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MBS Navision 3.7 - FINANCIALS
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Contents

Microsoft Business Solutions Navision – PACKAGE AND VENDOR BACKGROUND

Product	**MBS Navision, Financials**
Version Number	**3.7**
Date released	**July 2003**
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Note on terminology

In this review the terms Nominal Ledger(NL) and General Ledger (GL) mean the same thing and are used interchangeably. The former term is British, the latter American. Similarly PL means Purchase Ledger (AP in US) and SL means Sales Ledger (AR in US).

Introduction

Navision has been supplying accounting systems since 1987. Based in Denmark, it rose to prominence there with their first product, known as Navigator. It then began selling in other countries and came to the UK in 1995. Navision now has around 30% of the Danish market, with a strong presence in 30, mainly European, countries.

Navision has been remarkable in its willingness to rewrite the software if technology demanded it (the application is now on its third complete rewrite). In the mid-1990s this strategy paid off as it introduced a Windows version of Navision just at the time when many customers were looking to migrate from DOS. The established vendors had very little to offer at this time, and Navision made its name as an excellent mid-range Windows accounts package against very little competition.

The company has undergone major changes in recent years. In 2001 it acquired another Danish company, Damgaaard. Then it went public. Finally, in July 2002 it was taken over by Microsoft, and is now part of the Microsoft Business Solutions group (MBS).

Most vendors in this middle to upper price range tend to specialise, but Navision offers a broad set of modules and is equally strong in the mid-range distribution and financial sectors. Above all, it aims at medium size organisations that need an integrated set of both operational and back office applications.

MBS Navision has approximately 1,600 installations in the UK. All sales are made indirectly through its network of some 85 dealers.

The Product

MBS Navision was first released April 1996. It is now on version 3.7, which was released in July 2003. It is a client-server based system which runs under 32-bit Windows. The main server can run on PC's, as well as other platforms such as HP UX, IBM AIX, and IBM I Series.

About 70% of systems sold use Navision's proprietary database, with the other 30% running on Microsoft SQL Server. A typical user size would be perhaps 18-20 concurrent users, costing around £30,000.

Navision has a complete range of modules in addition to Financials - Distribution, eCommerce, CRM, Costing and Manufacturing. This review takes a look at the Financials.

MBS Strategy

At this point it might be worth asking where Navision fits in Microsoft's overall scheme for business applications. In assembling the Microsoft Business Solutions group over the past few years, Microsoft has gathered together several accounts packages which occupy a similar space in the market. In 2001 it bought the US developer Great Plains, and then another US company, Solomon. In 2002 it bought Navision, which brought Damgaard in its wake.

Solomon has limited presence in the UK and can be discounted. Great Plains has about the same number of sites as Navision, most of them in the 12-15 user range. Most of its success in the UK has been in the areas of specialist financials and project accounting. Damgaard is a specialist package too, being aimed at more complex ERP and manufacturing implementations.

Navision is a high-quality general purpose package which has sold well in both Financials and Distribution. It is highly customisable, and being a European rather than a US package, is likely to be better at handling things like VAT, the euro, and multiple currencies. So Navision is probably the strongest of the four packages, and likely to be the backbone of any future development of the MBS range.

LAB TEST SUMMARY - MBS Navision 3.7

			POOR	FAIR	GOOD	VERY GOOD	EXCELLENT
TRANSACTION PROCESSING	1.1	OPEN PERIOD ACCOUNTING			■	■	
	1.2	DIRECT INVOICE ENTRY	■	■	■	■	■
	1.3	INVOICE AUTHORISATION	■	■	■		
	2.1	NOMINAL LEDGER UPDATE	■	■	■		
	2.2	ERROR CORRECTION	■	■	■		
	3.1	REQUISITIONS AND ORDERS	■	■	■		
PAYMENTS	4.1	CREDIT LEDGER ENQUIRY	■	■	■	■	
	4.2	RECEIPTS & CASH ALLOCATION	■	■	■	■	■
	4.3	BATCH PAYMENTS	■	■	■	■	■
	4.4	BANK RECONCILIATION	■	■	■	■	
	5.1	MULTICURRENCY	■	■	■	■	
	6.1	EASE OF USE RATING	■	■	■	■	
	6.2	CONFIGURABILITY	see review for detail	■	■	■	■
MANAGEMENT REPORTING	7.1	G L CODING STRUCTURE	■	■	■	■	
	7.2	CODING HIERARCHIES	■	■	■		
	8.1	GL REPORTS & ENQUIRIES	■	■			
	8.2	EXPORT TO EXCEL	■	■	■	■	
	8.3	REPORT WRITER	■	■			

1.1. System Design –Accounting Periods

Navision offers you an unlimited number of periods. There is an accounting period setup program in which you can define your own periods, whether daily, weekly, monthly or quarterly. You set your own opening and closing dates, so creating a 4-4-5 series presents no problem. You can assign a name to a period, so period one can be named "May". Good. You can also mark a period as Closed to prevent backposting.

You can post to any open period in Navision. If a period is closed, you can re-open it under password control and enter a new transaction. Navision will recalculate all the carry forward balances. You can also post forwards to any open period.

At month end you can move the Sales Ledger forward to the next month while keeping Purchase and Nominal Ledger in the old month. Navision does this at a user level. In User Setup you assign each user an Allow Posting From and an Allow Posting To date to control this. This could get a bit longwinded if you have many users, so most Navision resellers have created a report whereby you can group users and update the dates for all of them in one go, whether they work on SL, PL or NL.

Curiously, these periods are not very apparent throughout the system. The period number does not appear on the invoice entry screen, and the filter options for printing reports and screen enquiries invariably ask for a date range rather than a period number. Navision has created period numbers as an add-on for the UK market since period-based accounting is not the norm in Europe. Over there they calculate this period's figures as simply being this month's YTD cumulatives less last month's YTD cumulatives.

1.1.1. Audit Trail Numbering

Generally speaking, the more transaction types you have in a system, the easier it is to audit. There are many transaction types in Navision – in Purchasing alone there were 12. Each is assigned its own sequential series and each has its own unique prefix. Good.

Interestingly, there is one series for purchase invoices and another for posted purchase invoices. The thinking behind this is that after an invoice has been entered on to the system, it might still be rejected. This would leave a gap in the sequential series. To avoid this, when an invoice is finally committed to Navision it is assigned a new number, eg transaction type PINV, number 108027.

Ideally, the PINV prefix would have been physically combined with the sequential number to make a unique reference PINV108027.

For auditing purposes, you can set up a Change Log to register changes made to ANY field in Navision. Very good.

All in all, then, in the areas of open period accounting and auditability, Navision's basic design is clear and comprehensive.

1.2. Direct Invoice Entry

We started by entering a purchase invoice directly onto the system, (as opposed to creating one through a purchase order). We went into Payables-Purchase Invoices to enter the invoice and then to send it off to a manager for authorization (section 1.3).

1.2.1. Invoice Header

Initial impressions of the initial data entry screen were good. Previous versions of Navision have offered rather stark screens in grey and white, but in this latest version they are softened with pleasant blues and creams.

The screen combines both the header detail and transaction lines. You can maximise the screen to make plenty of space for both. To avoid clutter, the header details are spread among five tabs, but in whichever tab you are, the detail lines remain displayed in the bottom of the screen. Good.

It would be nice if Navision used different background colours to distinguish fields requiring data entry from those containing system-generated data, but overall the screen is easy to read.

We pressed Enter to accept the system's next purchase invoice number. It was 1002.

The supplier was Service Electronics. Not knowing their account code, we typed in "S" and pressed Enter, and up came a list of suppliers starting with S. There is also an F6-Find feature which allows you to lookup on the whole field, the beginning of the field, or a string within a field. Good.

The account code for Service Electronics Ltd in the demo system was 50000. However, you can use alpha codes as well.

Navision asks for two dates. The first, the Posting/Tax Point Date is system-generated. This is the date of posting and determines the period number. The second date was the Document Date, which is the actual date on the invoice. We typed in the date here and Navision automatically calculated the Due Date from it. Good.

The period number was NOT displayed. The period number is automatically generated from the posting date, but personally I would still like to have seen it.

If the vendor's invoice number is duplicated on THIS vendor, you can't post. Good.

If the invoice is not in local currency, you can click on to the Foreign Trade tab and choose another currency. You can also go into another tab and enter analysis codes into the header which will feed through automatically into the GL transaction lines. Good.

You don't enter the Gross or VAT amounts into the header. They are auto-calculated from the entries and you compare them to the invoice afterwards.

1.2.2. Invoice Detail

The bottom half of the screen is presented in the form of a grid where you enter and analyse each line of the invoice. You can define which fields you want to appear in the grid by right-clicking and selecting Show Columns. Navision displays a list of the available fields and you tick the ones you want to appear in the grid. You can widen columns and re-arrange them in the order you require. If you select a field with a long column name, for example VAT Code Post Group, Navision squashes it to save space. All this is excellent.

When you enter a line, Navision asks you what Type it is. You can choose whether it is a GL Account line, an Item (ie a product), a Fixed Asset or a Resource. When you move to the next "No." field and call up a lookup list, Navision will display a list of the GL codes or a list of the product codes, depending on which line type you selected.

This is excellent. One of the peculiarities of many accounts packages is that they only allow you to analyse purchase invoice costs to a GL code, not to the actual product code being purchased. Navision does not have this limitation and will appeal to users who wish to record the purchase price of things they buy but don't want the bother of having to install Purchase Order Processing to do so.

If you choose an Item line type, you can enter additional details such as part number, quantity, unit price, discount or net.

We applied our standard purchase invoice test, entering three GL lines for three flights, one to Paris, one to Oslo and one to Geneva, all analysed to the same GL code but to different cost centres.

We wanted to analyse the costs to GL account code 8420, Entertainment and PR. Looking up the GL code was very easy. We just typed in "Enter" and hit the Enter key. Looking it up by string was easy too. In this case, we went into the Name field, typed in "PR" and hit Ctrl-F.

Out of the box you can enter up to five analysis codes on a single line, which should be enough for most users. In each field Navision will display a lookup list of the available codes and you select the one you want. I wondered if the GL code could be defaulted from the supplier record and was assured that this feature could be added in within five minutes.

Moving around within the grid was very easy. You can move back up to a previous line via Up Arrow and Down Arrow keys – there is no need for the abysmal Shift-Tab. F8 will copy a previous value from the line above. [Navision makes extensive use of Function keys for fast data entry. There is a useful screen display which shows the meaning of the all the F, Shift-F and Control-F keyboard shortcuts].

1.2.3. VAT Details

VAT is rather hidden away. To see it, choose Invoice–Statistics–F9. This shows the invoice and VAT totals calculated by Navision. If they differ from the supplier's invoice, you can amend the VAT total and the application will apportion any amount automatically back to the individual lines of the invoice. This is good, but some

packages are better in that they ask you to enter Gross and VAT in the invoice header, then beep a warning if they differ from the calculated amounts. In Navision this task falls on the operator.

1.2.4. Save Invoice

Once we had finished entering the invoice, we just hit Escape key to come out. Navision saves the invoice, but does not Post it, that is, commit to the ledgers. You can hit the List button to show a list of uncommitted invoices.

You can hold the invoices in this state until they have been checked or authorised by a supervisor. This is important since once invoices have been posted in Navision, they cannot be changed.

We decided to go ahead and post straight away. Because of the time which may elapse between entry, authorisation and final posting, Navision at this point attaches a new number to the invoice. Originally the number was 1002. But when the invoice is posted it gets a six digit number, 108028. This obviates the problem that invoices may be entered on the system, but later rejected and deleted. So there are no gaps in the transaction series. Good.

1.3. Invoice Authorisation

Invoice authorisation in Navision is pretty basic. Other packages contain workflow features that allow the Bought Ledger clerk to send off invoices to managers for authorisation via email. But there is none of this in Navision. Perhaps resellers can provide this, but it is a surprising omission since many users within Navision's target market are likely to want some sort of workflow features, and it would be quite easy to do. Navision already captures the Purchaser Code; all that is necessary is to add an email address in setup.

Authorisation in Navision assumes that the paper invoices will be sent out to the manager, authorised, and then returned to the Bought Ledger clerk for approval on the system. Once the BL clerk receives back a load of authorised invoices, it is easy to mark them as approved. We listed the unposted invoices on the screen, then went through the list pressing Ctrl-F1 to mark approved invoices. To do the entire list we hit the Page Down key. Then we chose to View–Marked only–Posting–Post Batch. It was all pretty quick.

2.1. Nominal Ledger Update

After posting the invoices we wanted to print an audit trail report showing what we had entered. We clicked on the "Reports" menu which showed a list of all the reports in Purchase Ledger. We chose Daybook Vendor Ledger Entry, which listed the invoice numbers, net, VAT and GL analysis – but no GL narrative or dimensions. These can be found in a separate report called Purchase Details. This was the first indication of a problem that was to occur later in Navision - that essential data is often spread over several reports.

Next we did an enquiry on GL account 8420, Entertainment and PR, to see what had come through. Unfortunately, Navision failed the three flights test. Although the three transaction lines were listed, the narrative (flight to Paris, flight to Geneva, etc) hadn't come over. Instead Navision had brought over "Invoice no 1002" - a description applying to the invoice as a whole. This is a blow since it is the GL Narrative that tells you what the expense actually is. Not good.

[Navision points out that you can see the GL narrative via another menu option, Direct Purchase Details. However, the fact remains that you cannot scan quickly through a list of expenses on the screen and see the GL narrative on each. Apparently this applies to all transaction types except journals.]

2.2. Error Correction

As described above, Navision has a two-stage routine whereby invoices are first entered, and then can be held on the system until posting. In this pre-posting state they can be amended. However, after an invoice has been committed to the ledgers it cannot be changed.

Realistically, many companies using Navision will have a fairly large number of transactions each day and it will not be practical to check them all before updating to the GL. So any errors in transactions will have to be corrected by a journal, in effect compensating the one error by entering another one.

This is a pity. Other packages allow you to correct errors by amending the original invoice. But this is not possible in Navision because the GL transaction file is a separate extract from the source transaction rather than the actual source transaction itself.

2.2.1. Credit Notes

Another way to correct a transaction is to enter a reversing transaction. This can be done very easily via the Copy Document option which is available throughout Navision. So, to create a credit note go into the Credit Memo option, then Function–Copy Document. Navision will pull up a list of all the posted invoices on the system and you just select the one you want to reverse. The new credit note is automatically cross-referred to the original invoice, and is automatically allocated against it on the ledger. It also automatically defaults to the current period and date. Very neat.

To create the new sales invoice, you just pull up the old one, make a copy, then make any changes.

This Copy Document feature can be a good time-saver. The principle is similar to Word. Instead of typing in every letter from scratch, you recall an existing document, then amend and save it under another name.

There is in fact one way you can change a posted invoice. If a customer is late paying an invoice, the credit controller can amend the Due Date field on the invoice to reflect the latest promise date. Good.

3.1. Requisitions & Purchase Order Processing

Rather than enter purchase invoices directly, some organisations start earlier in the cycle by raising the original requisition and purchase order on computer. This allows the whole process from requisition to order, delivery and payment to be automated.

This process is often facilitated by workflow, whereby requisitions, orders and invoices can be raised directly by end users rather than by the accounts department. The documents are emailed between manager, supplier and Bought Ledger clerk via email. Providing a simple front end for ordering makes it possible for untrained users to raise the orders themselves.

There are no workflow features in the standard version of Navision. The purchase order and requisition entry screens are very similar to the purchase invoice screen. Data entry will be no problem for a trained admin person, I think, but not practical for ordinary staff. Individual departments will probably need to have an admin person responsible for entering requisition and orders.

Once you have typed in the order, you can end it off as an HTML document. But at the moment there is no list of contacts and email addresses on each supplier record for you to email the purchase order to.

Delivery and invoicing seemed clear enough. You recall the PO to the screen and enter the quantities delivered. If you wish, you can deliver and invoice at the same time.

4.1. Ledger Enquiry & Credit Control

Navision usually displays screen lists of transactions in a grid format similar to Excel. As in the purchase invoice detail screen, you can widen the customer ledger enquiry columns, or rearrange them in the order you want. It is the simplest task to click on the column headings, then right click and select Show Columns. This presents a list of all the available fields and you just tick the ones you want to appear. And you can maximise the screen to display lots of fields and transactions. Excellent.

The only missing feature is that you cannot sort the list of transactions by clicking on a column heading.

Navision has some slick filter options which enable you to show all invoices, or outstanding only, or just overdues, or perhaps just credit notes. This is very good, but it does demand some sophistication from the user, who has to define a filter expression such as “01..31” or “Amount <> 0” to get what he wants. The IT-literate accountant will enjoy the power and flexibility of this feature, but the average ledger clerk might wish for a bit less sophistication and a bit more signposting. I wonder how many Navision users know the difference between Field Filters, Flow Filters and Table Filters?

Once you have filtered a screen and defined the columns, you can click on the top left hand of the screen to highlight everything, and cut and paste the whole lot into Excel. Again, very slick and easy!

Looking at the ledger enquiry screen, Navision is particularly good at handling settlement discounts. It shows the value of any settlement discount available, and the date up to which it can be taken.

If you want to see more detail of an invoice, you can drill down upon it via the Navigate option. To see how it was paid off, go to Payment-Applied Entries.

Navision can hold transactions in multiple currencies within the one account. Each transaction has a symbol beside it to identify the currency (blank = local currency). One limitation is that the screen cannot show unauthorised invoices, only posted ones. In Navision, only posted invoices appear on the ledger.

4.1.1. Credit Control

If you are viewing the ledger enquiry screen while talking to a customer about payment, there are some useful features. You can email a copy invoice via File–Send. If they give a promise of payment, you can enter the date into the transaction by overwriting the Due Date. Good, since this will make the Aged Debtors report more meaningful.

You can make a note for your diary to ring the customer again, but you can't set an Action date to ring them next time. So it is not possible for the credit controller to create a daily Action list of people to ring up each day.

4.2. Receipts & Cash Allocation

When it comes to cash receipts and allocation, Navision allows you to enter the day's bankings separately via the Cash Receipts Journal screen and allocate them against invoices later. Or you can opt to pay in the cash and allocate it all in one go.

We tried the first method. One thing we were looking for was a Pay-in Ref field so that all the day's receipts could be totalled in the Bank rec. But there wasn't one, so we typed the Paying-in book number into the Description field.

To allocate we went into Customer–Ledger entries, and filtered to show only Open invoices. Then we chose Apply Entries, and went down the list of invoices, pressing F9 to select each invoice. As mentioned earlier, each transaction showed any settlement discount available on this invoice and when it could be claimed by. Very good.

If you have a lot of invoices to allocate, you can also allocate en masse. We highlighted all the invoices, then pressed F9 to allocate them all at once. Generally, Navision seemed pretty sophisticated at cash allocation.

4.2.1. De-allocating and re-allocating payments

After posting cash, you may find later that you have allocated a payment against the wrong invoice. Some packages will allow you to de-allocate the payment and re-allocate it against the correct invoice. Navision will not and you must reverse the entire payment transaction. Navision said it has spent a lot of time trying to develop a de-allocate facility, but found that trying to de-allocate from one invoice and then re-allocate against another with a different date can have too many repercussions on settlement discounts and exchange rate differences. Fair enough.

4.3. Batch Payments to Suppliers

You can make regular payment runs to suppliers in Navision via the option Payment Journal–Payments–Suggest Vendor payments. This will allow you to compile a list of the payments which you want to make, print off the list and send it to a manager for authorisation, then automatically make the payments.

There is a variety of selection options in Navision and you can create payment schedules for particular groups – for example a pay run for staff expenses. You can create a list of payments that will become due several days hence via adjusting the Last Payment Date. In addition, the system will automatically take advantage of settlement discounts and credit notes.

One very good feature is that if you have limited funds you can enter a maximum value of the pay run as the "Available Amount". Navision will then work out which suppliers to pay based on their Priority rating.

After you have created your list of Suggested Payments, you will want to send it off for authorisation to a manager. You can print the list as a hard copy, but can't email it to the manager. As mentioned earlier, there are no workflow features in Navision.

When the list came back, we opted to exclude a couple of the invoices. This was easily achieved by highlighting them and pressing F4.

Then it is simply a question of making the payment run and Navision will create a BACS file to send to the bank.

You can run several payment batches at once; just give each batch a different name. All told, Navision offers a sophisticated set of options for making payments to suppliers.

4.4. Bank Reconciliation

Navision provides a manual bank reconciliation via GL–Periodic activities–Bank a/c reconciliation. You choose your bank account, then enter the date and closing balance of the bank statement. The system also generates a sequential statement number.

Navision then displays all the open items and you tick each one. The process was straightforward, but there is no facility to group a day's cash receipts and you have to tick them off individually. We used the Flow Filter to show all the receipts with the same description. But this feature does not add the receipts up, so you will have to use your calculator to work out the daily total.

On the payments side you can use Ctrl-F Search and Find to locate a particular cheque number or value.

You can make transactions from the statement directly, so we entered £500 interest.

Navision will only allow you to complete the bank rec and post when the ticked balance on the screen matches the closing statement balance you put in at the beginning. Good.

Personally, I like to see the bank account sorted in the same order as the bank statements in order to prove the bank rec. You can do this in Navision via GL–Bank accounts–Bank a/c–Statements. This shows individual pages of the bank statement, but ideally I would have liked to see the entire bank account sorted into bank statement page order. Still, this is pretty good.

Automatic bank reconciliation comes in very useful if the user has large volume of transactions going through the bank. At this level most packages offer one, but Navision does not, on the basis that each bank has its own individual interface and file layouts. If you need one you will have to talk to your reseller.

5.1. Multicurrency

In the GL Navision stores values both in the original currency and in two base currencies, the second being an additional reporting currency.

In supplier and customer accounts the one account can hold multiple currencies, so you can invoice in dollars, for example, and have the payment in yen. Navision will automatically calculate any exchange gain or loss, and you can choose which period to post it to.

In transaction listings, currencies were clearly shown by a currency symbol. Where the value is blank, this indicates that the transaction is in base currency.

5.2. Exchange Rates

You can change exchange rates daily if you wish. To make a particular rate for a single order, you can overwrite the rate in the order manually. Navision maintains an exchange rate history.

Some users want to set up two exchange rates for a currency: one to be applied to invoices; the other to be applied to payments. This is not possible in Navision.

You can revalue any time. Navision will revalue outstanding invoices and balance sheet accounts.

On the reporting side, Navision can print reports in either of the base currencies, so a UK subsidiary can print the P&L in sterling for its own use, while supplying it in dollars to a US parent.

I do not claim to be an expert in multicurrency systems, but Navision seemed pretty good to me. In addition, its presence in many European countries surely indicates that Navision has wide experience in this area.

6.1. Ease of Use - Summary

Navision is a very powerful and sophisticated package. When it comes to data entry, the screens are for the most part clear and well designed, with good lookup facilities and easy navigation. The grid-displays which show lists of transactions are a pleasure to use and it is very easy to adapt them to show just the data that you want.

Navision is very Excel-like and sometimes seems like a database program that has been adapted to run accounts. For example, operators are expected to master features such as Table Filters, Flow Filters and Field Filters in order to interrogate the data. It will be most appreciated by the IT-literate user.

Navision is not a traditional accounts package in any way and works very much on its own logic. To find VAT in a menu option called Statistics, for example, is not very intuitive. So it will be necessary to budget for adequate training if users are to be able to take advantage of its undoubted power and speed.

6.2. Configurability

Navision has long had a strong reputation for configurability, that is, the ability to tailor the standard package to fit the customer's requirements without changing the source code. Microsoft Business Solutions claims that what often takes two days to do in other systems, can take only two hours in Navision.

Configurability is of major importance in operational systems where companies often have special requirements. In pure financials, it is probably less important.

Taking an example, I complained that I didn't want to see all the address lines on the purchase invoice screen. No problem. We hit Ctrl-F2 for the Form Designer, and removed the last Address line from the screen in 10 seconds. It is just as easy to add a field: Navision displays a list of available fields and you select the one you want.

You can also change the names of fields. So I wanted to change "Vendor No" to "Supplier No". Again, this was easy. The only limitation was that, being at header level, this was a reserved description and the change had to apply to all users.

You cannot define a field as being a mandatory entry. Presumably this requires a programmer.

At detail level you can amend a grid just for this individual user only. Again, it is very easy to call up a list of the available fields, and choose to add or remove them. The View–Show Column feature is available thoughout Navision and any user can access it. As mentioned above, Navision automatically reformats the screen to accommodate the new field. It can also make additional Tabs to precent information for individual users.

In exactly the same way you can amend the Lookup displays to show the fields you want. So, if you have lots branches of Boots as customers, rather than just display a similar account code and name for each one, you can choose to display the Town field as well.

All this tailoring can be done by an educated user. At a deeper level Navision is very customisable for the programmer. The Object Designer gives access to all the data tables. Using the Software Developer's Kit a developer can write a piece of code and attach it to a particular field – for example to apply your own special way of calculating discounts. You can also tie Navision to other programs such as Outlook, Active X, and other programs to retrieve and display data within the financial application.

7.1. GL Coding Structure

When you enter transactions such as purchase invoices and nominal journals, the amounts have to be analysed to various dimensions such as GL codes, cost centres, departments etc. The GL coding structure behind the analysis will determine how easy it is to produce the different management reports required.

Navision allows each analysis dimension to be created as a separate "floating" field rather than combine them all into a single multi-segment code. This keeps the total number of codes down since you don't have to create a code for every combination as you do with multi-segment codes. Another benefit is that the codes are nice and short.

Within the demonstration system used for this Lab Test, the standard chart of accounts was based on a simple 4 digit format, so GL account 8420 = Entertainment and PR. In addition to the GL Code, the demo system contained 8 other dimensions: Area; Business Group; Customer Group; Department; Project; Purchaser; Sales Campaign; and Sales Person. Dimensions are user-definable and you can create up to 10 of them. In addition, in Dimension Combinations you can specify that certain dimensions will not be used with others. For example, if the system asks for the Project Code, you can set it not to ask for Sales Person.

Each dimension can be assigned its own set of lookup codes. All in all, this seems pretty sophisticated. Good.

7.2.1. Coding Hierarchies

Coding hierarchies make complex reporting very easy. The idea here is that the Telephones a/c might be part of the Administrative Expenses group of accounts which in turn is part of the Overheads group. Or Jim Smith might work for Marketing Manager Jane Adams who works for Marketing Director Peter Jones who works in Northern Region. If the base code is attached to a coding hierarchy, simply by attaching the base code to a transaction you can attach it to all the higher level groups as well.

In Navision you define a coding hierarchy via Begin-Totals and End-Totals. Thus, GL accounts 8410, 8420, 8430 and 8440 come under the group heading "Selling Expenses", which itself is calculated as "End-Total 8410..8440". Similarly, within Areas, North Europe might be code 30, Europe (EU) might be code 40 and South Europe code 50, with Europe as whole being End-Total 30..50.

I am not sure about this. If you want to group into several layers it's going to become pretty complicated, with lower level End-Totals nesting within top-level End-Totals. In addition, the higher group "Europe" or "Selling Expenses" isn't actually an additional

field attached to the posting account but simply a formula calculated at run time. It will only exist within the Chart of Accounts program and cannot be exported into Excel, for example.

Other packages create these hierarchies much more simply. An intuitive way is to use the same method as Windows Explorer, dragging and dropping folders [ie the coding groups] above and beneath each other on the screen.

7.2.2. Posting Groups

In addition to Analysis Dimensions Navision also offers Posting Groups for groups of suppliers, customers, products, bank accounts and so on. As I understand it, Posting Groups are a set of default values which you can attach to customer, supplier, product or bank. Taking Vendor Posting Groups as an example, you might have Domestic Suppliers, Foreign Suppliers and Staff Expenses as separate posting groups, each posting to a separate control account and allowing you to group your suppliers into three Creditor Ledgers.

These default values determine how any transactions involving these records will interact with and update the General Ledger. Defining them at the outset is a key part of installing Navision.

8.1. GL Reports & Enquiries

We started by looking at some standard reports. Initially we decided to print a report of the entries we had posted to GL code 8420, Entertainment and PR, so we went into General Ledger–Reports.

Reports in Navision are poorly organised. There is no attempt to group them into any way and we were simply presented with a list of 45 reports in alphabetical order. We chose the Detailed Trial Balance report. Using the Flow Filter we selected account 8420, dates 1..31, then used Print Preview to display the results on screen.

The report was disappointingly short of detail. All Navision showed was the date, document number, invoice number and amount. As mentioned earlier, the narrative you type in against each GL line of the purchase invoice does not come over into the GL. Other essential fields such as the supplier code and name are also missing.

We tried printing the report to Excel. Unfortunately all the report formatting came with it, making it impossible to analyse the data in Excel. Not getting very far with the Detailed Trial Balance, we tried a screen enquiry on 8420 in the Chart of Accounts. But in this enquiry too there was no GL narrative. We tried the Show Columns command and added several dimension fields. However, these were codes only and the code names weren't available. Again, there was no supplier code or name.

To see the GL narrative you have to highlight each transaction line, then choose Navigate–Show–Card. You can also display it via the Purchases Detail option, which shows the narrative field for all the transactions on the screen. But neither of these is really satisfactory.

8.1.1. Analysis by Dimensions

To analyse by dimensions other than the GL Code, for example Cost Centre or Project, you use the Analysis by Dimensions feature. This works like an Excel pivot table letting you put one dimension in the row field, and another in the column field, while at the bottom left you can choose to automatically group the totals by day, week, month, quarter etc.

Unfortunately, the Analysis by Dimensions screen doesn't add up the column totals. However, you can export the data to Excel and calculate them there. But you seem to lose the GL account name in the process.

8.1.2 Account Schedule

More analysis is provided by the Account Schedule feature. This allows you to calculate higher level group totals via formulas. For example, the demo data contained Total Sales and Total Purchases for each Area and used a formula to calculate Total Gross Profit.

I found the reporting side of Navision rather frustrating. The printed reports often lacked essential details, the on-screen reports were sometimes difficult to follow, and always the drill down came back to the GL account enquiry with its very limited detail.

8.2. Exporting to Excel

Navision is very good at exporting into Excel, perhaps because it stores data in a grid-like format that is very similar to a spreadsheet.

In any screen enquiry, once you have listed the transactions you want to export on screen, you simply click on to the top left corner of the display to highlight All (just like Excel). Then you copy and paste into Excel. It's very simple and easy.

You can also export into Excel any enquiry that you have created in Analysis by Dimensions or Account Schedules.

8.3. Report Writer

It is a common experience to find that the standard reports that come with a package do not give you precisely what you want. Normally the IT-literate user can remedy this either by amending the standard reports or, if that is not possible, by writing their own in a report writer.

There are several 3rd party report writer packages which integrate with Navision – FRX and Crystal are two. Navision also offers XBRL report writing functionality, which allows easy hub and spoke reporting from a subsidiary to the Head Office.

However, there is an underlying design issue here. To be good at transaction processing, a system needs to hold transaction data in lots of little files, while to be good at reporting, it needs to hold transaction data in one big "flat" file. Navision is very good at transaction processing, but in the process the designers have spread the

data around many different files. They have been unable to join these files and combine the data back again into a unified database of transactions, which is a prerequisite for writing good reports.

The result is that the essential information is isolated in different pockets within the Navision data files, and you can only access these data sources one at a time. We took a look in the Object Designer at the main one - the GL Entry table. It contains a string of codes and numbers, but not much else to make it meaningful. All these reporting tools are going to be afflicted with the same problem as Navision's own reports, which is that they cannot pull all the relevant data together into the same place.

Realistically, then, users will not be able to write their own reports in Navision. I understand that usually they will commission their reseller partner to write the report for them. The reseller will write a program in something like Access to pull the data together, then generate the report from that.

This is not good enough. In a set of Financials, in particular, good reporting is everything and many accountants these days expect to be able write their own reports. Navision need to develop a data dictionary to provide users with a single and complete view of the GL transaction database.

LAB VERDICT - Microsoft Business Solutions Navision 3.7

Navision is a superb piece of software written to very high standard. When it came to processing transactions we found no major weaknesses in the areas tested, although some potential purchasers might wish for workflow features and an automatic bank reconciliation.

The software is very customisable, both by programmers and by competent end-users.

It is powerful and flexible, but not particularly intuitive because it is written from an IT perspective rather than from that of a traditional accountant. To get the best out of Navision, users will need adequate training in the early days to master its strengths.

The quality of reporting in Navision does not match the quality of transaction processing. Reporting will not improve until the Navision designers add a data dictionary and provide a single and unified view of the GL transaction database.

Users who wish to interrogate the database themselves and write their own reports will find this a difficult task. It will usually be necessary to commission the reseller to write any additional reports.

To get this into perspective, there are thousands of Navision users out there who are perfectly happy with the financial information they are getting out of the package. However, it would be prudent to check before purchase that the reports in Navision can give you what you want.

David Carter, January 2004