 315,42	-42 315,42	0,00	10.01.08
10.01.08	Payment	2594	20000	Payment 2008		-25 389,25	-25 389,25	0,00	10.01.08
10.01.08	Payment	2594	20000	Payment 2008		-55 010,04	-55 010,04	0,00	10.01.08
13.01.08	Invoice	103008	20000	Order 103004		787,40	787,40	787,40	23.01.08
15.01.08	Invoice	103009	20000	Order 103012		215,83	215,83	215,83	27.01.08
15.01.08	Credit Memo	104002	20000	Credit Memo 104002		-787,40	-787,40	0,00	15.01.08
18.01.08	Credit Memo	104003	20000	Credit Memo 104003		-1 145,33	-1 145,33	0,00	18.01.08
21.01.08	Invoice	103014	20000	Order 103007		1 145,33	1 145,33	1 145,33	28.01.08
21.01.08	Invoice	103002	20000	Invoice 103002		6 971,78	6 971,78	6 971,78	04.02.08
01.11.12	Invoice	103038	20000	Invoice 1009		178,50	178,50	178,50	14.01.13

6. Than you enter three lines for A, B and C type of the customer and limits of the sales sums which represent more and less type of the ABC specification . After entering limits for Sales you push Function and Update classification) .When you go back to the columns No of Customers and you put a cursor there you will get a number of customer which belongs to the specification (from amount –to amount) :

Description	Multiple A...	Priority	Auto Con...	From Value	To Value	No. of Co...
ABC			<input checked="" type="checkbox"/>			
A		Normal		2 001	3 000 000	2
B		Normal		101	2000	4
C		Normal			100	63

7. By use of F6 form the field No of Customer you will get to the list of contacts and if you open one of them by going to contact number , F6 and from there going to the contact card by Shift-F5 you will get :

Question	Answer	Ques...	Last Date ...
Discount (%) Current Year	Low discount usage		31.01.08
Discount (%) Last Year	Low discount usage		31.01.08
ABC	B		07.11.13
Customer Purchase Frequency...	< 3 times a year		31.01.08
Customer Purchase Frequency...	< 3 times a year		31.01.08
Turnover (LCY), Last Year	low (below 1,000)		31.01.08
Turnover (LCY), Current Year	low (below 1,000)		31.01.08
Profit (LCY) Current Year	Bottom 25 % Customers		31.01.08
Company Ownership	Stock Exchange		31.01.08
No. of employees	100..499		31.01.08