Moving from Dynamics AX to Dynamics 365

by Merit Solutions
1. Dynamics 365: Everything You Need, in One Place

If you’re currently using Microsoft Dynamics AX, you might have noticed that your sales rep has been trying to get you to make the move to Dynamics 365. Maybe you’ve been hesitant to switch – you don’t think you need the features or that the time and effort of upgrading isn’t worth it.

However, making the switch is a worthy investment. Dynamics 365 integrates a number of features into a single platform, reducing your time and effort.

1.1 What Features Does Dynamics 365 Offer?

Dynamics 365 provides users with a rich set of features that make end-users more productive. For a start, the industry’s leading ERP system comes standard. ERP systems in and of themselves standardize, streamline, and integrate business processes across the entire company, including Finance, Manufacturing, Procurement, Distribution, etc...

In addition, Dynamics 365 has a built-in CRM system. Thanks to strong CRM capabilities, you can easily centralize your customer information, automate marketing functions, and track sales opportunities.

Dynamics 365 also features a talent management solution. This solution leverages LinkedIn and Office365 to enable HR staff to find the right candidates and quickly bring them onboard. The HR team no longer has to waste time trying and failing to connect with recruiters, and new hires don’t have to spend their first day twiddling their thumbs waiting for access to core applications to be set up.

Moreover, Dynamics 365 has Power BI, IoT management, and mobile apps. Power BI is a self-service analytics solution. Instead of turning to the IT department every time you want to run a query, you can do it yourself through the applications you use every day. IoT is rapidly becoming a potent tool for digital transformation, and Dynamics 365’s IoT connector allows you to connect, manage, and capture data from billions of devices. Additionally, Microsoft developed the Dynamics 365 mobile app that lets users access the solution from any place at any time.

2. You’re in the Data Center Business, and You Didn’t Even Know It

Unless you’re in the data center industry, data centers aren’t your core business. So, why are you still running one?

It’s because of programs such as Dynamics AX, which aren’t available in cloud deployments. That means you not only have to invest in costly servers but in maintenance as well. That’s an expenditure that drains your human resources as well as your budget. Don’t forget about updates – they can require expensive downtime. However, updates are vital, because without updates, you leave yourself vulnerable to security risks.

While it’s tempting to want to recoup your investment, you have to ask yourself if it’s worth the additional costs of maintenance (both in terms of finance and manpower). It’s time to move to the cloud.
2.1 Get into the Innovation Business

Many companies have some idea that on-premises deployments are more expensive, but they don’t realize by how much. They’re spending 70-80% of their IT budgets on building and maintaining data centers. What if you could free up that money by investing in Dynamics 365 – what would change? Aside from the cost savings, your staff would be able to focus on delivering value to the business. They could spend their time on mission-critical tasks that propel the business forward rather than worrying about routine maintenance. Moreover, Dynamics 365 doesn’t require much maintenance, either. It reduces the burden on IT further.

Not only are upgrades no longer a source of dread, they don’t cause expensive and inefficient downtime. Microsoft handles the updates, so you don’t have to. Instead of taking care of upgrades, the IT staff could be working on initiatives that drive higher value and revenue, such as embracing IoT, machine learning, mobile apps, or more digital transformation initiatives.

2.2 Moving to the Cloud: Providing Cost Savings and a Competitive Edge

Making the move to the cloud offers two major advantages: you reduce your capital expenses because you’re not supporting a data center any longer, and you gain a competitive edge.

By now, most of your competitors have likely embraced the cloud. This allows them to deliver faster customer service and get their products to market sooner. Both of those things are good for the bottom line.

Nowadays, you can’t afford not to be using the cloud. It’s not just a matter of financial costs - it’s about staying relevant and delivering innovative products and services. Legacy technologies can only hinder you in that regard. The cloud is fast and boosts productivity, allowing you to stay agile and innovative in a competitive market.

3. What Advantages Does the Cloud Version of Dynamics 365 Possess?

If your firm has a human resources department (which most companies of a certain size do), the cloud version of Dynamics 365 makes more sense to implement than the on-premises Dynamics AX. Dynamics 365 offers a talent module which isn’t available in Dynamics AX. With Dynamics 365 for Talent, you can leverage LinkedIn and Office 365 to recruit and bring new candidates on board smoothly. You can use LinkedIn to quickly connect with recruits so you don’t waste time searching for the right person for the job. Office 365 makes the onboarding process faster and more intuitive with personalized guides and step-by-step checklists.

Another advantage of using Dynamics 365 is that you can utilize Azure IoT. IoT is no longer a nice-to-have feature – it’s becoming a must-have. With all of that data coming in from every conceivable platform, you need a solution that can handle all of that information and route it to line-of-business applications so you can make better business decisions. The combination of Azure IoT and Dynamics 365 lets you do just that.
A third advantage of Dynamics 365 is that it allows you to implement Azure Machine Learning (AML). Machine learning is the act of a computer learning without human intervention. AML will review your data and derive insights from it. What does that look like? AML can actually make suggestions about actions to take based on previous information. For example, you can determine whether a salesperson has won or lost an opportunity. AML can tell you the probability of the salesperson’s ability to make a sale, based on the buyer, the budget, the purchase timeframe, and other information.

Finally, users of Microsoft Dynamics 365 benefit from PowerApps. PowerApps allow users to quickly and easily build mobile apps to make processes more efficient and effective using mobile devices. Everyone at your firm can use PowerApps, from business analysts to developers. PowerApps doesn't require coding. Moreover, the platform enables data integration and distribution, and you can build and share apps on any device.

Moving to the cloud isn't a decision to be undertaken lightly. There are many factors to consider – you have to carefully weigh the advantages and disadvantages. That being said, there are a number of advantages to implementing the cloud version of Dynamics 365. It has exclusive features that you can't access through the on-premises version of Dynamics AX -which can make your company more efficient and productive. That should be top of mind during the decision making process.

### 3.1 Scalability

Dynamics 365 has some definite advantages and one such advantage is scalability. Let’s take a moment to think about how scalable Dynamics AX is. Dynamics AX is an on-premises solution. If you need more licenses, you need to purchase them. And if you need more compute power, you need to purchase more servers.

That's an expensive process that requires quite a bit of planning – you need to research servers and weigh the pros and cons of each. Also, you tend to purchase more server space than you actually need, hoping you'll grow into it. That isn't a cost-effective proposition. Dynamics 365, on the other hand, is highly scalable. That's because it's available in a cloud deployment. You don't have to purchase servers. You buy the number of licenses you need, and your employees access the software through a browser.

What happens if you need more licenses? You simply contact your partner and purchase what you need. There’s no spending months researching which options are better, and there’s no more buying more compute power than you need because you can’t accurately calculate your needs.

So, what happens in the unfortunate event that your business shrinks and you need fewer licenses? You can make arrangements to use fewer licenses. That’s not the case with on-premises deployments – once you buy a server, you’re stuck with it.

### 3.2 Why Is Scalability Crucial?

Scalability is crucial to the modern enterprise. If you can’t efficiently or cost-effectively scale, you’ll miss out on critical opportunities.
Let’s say you want to expand into a new market. You have a brief window of time in which to enter that market before you lose that opportunity. What if you need to expand your infrastructure in order to seize that opportunity? There’s no way you can be agile enough if you’re using an on-premises deployment of mission-critical software.

If you were using cloud software, on the other hand, seizing new opportunities would be simpler. It’s much faster to gain access to compute power so that you can enter that new market quickly and begin increasing your bottom line.

When it comes to software, many people are of the mindset that “if it ain’t broke, don’t fix it.” That can actually be harming your company. It limits growth, because there’s only so much you can do with legacy software. Cloud-based software allows you to seize more opportunities thanks to its scalability. You don’t want to miss anything because you can’t be agile.

4. Built-In Intelligence

There are also a number of built-in intelligence features available in Dynamics 365 that improve intelligence compared to Microsoft Dynamics AX.

Power BI is Microsoft’s business analytics system that lets you visualize the data you have and share it throughout the organization. You can also embed them in your website or app. Power BI lets you connect to hundreds of data sources and it provides dashboards and reports to bring your data to life.

Dynamics 365 also has the capability to connect to IoT devices. Today, more and more devices are networked. These devices offer valuable information, but only if that flow of data is directed to the right places. Microsoft’s IoT connector allows you to direct that information flow to the line-of-business applications you need most. You then have the data you need at your fingertips to make the best decisions.

Another feature is AI. Microsoft has added AI functionality to Dynamics 365 that enables companies to predict outcomes and make better decisions based on historical data combined with with customer and third-party data sources. You’ll get immediate, actionable insights which can be embedded into the applications your employees use most frequently.

4.1 Making Better Decisions through Built-In Intelligence: A Case Study

JJ Food Service is a UK-based food wholesaler founded in 1988. The company uses Power BI to derive greater insights from its information. Company representatives say the software gives them a “clear, real-time picture of everything from customer behavior and product success to issues with manufacturers.” Thanks to that knowledge, JJ Foods can offer the right services to customers exactly when they need them. For example, if a product is running low, Power BI advises sales reps what else to offer customers to improve their retention and satisfaction rates.
JJ Foods has succeeded in optimizing its operations to an enormous extent. However, it can always optimize further, and it will leverage Power BI further in the future to do so.

Everyone wants to be a success story. They want action that's based on accurate, reliable intelligence. How can they do that? Dynamics 365 is an excellent tool. Its built-in intelligence puts data exactly where you need it and when you need it, so you save time and effort. It's important to note that Dynamics AX does not feature the same kinds of built-in intelligence, making now the right time to switch from one solution to another.

5. When’s the Best Time to Make the Move to Dynamics 365? This Very Second

Let’s start with the most obvious point: it’s less expensive to move to Dynamics 365 now because Microsoft is offering discounts on licensing fees. However, those discounts aren’t going to last forever. Why would you want to pay more in the future when you can save money now?

Additionally, moving to the cloud offers cost savings of its own. You’re no longer investing in infrastructure (let alone paying to maintain it). Imagine all of the things you could do with the money you’re saving, and all of the things your staff could do because they don’t have to worry about maintaining a server.

Dynamics 365 offers several advantages over Dynamics AX. For a start, Dynamics 365 has a built-in CRM solution. You don’t have to waste time or effort searching between two solutions for the information you need, and you don’t have to switch off between more than one solution to get your work done.

Second, Dynamics 365 is feature-rich. There are modules for a variety of departments, including Sales, Marketing, HR, Finance, and Customer Service. The advantage of having all of these built-in modules is, again, that your employees save time and effort. Moreover, you save money because you’re not investing in a number of point solutions, many of which won’t talk to each other.

Third, Dynamics 365 integrates with other Microsoft solutions, many of which your employees use every day. Microsoft products are part of many people’s workflow, so Dynamics 365 complements the way people work rather than disrupts it. Because people are used to using Microsoft products, the learning curve is shorter. That means it will take your team less time to learn how to use it.

Because Dynamics 365 runs in the cloud, updates are automatic. Scheduling disruptive updates that lead to expensive downtime is a thing of the past. Instead, Microsoft does all the work for you, so you can focus on your core business.

More importantly, Dynamics 365 won’t rest on its laurels. Because it’s cloud-based software, updates and new features are easier to implement, so you’ll see them faster. One planned update Microsoft has is introducing AI functionality to Dynamics 365 to make it even smarter.
6. Conclusion

The reason Dynamics 365 is so innovative is because it unites all of these features into one place. There's no more wasting time switching between your CRM and your ERP solution. The information is integrated. You don't need a separate business application for your HR department. And as IoT grows in popularity, having the management tools to effectively utilize this emerging technology in the same place where you access your core business applications will make things simpler.

Imagine how much more productive your workforce would be. Tasks that previously took the better part of a day (or even longer) can be completed faster than ever. Think of what that would do for your cost savings, too. Moving to Dynamics 365 makes sense (and cents) for your organization.

Now is the time to make the move to Dynamics 365. Lower pricing from Microsoft partners won't last forever. You don't want to miss out on an opportunity to be more agile, cost-effective, efficient, and smarter. If you wait too long, you'll be stuck paying a higher cost.
About Merit Solutions

Merit Solutions is a global business process consultant and systems integrator with offices in North America and Europe. We are a focused-strategy company with the goal of being the very best at helping clients automate, grow, and transform their business through process mapping and optimization, change management, and innovative IT consulting and development services.

Merit Solutions works with clients to understand and triangulate their exact business needs in terms of people, workstreams, and enabling systems. From future state business process mapping to systems analysis, fit-gap process definition and scoping, sourcing, design and deployment, integration with other systems, and ongoing support - we provide end-to-end global services that help clients successfully transform their business and build a foundation that continuously flows value to their customers.

Our clients are typically medium to large, global enterprises who are challenged by inefficient workstreams that cost money, waste time, and reduce quality; information flows and systems that no longer support the goals of the company; and lack of visibility into business data which impedes effective decision making.

Additional Resources

Related resources to this white paper include:

- Microsoft Dynamics ERP: Comparing AX vs GP vs NAV
- Microsoft Dynamics 365 Brochure
- Digital Transformation with the Microsoft Platform

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