

Microsoft Dynamics 365 FOR PROFESSIONAL SERVICES FIRMS

A New Way of Understanding What It Is—And What It Can Do

Presented by Velosio

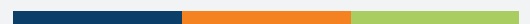




A seasoned member of the Velosio team likes to compare the world of professional services (proserv) firms to the hotel business. It's not as big a stretch as it might at first appear. "If you don't book those rooms today," the team member continues, "the opportunity is gone forever."

Project-driven proserv firms face a similar challenge. But their inventory isn't hotel rooms. It's knowledge workers. If you're not utilizing those valuable (and expensive) resources, you're failing to optimize the firm's profitability. Conversely, if you've got more opportunities than resources to handle them, you're leaving money on the table—or watching overworked employees walk out the door.

The common thread here is *visibility*. Proserv decision-makers need to see the big picture, informed by frontline-level detail. They must manage a diversity of moving parts in a highly competitive, and often highly regulated, environment. This is the case whether you're in management consulting, financial advisory, software development, system integration, advertising, accounting, or any of the other proserv specialties that Velosio has been serving for years. It applies whether your business is small, medium-sized or enterprise-scope.





How this ebook is organized

- Familiar pain points: When it's time to consider Dynamics 365 for your proserv firm.
- A new (and simpler) way of understanding what Dynamics 365 is.
- Real-world before-and-after scenarios in the proserv industry:
 - Marketing and sales
 - Talent and teams
 - Revenue management
 - Field service
- What Dynamics 365 can't do.
- What to look for in a Microsoft value-added reseller (VAR).

A real-life look AT A REAL-WORLD SOLUTION

This ebook is designed to help professional-services firms understand how Microsoft Dynamics 365 can surmount the numerous challenges they face, and the often astonishing benefits they can realize.

While Dynamics 365 is a technical solution, this is not a technical ebook. We have purposely written it to be understandable—indeed, compelling—to business leaders who want to understand *the edge Dynamics 365 can offer for their proserv firms* in relatable detail. We will avoid techspeak, jargon and even the names of many individual Microsoft sub-products and features (which, we confess, can get confusing) whenever possible.

This book is based on real-world scenarios — of real-world professional services firms with whom we have worked and helped to achieve their goals. We hope you find it informative and eye-opening.





Warning signs your proserv firm needs to move to Dynamics 365

No one likes to spend money on IT, let alone spend again. That's why we see so many proserv firms doing their best, when they reach out to us, to keep their legacy investments chugging along.

But it's an uphill battle. Old systems not only lack the power to support the business well—they don't come close to the magic-like power that Dynamics 365 confers—but they're also costly to maintain and manage. The costs can go beyond dollars: Old, unsupported software is a security liability, too.

For smaller proserv firms, the technology may be running on an on-premise server whose days are numbered. At the enterprise level, the firm may be paying a lot for remote hosting and a big IT overhead—and sees the attraction of outsourcing.

At Velosio, we've seen it all. We've seen well-intentioned software purchases that simply don't scale with the organization. We've seen companies struggle to integrate acquired firms and their disparate systems. We've seen systems integrators who want to empower their field-service teams with mobile solutions that communicate with the back office. We've seen customized apps that are costly to maintain. And we've seen every variety of cobbled-together point solutions — from accounting, customer relationship management (CRM) and professional-services automation (PSA) to financials and HR. You name it—they're begging to be retired.

The common thread, again, is visibility. You can't manage—let alone keep track of—resources if they're locked into siloed systems. That's a mission-critical shortcoming.



The tipping point

You might be surprised to learn just how long these proserv firms learn to live with these problems. But sooner or later, they all reach a tipping point. Here are some examples, which may ring painfully familiar:

- ▶ **They need to transition to a subscription-based revenue model.** The days of time-and-materials billing are on the wane. Customer requirements and regulations are forcing firms to make the move—only to discover that their current software simply can't do it.
- ▶ **They're losing control of resource management.** As the firm grows, it gets harder to know who has what skills, or availability. There's a real need for automated skills-based resource assignments. You read right: A single click to create a custom team.
- ▶ **They're losing their people.** The shortage of skilled labor is the biggest challenge in today's economy. These firms need to get a handle on their talent and the talent pipeline.
- ▶ **They can't connect Dashboard 1 to Dashboard 2.** As we'd mentioned above, all proserv firms today have software systems. But that doesn't mean they talk to each other. If you're trying to manually reconcile what the CRM and PSA systems tell you, your way behind the curve.
- ▶ **They can't plan.** This is a big one. If you can't pinpoint efficiencies (or inefficiencies!) in your resources, you can't scale. You can't compare capacity to utilization. You can't spot opportunities. You can't improve the customer experience. You can't plan for the future.
- ▶ **They can't grow.** Whether they're facing an infusion of private-equity funding, growing by acquisition or going public, proserv firms need a system that can scale as rapidly as they do. You want to profit from your growth, not be a victim of it.

If any of these scenarios seems familiar, you might consider making the move to Dynamics 365.

What's the real POWER of Dynamics 365?

If you look at the Microsoft web page for Dynamics 365, you'll see an overwhelming list of applications and sub-applications, with lots of similar-sounding names like "Dynamics 365 for Marketing," "Dynamics 365 Market Insights," "Dynamics 365 Customer Insights," "Dynamics 365 for Customer Service," "Dynamics 365 for Finance and Operations," "Business Central," and dozens of others.

Our advice: *Don't* look at that web page. If your proserv firm has not yet made the leap to Dynamics 365, you're probably thinking about software in terms of applications (such as CRM and enterprise resource management or ERP) and databases, running on servers. It's the way you've been taught and conditioned to think for years. But now it's time to change your thinking.

If you really want to understand the elegance and power of Dynamics 365, think in terms of your firm's *work streams*. Dynamics 365 is one centralized, integrated way of intelligently tying them all together, allowing for incredible insights and streamlined productivity, all based on a single source of truth.

That "truth" is what's known as Common Data Service, or CDS. While we promised not to get technical in this ebook, understand that CDS is a way of managing data so that all of the Dynamics 365 applications

How does Common Data Service work?

You can picture a traditional database as a bunch of rows and columns, sort of like an Excel spreadsheet. Common Data Service (CDS) adds intelligence to data modeling and management, using what are called “entities” as its building blocks. With CDS, it’s now possible for one part of the database to understand, dynamically, other parts and how they relate: For example, how do “Customers” relate to “Time,” “Transactions,” and “Refunds”?

Traditionally, you’d need to try and make these connections—using software joins and external language—in the application layer, which was more of a bolt-on approach. Making it work intrinsically at the DNA-level of the CDS is a real breakthrough. It not only enables the applications of Dynamics 365, but it also allows for forward-looking software partners to add even more features and functionality that adapt and grow as Dynamics 365 itself evolves.

can securely use it, “talking” to each other intelligently without barriers. It’s unique to Dynamics 365. No competing platform has it. And Microsoft has invested billions (*yes, billions*, with a “B”) in it. You can learn more about CDS in the sidebar.

True, there are lots of individual applications (with lots of individual names) that comprise the Dynamics 365 family, and all run natively atop CDS. And you could cherry-pick the individual apps that your proserv firm needs. Fortunately, you don’t have to consider that; Microsoft has developed bundled pricing that makes it affordable to do whatever you need.

What can Dynamics 365 do for your proserv firm? Real-world examples

Now that you recognize many of the pressing reasons to make the move to Dynamics 365—and you have a new, out-of-the-box way of thinking about how it works—sit back and consider some of these exciting scenarios, based on our real experience with real professional-services firms. Bear in mind, these scenarios represent the kinds of things *you’ll be able to do, easily, every day*, once you’ve got Dynamics 365 up and running for your firm.

Turbocharge marketing and sales

Let’s start with a single slice of the marketing pie: Social media. Today, you may have disparate apps to manage your social-media presence across numerous channels, requiring lots of people-power to try and stay on top of it all.

Now imagine a Dynamics 365-empowered version: Let’s say you’re running a social-media campaign. As soon as someone clicks on it, one of your posts, the information goes into Dynamics 365, feeding the sales funnel. That prospect is tracked; when they come to your landing page, they automatically get added to your acquisition process. Dynamics 365 tracks interactions across your social-media feeds and your salespeople’s profiles. Looking at their Facebook and Twitter feeds, it gives you, as a decision-maker, a unified view of your salespeople and their interactions across different accounts. It’s easy to see, for example, a hot lead that might otherwise escape



detection. At the dashboard level, you see accounts in jeopardy; you see if your sales rep promised a prospect a statement of work (SOW) and how they're hewing to that deadline.

Speaking of social media, let's talk about LinkedIn. Dynamics 365 has, quite simply, an unfair advantage over competing solutions here, because as you may recall, Microsoft now **owns** LinkedIn — it's baked into Dynamics 365. Let's say your sales rep is tasked with finding new accounts. She simply types in the characteristics she wants, and the system will provide suggestions. It can highlight individuals worth tracking; if they post anything new, or make a company move, she'll be automatically notified. Sure, you could purchase a LinkedIn upgrade à la carte, but it won't talk to all the other parts of your business like Dynamics 365 does.

An end-to-end scenario

We keep talking about "integration" and "visibility" as benefits of Dynamics 365 in the professional services arena. Consider how it works in this systems-integration scenario:

Your marketing team executes an email campaign for integration services. It reaches CIOs and CTOs of target companies you want to reach. A prospect then visits your website to check out the offering. A webchat appears:

"Do you need help?" The prospect replies: "Yes I do."

"It is urgent?"

"Yes."

"Let me have a salesperson contact you immediately."

The "person" chatting with the prospect, by the way, is a chatbot, which immediately contacts the appropriate sales rep, who calls the CIO. The sales rep sees that the situation is urgent: She needs X amount of resources in Y amount of time. She can automatically query Operations to confirm the available resources and put a hold on them. Dynamics 365 then helps the sales rep with her quoting: pulling in templates, gathering data from similar past projects and available inventory, to build a work breakdown structure. When the client agrees to the deal, they e-sign the contract, and the work gets underway. Naturally, all of the invoicing and billing are integrated into the process, with no disparate systems, no redundant entering of data, no wasted effort.

In the C-suite, the new project helps populate a works-in-progress dashboard. More importantly, it helps the company's leaders run what-if scenarios and forecast both sales and optimum resource allocations. You simply can't do this using the siloed solutions that dominate many proserv firms today.

Transform talent and teams

A professional-service firm wins by having the best people. That's a high hurdle in today's ultra-competitive job market. Consider a hypothetical situation where you've got some opportunities that are projected to close in three weeks, but you'll be ten people short. Where do you find them?



Dynamics 365 is the answer. You can use it to attract talent. Remember — LinkedIn is baked in—and connect with them easily, integrating new hires (especially the Millennials who expect a seamless experience) smoothly and efficiently. Applications are easy to complete. Resume data is cleanly captured. Emails generated are nicely formatted. There are no “speed bumps” which might deter a picky prospect.

Onboarding is just as smooth. Everything from electing IRS deductions to setting up direct-deposit for payroll are available through an easy interface. Ditto for training (you can push out training materials, and track trainees’ progress) and common HR tasks like time-off requests and performance reviews.

Importantly for professional service firms, Dynamics 365 helps to introduce people and create teams. Let’s say that a new hire gets a week of training at the company headquarters, and then returns to the field in their local area. Dynamics 365 helps them stay connected, providing visibility into the organization and showcasing their skills (which they can update themselves) to others. Collaborating across and with virtual employees is easily supported using productivity tools like Microsoft Teams.

True, there are other HR and meeting offerings out there (Workday and Slack come to mind), but the fact is that if they’re not part of Dynamics 365, they’re bolt-on applications which simply can’t talk to the other parts of the organization, limiting visibility and efficiency.

Revolutionize revenue management

With new domestic and international regulations (such as ASC 606 and IFRS 15, respectively) dictating how revenue gets recognized and reported, the pressure on proserv firms to comply has skyrocketed.

Here’s how Dynamics 365 is helping professional-service firms surmount these and other challenges:

- ▶ **Self-service reporting.** Let’s say your controller wants to slice and dice the data to create reports. In the old days, this would translate to exporting to Excel—but that’s a one-off workaround. And it’s risky, too. There’s a chance that the controller might inadvertently mis-manipulate the data. With Dynamics 365, the ability to create and share self-serve reports is baked in.
- ▶ **Re-parenting projects.** Let’s say you’re midway through a big project for a large client, and that client gets purchased by another company. This happens a lot on long-term proserv projects. A company gets bought out. A new bank takes over the loan. Responsible parties change. Without Dynamics 365, this is a financial nightmare. With Dynamics 365, it’s ridiculously easy—almost like a “Save as...”. You can re-parent a project with just a few clicks, with full history and revenue recognition automatically updated. It’s astonishingly fast, painless and powerful.
- ▶ **Transitioning to subscription-based billing.** The days of big-fee projects are going away. Their demise is being hastened by ASC 606 and IFRS 15. In their place is the need for subscription-based — or recurring revenue — models, which charge less money up front and collect over longer periods of time, all while maintaining the latest levels of GAAP (generally accepted accounting principles) compliance. This amounts to a mountain of complex calculations, including everything from net promoter scores (NPS) to cost of capital. Traditional software can only work the old way. Dynamics 365 can work both ways, at the same time, making the subscription-transition simple and smooth.
- ▶ **Cutting costs.** Thanks to Dynamics 365, one of our proserv clients was able to decrease back-office processing time and freed staff to perform higher-level strategic analysis. And this is while increasing organic revenue by 30 percent. Put simply, Dynamics 365 represents an infinitely more efficient way to capture revenue and automate back-end processes without growing expense.



A field day for field service

For proserv firms that send teams into the field, especially with equipment to service or install (think “systems integrators”), today’s as-is scenario will sound painfully familiar:

A customer will call for service. The technician will show up in the truck. They’ll visit the site and see what’s wrong. If they need a part, they’ll call the office to order one. If they have it in the truck, they’ll install it. At the end of their day, after completing their run, they’ll return to their house or hotel room, flip open their laptop, and try and update what they did that day, and then dump the data back to the main office.

A word about that “part on the truck.” “Trunk stock” represents one of the single biggest sources of inventory write-off for proserv firms. Once it goes on the truck, it’s lost from the system. It’s maddening and costly.

Now reconsider the scenario, updated for Dynamics 365: When the client calls in with a problem (a critical component has failed), it goes straight to Dispatch, who now can see, in real time, which technicians are in the area and have the part on their truck. Dispatch contacts the technician, sending him his work order and GPS directions to the client. The client, meantime, gets an alert, saying who is on the way, when they’ll arrive, and even including a photo of them to ensure security.

When the technician arrives, he’s already got his part (he’s scanned its barcode when he took it off the truck) and his steps to follow to make the repair. The system tracks his time on the job. When he’s done, the customer signs for the job on the technician’s mobile device (it can be a phone, tablet, or laptop), where it’s automatically sent to Billing, where the invoice and aging will be auto-generated.

It gets even better. Now, in the age of IoT (the Internet of Things), we actually have clients who use embedded sensors in their products, which automatically notify them *when they’re about to fail*. This is not science fiction: Parts get swapped out before they can create downtime. The world goes from reactive to predictive. Customer satisfaction goes through the roof.

Gaps in the Dynamics 365 universe

Reading these scenarios, you might think that Dynamics 365 can do everything. But it can't. Not straight out of the box. Here are some of the things it can't do on its own:

- ▶ **It won't set itself up for your proserv business.** Out of the box, the "Finance and Accounting" module alone has about 30,000 configuration options. How do you set that up for your proserv business? Sure, you'll need the help of a Microsoft VAR (value-added reseller), but they'll still need to capture your business processes and figure out how to configure all those settings. This takes time and money.
- ▶ **It won't create contracts or set up permits for you.** Sure, it can handle these chores, but setting up things like Gantt charts and budgets requires a lot of work. There aren't any built-in "wizards" to walk you through the steps. If you're not doing these every day, it can get daunting when the time comes.
- ▶ **It doesn't include proserv best practices.** Ideally, you want to capture and implement best practice from other professional services firms, and then tweak the settings to fit yours. Out of the box, that's not included.
- ▶ **It won't do updated revenue recognition for smaller firms.** The smaller-sized-firm version of Dynamics 365 does not include the ability to handle subscription-based billing that its bigger sibling includes. That's a significant gap.
- ▶ **It lacks deep-reading intelligence.** Modern technologies exist that have the ability to read emails and chat sessions. They capture relevant client and project information and use that to populate calendars and contacts in CRM systems, provide automatic analysis and insights and keep teams focused on sales and operations. That's not included in Dynamics 365.

There is a silver lining. *Every one of these gaps* can be filled by a forward-looking Microsoft Partner that has the experience and ability to create them, slashing implementation times and total cost of ownership (TCO), taking Dynamics 365 to unprecedented levels of productivity for proserv firms.

What to look for in a Microsoft value-added reseller (VAR)

You can't simply buy Dynamics 365 from Microsoft and expect to install it yourself.

You'll need a Microsoft value-added reseller, or VAR. There are a lot of them. So how do you choose?

If you're a proserv firm, you'll want to look for proserv experience. The more proserv customers the VAR has, the better. You'll want to look for their abilities to customize Dynamics 365 for the proserv world, based on copious experience and captured best practice. You'll also want them to have the ability to add deep "connected intelligence" to Dynamics 365 applications so they squeeze even more value and productivity out of them.

Finally, you'll want a measure of reassurance from Microsoft itself. Microsoft rigorously monitors and grades its VARs, for their benefit and yours. You'll want to look for official Microsoft "badges of honor," such as its Master VAR designation, and membership in its prestigious President's Club—or even *more* prestigious Inner Circle—and awards such as Partner of The Year.



Digital Transformation is a Journey. **GET THERE WITH VELOSIO.**

Moving your business to a cloud-based system with all applications operating on a single, data platform opens up many opportunities to accelerate success. Velosio checks all the “boxes” of a Partner that you can trust to make your journey to cloud a success.

We will help you realize business value faster, simplify the process of deploying technology so you can support the data-driven decisions and innovation that drive your business forward. Beyond our expertise, as a Velosio client you can leverage the full Velosio network of peers, external resources, and community events to help you on your journey to a higher level of performance and growth.

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