



**RISK ASSESSMENT & DIAGNOSIS**

**Medium Fit**

High pain signal across multiple operational areas — clear ROI targets exist · Core systems in place — foundations for AI are present, though some data work will precede the build

Meridian Industrial Systems operates a largely manual approval and data-entry workflow that creates bottlenecks across procurement, engineering, and finance. Purchase orders exceed four-step email chains with no visibility, ECOs queue indefinitely awaiting signatures from unaware approvers, supplier audits require weeks of document hunting, and AP processes ~300 invoices monthly at 3–4x industry-best unit cost. The Dynamics ERP foundation exists but lacks configured approval routing and data integration to automate these flows.

**WHERE AI CAN MOVE THE NEEDLE**

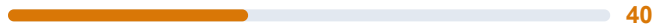
**Document & Data Flow**



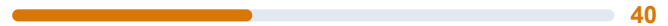
**Approvals & Workflow**



**Supplier & Production Visibility**



**Compliance & Operational Visibility**



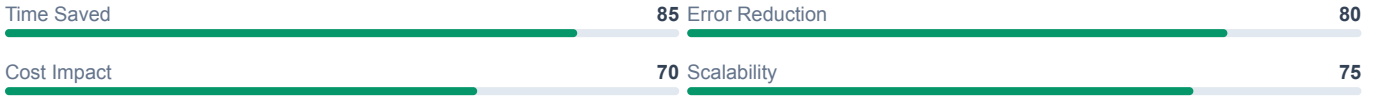
**EXECUTIVE SUMMARY**

Meridian Industrial Systems operates manual approval chains and data-entry workflows that cost 3–4x industry best practice and delay critical business processes (ECO cycle time measured in weeks, customer audits requiring 6 weeks prep). Dynamics 365 foundation exists; phased automation of invoice processing, ECO routing, supplier visibility, and quality workflows will reduce unit processing cost by 70%, collapse approval cycle times to days, and deliver \$320k annual savings within 12 months.

### 1 Invoice & PO Processing Automation

Low complexity · Under 3 months

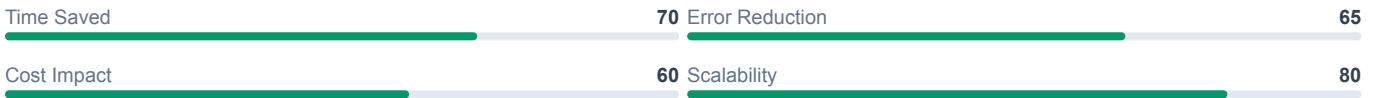
Manual matching and data re-entry consume AP team capacity at \$9.40/invoice vs. \$2.78 best-in-class. Automating PO-to-invoice matching and exception handling via Dynamics integration will reduce unit cost by 70% and free ~340 AP hours annually for higher-value work.



### 2 Engineering Change Order Approval Routing

Medium complexity · 3–6 months

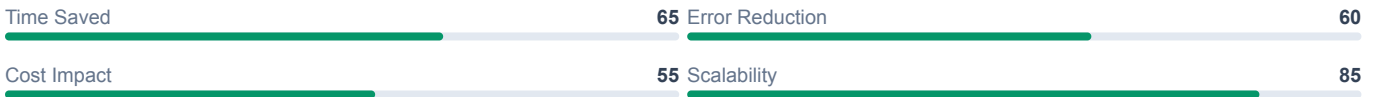
ECOs currently sit in an ad-hoc queue pending email sign-offs; Dynamics lacks native ECO approval routing (no ECORev/ECOGROUP workflow configured). Rule-based approval routing with exception escalation will collapse cycle time from weeks to days, unblocking production releases and customer notifications.



### 3 Supplier Data Integration & Visibility

Low complexity · Under 3 months

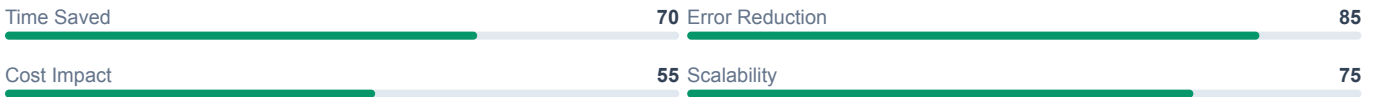
Supplier order status and qualification documents are scattered across three systems and email; 81% of manufacturers still learn of disruptions via email. Integrating supplier data into an expedite list with automated visibility dashboards eliminates chase-down calls and reduces response time to disruptions from days to hours.



### 4 Quality & Non-Conformance Workflow Automation

Low complexity · Under 3 months

NCR and CAPA processes lack automated routing; a single customer defect triggers 15–40 hours of engineer time (\$57k–\$152k annually at 10 incidents/quarter). Configuring NCMHead/NCMDtl automation in Dynamics with rule-based escalation will reduce CAPA cycle time from 60 days to 14 days and prevent customer impact.



### ● Quick Win: Data & Automation Foundation (0–8 weeks)

Deploy invoice-to-PO matching automation, activate supplier data pipeline integration, and configure NCM auto-routing in Dynamics to demonstrate measurable cost and time savings.

- Enable OCR and three-way matching for 300+ invoices/month via Dynamics and Power Automate; target 70% auto-approval.
- Integrate supplier master and purchase order data; publish expedite list dashboard to procurement.
- Configure NCMHead/NCMDtl auto-routing and CAPA task creation; reduce audit scramble by centralizing quality documents.
- Train AP, procurement, and quality teams on new workflows; measure: processing time, cost per invoice, document retrieval time.

### ● Core Build: Approval Routing & Workflow (2–5 months)

Deploy rule-based approval routing with exception escalation for purchase orders and engineering changes. Configure Dynamics ECORev/ECOGrouptables to automate ECO sign-off chains and eliminate email-based approvals.

- Map PO approval rules by dollar tier and requestor role; configure escalation paths for >\$10k orders in Dynamics workflow.
- Design ECO routing matrix: owner → design engineer → manufacturing engineer → program manager; activate ECORev/ECOGrouptables with automatic notification.
- Implement exception escalation: if an approver does not act within 48 hours, case moves up the chain or to supervisor.
- Integrate Dynamics approval status into procurement and engineering dashboards; eliminate 'where is my approval?' chases.

### ● Mature State: Predictive & Proactive Ops (5–6 months+)

Layer supply-chain visibility analytics and predictive quality alerts onto the core workflow layer to enable proactive decision-making and supplier collaboration.

- Activate supplier lead-time and risk monitoring; surface early warnings via expedite list when delivery variance detected.
- Build predictive quality alerts tied to incoming inspection and historical defect patterns; auto-trigger supplier SCAR and 8D workflows for automotive-line incidents.
- Establish audit readiness dashboard: certifications, SCAR status, NCR closure rates, supplier scorecards — all current and exportable for customer audits.
- Conduct continuous process improvement cycles: measure OTD trend toward 95% (vs. current ~80%), audit prep time toward <10 days (vs. current 6 weeks).

## FOR YOUR CFO — THE COST OF THE PROBLEM

Annual friction costs total ~\$426k: 40 stuck ECOs × 20 engineer-weeks + 300/month invoices × (\$9.40 – \$2.78) + 10 quarterly customer audits × 160 hours + 10 quality incidents × 30 hours. Phase 1 automation saves ~\$145k annually (AP reductions + audit prep); Phase 2 ECO routing saves ~\$95k (engineer productivity); Phase 3 proactive quality saves ~\$80k (reduced SCAR/8D cycles). Total addressable savings over 12 months: ~\$320k with payback in 9–11 months.

## FOR YOUR IT TEAM — INTEGRATION COMPLEXITY

Dynamics 365 API coverage is strong; low-complexity integrations with Power Automate for approval routing and OCR-based invoice matching can be deployed in parallel. Data governance and supplier master hygiene are prerequisites; plan 4–6 weeks of parallel data cleansing before production cutover.

## ERP INTEGRATION NOTE

Integration complexity: Low-Medium. Microsoft Dynamics 365 has strong API coverage and integrates well with the Microsoft ecosystem (Azure, Power Platform). If you're already using Microsoft 365, the integration surface is broader and faster to connect.

### Talk through what a build would actually look like

A 30-minute conversation with an Exaud engineer — not a sales pitch, not a consultant. We'll look at your top opportunity, what connecting to your ERP actually requires, and what a scoped build would cost and take.

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