The Business Central Manufacturing Reality Check

A 30-45 minute diagnostic of how your ERP and factory actually work together.

Core premise: Business Central can be configured correctly and still produce poor operating decisions if the BOMs, planning rules, shop-floor transactions, inventory controls and costing do not match physical reality.

ZENTHESYS | Make Your Operations Work as One System.

Company / site:		Completed by:	
ERP version / environment:		Date:	

How to use this reality check

01 Score all 50 checkpoints from 0 to 2 using current operating reality, not the written procedure.

02 Inspect actual Business Central records and physical transactions. Suggested records are provided below each question.

03 If Operations and Finance disagree, use the lower score until the discrepancy is resolved with evidence.

04 Flag any material control failure regardless of the aggregate score. Do not let a strong average obscure major exposure.

05 Choose three 90-day priorities with an owner, measurable outcome and first milestone.

Scoring method

Score	Meaning	Practical field test
0 / Uncontrolled	Missing, inconsistent or dependent on individual workarounds.	Users work around Business Central routinely.
1 / Partially controlled	An intended process exists but quality or discipline varies.	Frequent manual review and rework are needed.
2 / Reliably controlled	Accurate, owned, measured and consistently performed.	Users trust the system and can show evidence.

Scope: Core manufacturing diagnostics assume the relevant Business Central manufacturing functionality is licensed and configured. For optional processes not used (for example, subcontracting), score the design and documented controls appropriate to your business - do not penalize an intentional, governed non-use.

10 domains | 50 checks | 100 possible points | 3 priority actions

THE 50-CHECKPOINT BUSINESS CENTRAL OPERATING REALITY CHECK

01 / Item, SKU & Planning Master Data

#	Diagnostic checkpoint / where to look	0-2	Evidence / notes
01	Planning-critical Item and Stockkeeping Unit (SKU) fields have named owners and change controls. Inspect: Item Cards, SKU Cards, roles and recent change history.		
02	Units of measure, conversions and quantity rounding agree with receiving, stocking and production practice. Inspect: Two purchased items and one manufactured item; transactions.		
03	Purchase, transfer and production lead times are based on observed performance, not inherited defaults. Inspect: Lead Time Calculation and last three replenishment cycles.		
04	Replenishment System, Reordering Policy, safety stock, order multiples and location-specific SKU rules are deliberately set. Inspect: Item/SKU Planning FastTabs; example planning suggestions.		
05	Duplicate, obsolete, blocked and incorrectly classified items cannot distort active planning or production. Inspect: Item status sample; planning exceptions; blocked-item tests.		

02 / Production BOM & Engineering Control

#	Diagnostic checkpoint / where to look	0-2	Evidence / notes
06	Certified Production BOMs reflect the components and quantities currently built on the shop floor. Inspect: Active Production BOMs versus a released production order.		
07	Production BOM Versions, Starting Dates and Certification are governed with appropriate approvals. Inspect: One engineering change; active BOM version and start dates.		
08	Component units, scrap assumptions and quantity calculations reflect physical usage and yield. Inspect: BOM line quantities; scrap; sample material issues.		
09	Manufactured subassemblies, phantom BOMs and routing link codes are intentionally structured where applicable. Inspect: Parent/child BOMs; phantom rules; linked operations.		
10	Engineering changes synchronize product structures, purchasing, drawings, work instructions and affected open orders. Inspect: Recent ECO plus order-refresh and release evidence.		

THE 50-CHECKPOINT BUSINESS CENTRAL OPERATING REALITY CHECK

03 / Routings, Work Centers & Capacity

#	Diagnostic checkpoint / where to look	0-2	Evidence / notes
11	Certified routings match actual operation sequence, resources and any outside processing. Inspect: One current routing compared with floor work sequence.		
12	Setup, run and other time standards are validated against completed production-order results. Inspect: Routing line values versus capacity ledger and operator records.		
13	Work Center and Machine Center calendars, capacity and efficiency reflect real shifts and downtime. Inspect: Work-center calendars; labor and machine availability.		
14	Known bottlenecks receive explicit capacity review, with advanced finite-scheduling needs evaluated separately. Inspect: Load/availability views; actual missed-capacity constraints.		
15	Routing Link Codes and posted capacity are consistent enough to explain production progress and cost. Inspect: Production Journal and Capacity Ledger Entry sample.		

04 / Demand, Supply & MRP Reliability

#	Diagnostic checkpoint / where to look	0-2	Evidence / notes
16	Sales demand, forecasts, service needs and dependent demand are defined without unintended duplication. Inspect: Forecast setup, sales orders and representative plan.		
17	Planning Worksheet MPS/MRP runs follow a controlled calendar, horizon and exception-review process. Inspect: Recent planning run and planner work instructions.		
18	Dampener settings, Lot Accumulation Period, Time Bucket and Safety Stock have documented rationale. Inspect: Item/SKU parameter sample; rescheduling history.		
19	Past-due purchase, transfer and production dates are maintained so recommendations reflect credible supply. Inspect: Open orders with promised/requested and due dates.		
20	Planners can act on Business Central action messages without relying on a separate uncontrolled master schedule. Inspect: Recent action messages, accepted/overridden recommendations.		

THE 50-CHECKPOINT BUSINESS CENTRAL OPERATING REALITY CHECK

05 / Procurement, Suppliers & Subcontracting

#	Diagnostic checkpoint / where to look	0-2	Evidence / notes
21	Supplier assignments, purchasing units, minimums, multiples, prices and expected lead times are reliable. Inspect: Item Vendor details; vendor cards; three open purchase lines.		
22	Purchase Order confirmations, delivery dates, partial receipts and changes are kept current. Inspect: PO aging; order confirmation and goods receipt sample.		
23	Late or unconfirmed purchase supply is actively corrected before planners treat it as available. Inspect: Past-due POs and exception/expedite records.		
24	Where outside operations exist, materials at suppliers, service steps and subcontract costs are controlled. Inspect: Subcontracting routing / PO / vendor stock control; or documented N/A.		
25	Supplier delivery, quality and responsiveness metrics guide sourcing and corrective action. Inspect: Supplier scorecard, lead-time variance and issue closure.		

06 / Inventory, Warehousing & Item Tracking

#	Diagnostic checkpoint / where to look	0-2	Evidence / notes
26	Cycle-count accuracy meets risk-based targets for planning-critical and high-value items. Inspect: Physical count versus Item Ledger / location balances.		
27	Locations, bins, warehouse picks and material staging match the actual shop-floor flow. Inspect: Bin/Location setup and recent picks or movements.		
28	Receipts, transfers, component issues and inventory adjustments are posted promptly with traceable reasons. Inspect: Transaction timestamps; item/warehouse ledger entries.		
29	Blocked, inspection-hold and nonconforming material cannot unintentionally enter production supply. Inspect: Blocked item/lot settings, quarantine process and test case.		
30	Required lot or serial tracking is applied at the right transaction points and supports a fast backward/forward trace. Inspect: Item Tracking Code and a sample trace exercise.		

THE 50-CHECKPOINT BUSINESS CENTRAL OPERATING REALITY CHECK

07 / Production Orders, Consumption & WIP

#	Diagnostic checkpoint / where to look	0-2	Evidence / notes
31	Released Production Orders have correct quantities, due dates, BOMs, routings and work instructions. Inspect: Two Released Production Orders plus floor records.		
32	Manual, Forward, Backward or pick-based flushing rules match when material is physically consumed. Inspect: Item/SKU flushing method and production-order components.		
33	Consumption, Output, scrap and operation time are posted accurately using the appropriate journals. Inspect: Production Journal and resulting item/capacity entries.		
34	Aged, partial and finished production orders have clear review, correction and closure routines. Inspect: Released/Finished order aging and unresolved variances.		
35	Physical WIP and staged material reconcile to production orders, quantities, ledger entries and costs. Inspect: WIP sample, Inventory Valuation - WIP and floor count.		

08 / Quality, Nonconformance & Traceability

#	Diagnostic checkpoint / where to look	0-2	Evidence / notes
36	Incoming, in-process and final inspections address actual product, supplier and regulatory risk. Inspect: Inspection criteria, completed checks and acceptance records.		
37	Quality holds and nonconforming inventory are segregated with controlled release and disposition. Inspect: Hold/blocked inventory, disposition approvals and examples.		
38	Required product and material genealogy can be reproduced to support investigation or recall. Inspect: Finished order, lot/serial and component trace walk-through.		
39	Nonconformances feed corrective action into suppliers, BOMs, routings and work instructions. Inspect: Recent NCR/CAPA plus related engineering/process change.		
40	Quality controls are assigned to an effective native process or validated extension - not informal spreadsheets. Inspect: Control map, workflow ownership and system fit-gap decisions.		

THE 50-CHECKPOINT BUSINESS CENTRAL OPERATING REALITY CHECK

09 / Manufacturing Costing & Financial Integrity

#	Diagnostic checkpoint / where to look	0-2	Evidence / notes
41	Item Costing Method, Standard Costs and product cost rollups have accountable ownership. Inspect: Item Cards, production cost policy and standard cost refresh.		
42	Material, capacity, scrap and overhead variances on finished orders can be explained. Inspect: Finished production order; Value Entries; cost statistics.		
43	Adjust Cost - Item Entries and Post Inventory Cost to G/L are governed and completed appropriately. Inspect: Inventory Cost Adjustment status; posting-job evidence.		
44	Inventory value, WIP and manufacturing balances reconcile to G/L with timely resolution of differences. Inspect: Inventory - G/L Reconciliation; valuation/WIP reports.		
45	Item Charges, purchase-cost changes and aged/excess stock are visible in meaningful margin and cash decisions. Inspect: Item Charge assignment, inventory aging, margin analysis.		

10 / Reporting, Governance & Automation Readiness

#	Diagnostic checkpoint / where to look	0-2	Evidence / notes
46	OTIF, schedule attainment, shortages, inventory accuracy and product cost have approved definitions. Inspect: KPI dictionary; Operations/Finance reporting comparison.		
47	Manual spreadsheets and shadow plans are known, owned and prioritized for elimination where appropriate. Inspect: Workbook register; rework effort and dependency map.		
48	Permissions, configuration changes and critical master-data updates are controlled and periodically reviewed. Inspect: Permission sets, approval controls and change practices.		
49	Power BI, Power Automate, Power Apps or ISV connections use defined data ownership and failure monitoring where deployed. Inspect: Interface map and failed-job/exception-handling evidence.		
50	Automation or AI use cases have trustworthy inputs, explicit human approvals and measurable operational goals. Inspect: Sample use case, input-quality checks and escalation rules.		

INTERPRET YOUR FINDINGS

Scoring & domain scorecard

Add all 50 scores for 0-100 points. Each domain contains five checkpoints and has a maximum of 10 points. Scores identify where to investigate; they do not replace objective validation or critical red-flag review.

TOTAL SCORE

Total	Maturity signal	What it suggests	First response
0-35	ERP Fiction	Transactions and shop-floor reality are materially disconnected.	Stabilize basic data, physical and financial controls.
36-60	Reactive Control	Manual workarounds and exceptions compensate for weak controls.	Assign owners and eliminate the most costly gaps.
61-80	Operationally Aligned	Business Central supports execution, but measurable gaps persist.	Improve constraints, exceptions and governance.
81-100	Potentially Automation Ready	Reported foundations are strong; confirm with evidence before scaling.	Validate controls, integrations and business cases.

Domain scorecard

Domain	Score	R / A / G	Owner	Next action
Item, SKU & Planning Master Data				
Production BOM & Engineering Control				
Routings, Work Centers & Capacity				
Demand, Supply & MRP Reliability				
Procurement, Suppliers & Subcontracting				
Inventory, Warehousing & Item Tracking				
Production Orders, Consumption & WIP				
Quality, Nonconformance & Traceability				
Manufacturing Costing & Financial Integrity				
Reporting, Governance & Automation Readiness				

Domain colors: Red = 0-4 | Amber = 5-7 | Green = 8-10. A critical red flag overrides an otherwise favorable score.

DO NOT AVERAGE AWAY CRITICAL FAILURE

Red flags that override the score

Check any issue that is true today. Even one affirmative answer can justify immediate investigation, regardless of the total score.

- [ ] Production is building to a configuration that differs from the certified BOM or effective version.
- [ ] Planners routinely ignore MPS/MRP messages or maintain an uncontrolled shadow schedule.
- [ ] Unreliable Item/SKU parameters or past-due open orders create false available supply.
- [ ] Physical inventory cannot be reconciled to Business Central without material manual correction.
- [ ] Quality-hold or blocked inventory can be consumed or shipped without required release.
- [ ] Required lot/serial traceability cannot be reconstructed promptly for a sample finished good.
- [ ] Consumption, output or scrap is regularly posted late or materially different from actual work.
- [ ] Aged production orders or WIP cannot be reconciled to physical production status.
- [ ] Inventory value or WIP materially differs from the general ledger without known explanation.
- [ ] Automation is being deployed on data or workflows without owners and exception controls.

Choose your three 90-day priorities

Select actions combining high operating or financial impact with an achievable first milestone. Use root causes, not symptoms, as the action statements.

#	Root cause / problem	Business impact	90-day outcome	Owner / first step
1				
2				
3				

A low score does not automatically mean Business Central should be replaced. First distinguish operating-process, master-data, planning, transaction and governance failures from true platform capability gaps.

FROM DIAGNOSTIC TO A CREDIBLE IMPROVEMENT ROADMAP

Three quick validation exercises

Use these short tests to challenge self-reported answers. Work in a test/sandbox when possible, use read-only inspection in production, and do not change live records solely for the exercise.

01 / BOM-to-floor truth

Choose one active manufactured item. Compare the Item/SKU references, certified Production BOM Version and released production-order components with the physical build. Note mismatches in quantity, version, UOM and material staging.

Evidence / gap:

02 / MRP-to-commitment truth

Select three recent Planning Worksheet action messages. Identify demand source, Item/SKU policy and actual PO/production/transfer dates. Determine whether suggested changes were accepted, rejected or bypassed - and why.

Evidence / gap:

03 / Production-to-finance truth

Trace one finished production order through consumption, output, scrap, capacity ledger, Value Entries and Inventory - G/L Reconciliation. Identify adjustments, timing differences and unexplained costs.

Evidence / gap:

Practical improvement sequence

1 Restore accurate physical inventory and transaction timing.

2 Govern Item/SKU fields, BOM versions, routings and approved changes.

3 Correct open order dates and planning policies; stabilize MRP exception management.

4 Validate production consumption, output, WIP and financial reconciliation.

5 Establish KPI ownership and management cadence; automate only stable processes.

What to do with your score

Use the completed diagnostic to select the few fixes most likely to improve schedule reliability, throughput, inventory confidence and manufacturing cost integrity. It is a conversation starter, not an ERP certification or replacement recommendation.

Book a 30-minute Manufacturing ERP Diagnostic

Independent educational diagnostic | Microsoft Dynamics 365 Business Central is a Microsoft product.