



## Microsoft Dynamics Customer Solution Case Study

# Petro-Canada eliminates redundancies and cuts administration time with Microsoft Dynamics™ AX

### Overview

**Country:** Canada

**Industry:** Retail

#### Customer Profile

Petro-Canada is one of Canada's largest oil and gas companies, operating in both the upstream and downstream sectors of the industry in Canada and internationally. It is Canada's second-largest downstream company with refining and supply operations, retail and wholesale marketing networks, and a specialty lubricants business. It is "Canada's Gas Station" with a network of 1400 retail locations.

#### Business Situation

Petro-Canada needed to update its aging legacy inventory and financial systems. Installed throughout 700 retail locations, the time consuming system was difficult to use and expensive to upgrade.

#### Solution

Petro-Canada enlisted Ideaca Knowledge Services to help customize and deploy a solution based on Microsoft Dynamics AX combined with Microsoft BizTalk Server and a Web-based user interface.

#### Benefits

- Real-time efficiency
- Faster reporting process
- Easier system-wide upgrades
- Accelerated training process

“When we looked at what was available in the market, Microsoft Dynamics AX was the solution that met the majority of our needs right out of the box. It met about 75 to 80 per cent of our requirements right away.”

*Ken McLaughlin, Manager Retail Systems and Support, Petro-Canada*

Petro-Canada is one of Canada's largest oil and gas companies, operating in both the upstream and downstream sectors of the industry in Canada and internationally. It is Canada's second-largest downstream company with refining and supply operations, retail and wholesale marketing networks, and a specialty lubricants business. It is "Canada's Gas Station," with a network of more than 1,400 retail locations, including 700 retail franchise locations, across the country. Petro-Canada needed to replace a legacy inventory and financial system throughout its chain of 700 retail franchise locations. The legacy system was difficult to use and expensive to maintain. Petro-Canada turned to Microsoft® Gold Certified Partner Ideaca Knowledge Services to develop an easy to use, integrated system that could be centrally maintained from head office. The new system, based on Microsoft Dynamics AX, has reduced the time franchisees need to complete their monthly reporting processes and allows upgrades to be deployed in a matter of hours instead of months. As a result, Petro-Canada's associates now realize more value as they now spend less time on administrative work, allowing them to focus on store operations and customer service.

## Situation

In 2004, Petro-Canada's legacy retail site inventory and financial systems were nearing the end of their lifespan. The decade-old infrastructure was locally installed throughout 700 of the company's franchised service stations and convenience stores across Canada. Designed for store associates to maintain inventory and financial data, the applications were complex and difficult to use.

"A lot of the problems arose from moving information from one system to another," says Ken McLaughlin, Manager of Retail Systems and Support, Petro-Canada. "We had an independent system for associates to manage and control their inventory and a separate system for financials and reconciliation. In order to complete month-end reports, associates had to transfer data from one system to another, which was time consuming and prone to error."

The legacy system was based on a mix of custom and packaged software – some of which was no longer supported. According to McLaughlin, the existing solutions were no longer able to support the changing needs of their associates, nor support new business and marketing strategies of Petro-Canada.

"We want our retail associates to be managers, not bookkeepers and accountants," says McLaughlin. "We're not looking for people who have an advanced knowledge of business systems to manage our stores. We want to hire people who are skilled at serving our customers and managing store operations."

Petro-Canada also faced growing system maintenance costs and lengthy upgrade times. The legacy applications were locally installed on desktop PCs at each of the 700 gas stations, which often meant a technician had to be dispatched to each site to manually

install upgrades. At an average cost of \$200 per site visit, a single upgrade across Petro Canada's 700 franchise locations could cost upwards of \$140,000. This was not only a costly process, but a slow process – a system upgrade requiring a technician install often took months to complete.

The challenges were finding a solution that was easy-to-use and maintain, yet still support Petro-Canada's unique business processes.

## Solution

In June 2004 Petro-Canada began looking for a retail point solution and considered four applications and providers.

"When we looked at what was available in the market, Microsoft Dynamics AX was the only solution that met the majority of our needs out of the box," says McLaughlin. "It met 75 to 80 per cent of our requirements right away. The scalability and customization options available through Microsoft Dynamics AX were a key selling point."

The solution selected by Petro-Canada is based on Microsoft Dynamics AX, a multi-language, multi-currency enterprise resource planning (ERP) application. Microsoft Dynamics AX was combined with Microsoft BizTalk® 2003 Server and a Web-based user interface accessible through Microsoft Internet Explorer® Internet browser. The entire system would be accessible by desktop computers running Microsoft Windows XP operating system.

Petro-Canada enlisted Toronto -based Ideaca Knowledge Services, a national company with offices in Toronto, Calgary, Vancouver and Edmonton, to help select the right solution for their business, and assist with design, configuration and customization. Ideaca began resourcing the project in August 2004, base development was completed by June

2005, and first sites went live in September, 2005. After a 3 month pilot, the new system was rolled out nationally to all 700 users within 5 months.

“We performed an in-depth analysis of Petro-Canada’s vision and business requirements for the new system and determined that Microsoft Dynamics AX was the best fit for them,” says Barnaby Chan, Consulting Director, Ideaca Knowledge Services. “The product had a number of out-of-the-box tools and modules that were able to meet Petro-Canada’s requirements.”

Ideaca designed the new system with Microsoft Dynamics AX as the centralized application, accessible to all of Petro-Canada’s franchise locations by a web user interface and effectively consolidated the hundreds of localized systems across Petro-Canada’s network. The separate applications at each site were eliminated.

Since the previous user interface was one of the main reasons managers had such a difficult time using the old system, it was essential that the new interface be simple and easy to use. Petro-Canada and Ideaca determined the best solution would be a .NET web user interface on top of Microsoft Dynamics AX. The customized user interface provided the ease of use that Petro-Canada was looking for. In addition, because the interface was accessible through Microsoft Internet Explorer, managers would have direct access to the system from any computer and location on Petro-Canada’s wide area network.

## **Benefits**

Almost immediately following deployment, Microsoft Dynamics AX provided Petro-Canada with the opportunity to transform the way it conducts business. Microsoft Dynamics AX provided efficiencies, real time access to information, improved reporting

capabilities, faster system wide upgrades and accelerated training.

### ***Real-time efficiency***

Petro-Canada’s newly consolidated system has eliminated the need to enter data into multiple systems. Sales data is automatically captured from the sites’ point-of-sale systems on a perpetual basis and updates the inventory systems in Microsoft Dynamics AX. Corresponding financial entries are automatically posted. Associates enter store level expenses from the web interface and financial entries are automatically posted. This gives Petro-Canada’s associates a real-time snapshot of their inventory status or financial position on demand.

“We are seeing an excellent return on investment with our automated financial reporting and inventory systems,” says McLaughlin. “The original data input stage involved three separate applications which has now been reduced to one. We’ve also reduced our cycle times by one to two hours per day. If you take into account the hundreds of Petro-Canada retail associates affected by this change, the collective time savings add up to thousands of business hours each year.”

### ***Faster reporting process***

Petro-Canada’s retail managers can close month-end reports much faster than on the previous system, and the entire process can be completed in five business days or less. This process used to take anywhere from 10 to 15 business days.

“Our associates were spending a lot of time on administration, bookkeeping, and day-to-day paperwork. We were looking to cut that in half, which we achieved with the Microsoft Dynamics AX solution,” says McLaughlin.

### ***Easier system-wide upgrades***

System upgrades, which previously took months to implement, are now completed in a fraction of the time. Because the application is housed in a centralized data centre, upgrades can be installed in one place and functionality pushed out to all of the retail locations simultaneously instead of in phases. Petro-Canada no longer needs to send technicians to each site for a manual installation or upgrade.

“The long rollout process for our system maintenance and upgrades has been completely eliminated,” says McLaughlin. “Using the centralized Microsoft Dynamics AX environment, we can have an upgrade completed within a two hour window. This is a big improvement over our previous timeframe of approximately four months.”

### ***Accelerated training process***

Because Microsoft Dynamics AX is based on the familiar Microsoft Windows environment, it's easier for Petro-Canada's staff to use and it's easier to train new employees. The simplified Web-based interface designed by Ideaca allows new associates to quickly learn the system and spend less time in the classroom. Since deploying the Microsoft Dynamics AX system, Petro-Canada has been able to reduce training time and associated costs by 50 per cent. New associates now spend only five days in the classroom instead of 10.

“Going into this project, our primary objective was to create a solution to help make the job easier for our store associates,” says McLaughlin. “From our perspective, the Microsoft Dynamics solution has accomplished this and provided us with a strong platform that will continue to grow with us in the future.”

## For More Information

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## Microsoft Dynamics

Microsoft Dynamics is a line of integrated, adaptable business management solutions that enables you and your people to make business decisions with greater confidence. Microsoft Dynamics works like familiar Microsoft software such as Microsoft Office, which means less of a learning curve for your people, so they can get up and running quickly and focus on what's most important. And because it is from Microsoft, it easily works with the systems that your company already has implemented. By automating and streamlining financial, customer relationship, and supply chain processes, Microsoft Dynamics brings together people, processes, and technologies, increasing the productivity and effectiveness of your business, and helping you drive business success.

For more information about Microsoft Dynamics, go to:  
[www.microsoft.ca/dynamics](http://www.microsoft.ca/dynamics)

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### Software & Services

- Microsoft Dynamics AX
- Microsoft BizTalk Server 2003
- Windows Internet Explorer

### Partners

- Ideaca Knowledge Services

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