Velosio®

A Grower's Guide to
Microsoft Dynamics 365

This e-book gives business leaders a detailed look at the Microsoft Dynamics 365 ERP solutions. You'll learn what the cloud migration and implementation process entails — and the factors that influence the cost and complexity of your ERP project.

Introduction

The converging forces of digital transformation and the COVID crisis has shown us that businesses operating with legacy infrastructure and analog processes are falling further behind their peers.

Every organization is sitting on mountains of data spanning all transactions, departments, and operations. But when it's siloed in on-prem servers and fragmented systems, it can't be used to make the real-time, informed decisions that businesses need to survive.

Preparing for the "next normal" starts with a flexible, all-in-one cloud ERP like Microsoft Dynamics 365.

It's not enough to migrate operations to the cloud and unify data. Today's businesses need an ERP solution that enables them to tackle today's biggest challenges, while also preparing them for the challenges and opportunities on the horizon.

This ebook provides business leaders with a high-level overview of what that actually looks like in practice. We'll look at each of Microsoft's Dynamics 365 ERP offerings and break down the benefits they bring to the table.

We'll also explain what the migration & implementation processes entail — without glossing over the fact that success hinges on hard work, company-wide buy-in, and a sizable investment.

Velosio's Microsoft experts will weigh in throughout the series to share insights and best practices gleaned from years on the job. Additionally, this series examines emerging trends, product updates, and how real companies use D365 in the real-world — putting the game-changing ERP in a broader context.

What, Exactly, is Microsoft Dynamics 365?

Get to know the basics of Microsoft Dynamics 365 and its modular family of customizable, purpose-built apps. We'll explain how D365 unifies the entire organization, addresses issues caused by fragmented or aging ERP solutions, and helps business users achieve a wide range of goals.

ERPs aren't new. They've long been used to manage and integrate the front and back-office activities that create value, serve customers, and keep lights on and systems online.

Historically, ERP systems were these huge, monolithic platforms. They were hosted on-premises and didn't talk to other systems, making it impossible to make decisions in context.

Think – inventory planning without access to real-time sales data.

Enterprises would drop significant sums customizing internal systems to meet business requirements. This made it difficult (not to mention expensive and risky) to keep pace with change—or even make minor improvements to their workflows.

Microsoft **Dynamics 365** tackles challenges caused by aging legacy software and disparate systems.

Its modular SaaS apps unite the entire business, link processes to data, and streamline business activities. It's designed to adapt to the unique needs of any business—without the enormous expense of building custom apps from scratch.

Businesses gain operational agility, actionable insights, and end-to-end visibility. All key ingredients of a successful digital transformation.

In these next few sections, we'll break down the basics of Dynamics 365. We'll explain features, benefits, and use cases to give you a better sense of what D365 is all about.
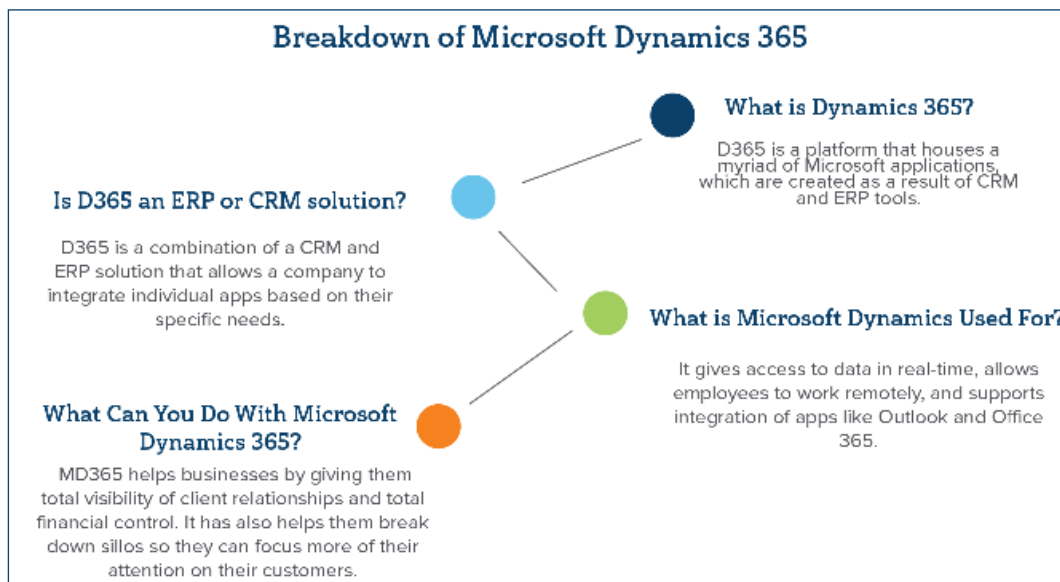
What is Dynamics 365?

Okay, Dynamics 365 isn't a single, all-in-one platform. It actually refers to a family of modular, interconnected Microsoft applications.

Instead of offering a single all-in-one solution, Microsoft takes the capabilities found in traditional enterprise resource planning (ERP) and customer relationship management (CRM) tools and breaks them into individual apps.

Each app is designed to support a different part of the business.

So, Is Dynamics 365 an ERP or CRM?

D365 combines both ERP and CRM solutions, though elements of each are chosen separately, due to the platform's modularity.

Breakdown of Microsoft Dynamics 365

What is Dynamics 365?
D365 is a platform that houses a myriad of Microsoft applications, which are created as a result of CRM and ERP tools.

Is D365 an ERP or CRM solution?
D365 is a combination of a CRM and ERP solution that allows a company to integrate individual apps based on their specific needs.

What is Microsoft Dynamics Used For?
It gives access to data in real-time, allows employees to work remotely, and supports integration of apps like Outlook and Office 365.

What Can You Do With Microsoft Dynamics 365?
MD365 helps businesses by giving them total visibility of client relationships and total financial control. It has also helps them break down sillos so they can focus more of their attention on their customers.

Users can tailor the platform around their unique business needs by customizing individual features and integrating with their existing cloud-based tech stack and any external data sources they use–directly or not–to effectively do their job.

In most cases, you'll choose an ERP first, as it functions like a central hub for all data, apps, integrations, and processes needed to run your business.

Microsoft offers the following ERP solutions:

Business Central: (for SMBs, single location businesses)

Enterprise:

- **Finance** (for multi-location enterprises/ companies with complex accounting needs)
- **Supply Chain Management** (for distributors or manufacturers)
- **Project Operations** (for project-based organizations – think professional services firms or digital agencies)
- **Commerce** (for large retailers)

Dynamics 365 ERPs do include some general CRM features. For example, they connect with all business data and keep track of things like inventory, sales, and customer interactions. But, individual modules unlock more features that can help you grow.

Later, you can add CRM modules to fill in any gaps. Each module offers a robust feature suite for individual functions like sales, customer service, marketing, or HR.

Organizations can opt for one standalone module early on–say, Dynamics 365 for Sales to manage sales activities. But, as that organization grows, they might add more modules.

Perhaps, that means scaling the platform to support a growing customer service team or an expanding stable of marketers. Or, they might need features for the HR staff that helps them navigate the legalities of running a big company.

What is Microsoft Dynamics Used For?

The short answer? A lot.

Zoom out and you'll see that embracing a **cloud-based ERP like D365** is a big step toward true digital transformation. See, at its core, **digital transformation** is about connecting data and systems–enabling faster, smarter decisions that reliably deliver the desired outcome.

Dynamics 365's modular, customizable applications eliminate many of the transformation barriers caused by on-prem legacy solutions. These include things like complex customizations, poor visibility, an inability to operationalize data, and lots of silos.

All which prevents organizations from responding to changing circumstances, understanding their customers, and making decisions based on good information.

Here's a look at some of the ways that D365 can be used to drive meaningful improvements:

Enhance decision-making. Dynamics 365 enables users to level up their decision-making capabilities with real-time insights, built-in intelligence, and an intuitive, easy-to-learn UI. Use it to make financial decisions like whether it makes sense to discount a particular product or raise the credit limit on key accounts. Using D365 insights can also inform the sales strategy–which territories are worth focusing on, is it time to raise sales quotas? You can also use the platform for operational decisions like inventory planning or managing remote teams.

Work from a single source of truth. Microsoft Dynamics ensures that everyone in your organization is working from the same set of data.

Dataverse is the foundation of D365. It stores and secures data from connected modules and sorts it into Tables that sync back to all connected apps, preventing silos and ensuring everyone has access to accurate, up-to-date information.

Empower citizen developers & data scientists. Dynamics 365 also allows users to build their own apps via Microsoft's Power Platform. The platform democratizes app development, allowing teams to deploy working, custom solutions–fast–without putting the rest of the system at risk. Users can also build custom automations, reports, and data visualizations, by leveraging existing data and processes.

Support anywhere access. Dynamics is a comprehensive, cloud-based ERP solution that allows users to work from any device or location– without threatening system security.

Tons of integrations. Dynamics 365 integrates with popular Microsoft products like Office 365, Outlook, LinkedIn, and its Azure cloud service. Dynamics doesn't only support Microsoft products. It also integrates with third-party tools from Google, Adobe, SAP, social platforms, e-commerce storefronts, external data sources, marketing tools, and so on.

What Can You Do With Microsoft Dynamics 365?

Again, because of the platform's inherent modularity, D365 can adapt to fit any business model or process—no matter how niche.

While no two implementations will look the same, we've included some examples that demonstrate how real businesses in a diverse range of industries use Dynamics ERP in the wild:

Berkowitz Pollack Brant (BPB), a Florida-based CPA firm, sought out Velosio experts after realizing they had outgrown QuickBooks. The platform served them well for a while but as they expanded, increasingly inefficient processes were hindering growth. We helped the firm implement Dynamics 365 Finance & Operations–which allowed them to gain complete visibility into client relationships and total financial control.

Another Velosio client, **SHI Cryogenics Group** is a manufacturing company that has been in business for more than 300 years and currently designs & builds cryogenics products. The company had long relied on manual tools like spreadsheets to manage quality control data and its services &

repair operations. Dynamics 365 enabled them to streamline product service by 75%. Later, SHI Cryogenics added the Customer Service module and expanded the system to include more products, partners, customers, and internal users.

Kohler, a company known for its kitchen and bath products, found that Microsoft 365 enabled the organization to create a cohesive culture across its 50 locations spread across six continents. The COVID pandemic prompted Kohler to move operations into the digital realm. They moved shared directories to SharePoint, personal files to OneDrive, and communications to Teams. While these changes were a response to a black swan pandemic, leaders saw some positive changes. These tools enabled teams to remove barriers, break down silos, and stay focused on their customers.

Port of Anacortes is a Washington-based company that maintains harbors & marine terminals and promotes tourism. They reached out to Velosio to help them replace an aging, **on-prem version of Microsoft Dynamics SL** that was frequently crashing. They replaced SL with the Business Central ERP, which enabled remote work and true self-service access for employees. Before the upgrade, the IT manager had to set up a VPN connection for anyone working from home—which was slow and inefficient. While COVID prompted the move, the team started experimenting with Power BI. They're also looking to add Fixed assets to its current financial stack.

Ullman Dynamics is a Swedish company that builds bespoke boat seats—with every component custom-built to customer specs. Meaning, the company often sources materials you can't find in stores. They also relied on employee knowledge/ experience to tackle complex sourcing challenges. None of this was documented or shared among staff, making it difficult to scale. Ullman Dynamics **upgraded from Dynamics NAV to Business Central**, which allowed the growing team to boost

operational efficiency and productivity. It also allowed them to take on more complex workflows that enabled them to build more bespoke boating products.

Final Thoughts

Microsoft Dynamics provides organizations with a connected data ecosystem, real-time insights, and tons of support from its embedded AI. But, its real selling point is less about individual features than it is about flexibility.

Businesses can pick, choose, and customize the features in their system–based on where they are today. Down the road, they can scale up to meet new demand, pivot in the next crisis, and anticipate customer needs, at the first sign of change.

Bottom line, Dynamics 365 helps businesses crush the competition and maximize profitability.

In Chapter two, we'll take a look at the underlying technology that powers Microsoft Dynamics 365 and the platform's core capabilities.

Your D365 Implementation Checklist

This chapter provides a comprehensive checklist you can use as a template for designing your own D365 implementation plan. You'll hear from Velosio experts, who share insights and advice for gathering requirements, mapping current capabilities to new functionality, overcoming resistance to change, and more.

While there's no official consensus on the exact percentage, experts agree that more than half of all **ERP implementations end in failure**.

McKinsey estimates around 70% fail, while Gartner gives a range—between 55% and 75%. If you're looking for more tangible flops, you can check out CIO's list of **16 famous ERP failures.**

We're not trying to scare you. It's just that it's important to understand how hard it is to pull off any ERP implementation.

Developing a project plan is a complicated process involving multiple stages, moving parts, and large, cross-functional teams that might not be ready for change. You're also dealing with tons of data, deciding which integrations/processes are worth keeping—or need to be replaced. It's a lot.

While every implementation is different, we've compiled a checklist outlining key activities at each stage. You might use this as your Dynamics 365 implementation project plan template—and adapt around your organization's unique needs and pain points.

Read on to learn more about what the ERP implementation process should entail.

Define Goals & Success Criteria

The first step in your Microsoft Dynamics 365 implementation project plan is defining your goals and how you'll measure success.

> *"Define what success looks like: Make sure the goal can be measured and think about this goal when doing requirements. Think about the future and not just what you are currently doing. Identify bottlenecks in your processes."*
>
> **— Nick DiAngelo,** Senior Consultant

DEFINE GOALS

Create a path forward by outlining a specific goal that can be measured and keep it in mind when completing requirements.

GATHER BUSINESS REQUIREMENTS

Analyze factors such as what systems you're using, what infrastructure you're working with and the challenges your team is facing.

REVIEW CURRENT SYSTEMS

Don't begin an implementation with the intention of replicating your old processes in a new environment. The goal is to deconstruct your current solution and reconstruct it to an improved one.

CHANGE MANAGEMENT

Migrating to the cloud is both a cultural transformation and technological one. Companies should invest time and resources into preparing the organization for this move.

1 2 3 4 5 6 7 8

DESIGN

Gather essentials like test case results, gap analysis and feedback from departments. This will allow you to choose what data you'll migrate, and which processes you'll keep and replace.

TESTING

Create standard operating procedures, develop a training plan, and participate in user acceptance testing to obtain a holistic view of your organization.

DEPLOYMENT

Check to make sure all artifacts and necessary configurations are solidified during deployment. Documents need to be reviewed and reporting needs to be addressed.

POST GO-LIVE

Maintaining your new system is an essential part of success. You'll need to complete performance checks, create a budget for overtime staff and ensure your data is backed up.

Questions to answer:

- What do you hope to gain from this project?
- What are your most immediate short-term goals?
- What are your long-term goals?
- What's your timeline for achieving them?
- What will it take to make it happen?
- Who needs to be involved?
- How much will implementation cost?
- How long will it take?

Gather Business Requirements

Sreenath Reddy Girigari, Directory of Delivery, "requirements gathering is crucial to any Microsoft Dynamics 365 implementation project plan. It adds value every step of the way. And, when you're working on tight timelines and a limited budget, exact documentation of all requirements becomes even more critical."

Carrie Gabris, Consulting Mgr BC Enterprise, emphasizes that it's important to understand the difference between business and configuration requirements.

"Discuss business requirements. Do not discuss configuration questions for Business Central setup. Business Requirements are the NEED, BC is the tool. Bottom line: configuration questions are needed to set up the tool, they're not to be confused with "requirements."

– Carrie Gabris,
Consulting Manager, BC Enterprise

You might host workshops with each department to learn about pain points and challenges, as well as how people actually use existing tools.

Questions to answer:

- What systems are you currently using for Sales, Marketing, HR, Finance, Supply Chain, Operations, Business Intelligence?
- How old are those systems?
- What challenges does each team face? Bad data? Lack of access? Missed revenue opportunities?
- What kind of infrastructure are you working with?
- Are there proprietary systems in place that are hard to upgrade/support/integrate with new solutions?
- What legal & regulatory requirements are you responsible for?
- Do you need to support inventory management? A complex quote-to-cash cycle?

- Are you operating in multiple locations? Warehouses? Countries?
- Are you dealing in multiple currencies?
- Do you need your system to handle different billing/pricing models?

> "Make sure you have a group of people working together internally to review functional design documents. Make sure you all log into the system together and walk through some processes. Watch online demos available that show the UI in action. Ask your implementation partner about integrating with Office 365 and the Power Platform and see if you can get demos for your use case."
>
> — *Sam Miller,* **Account Executive**

Review Current System & Evaluate New Capabilities

Carrie Gabris warns against trying to replicate old processes in a new environment.

She says, "be sure it doesn't become a lift, move, and drop situation. You're not attempting to implement your current solution into Dynamics 365. It must be deconstructed to be reconstructed in an improved solution."

You'll want to ask the right questions when defining the customization.

Your goal here is uncovering as much information as you can about current processes–in context with real users.

Try to answer the following questions:

- Which departments are impacted?
- Which fields are impacted?
- What are all the requirements of the field and field type?
- Is the customization specific to a certain group of users?
- What barriers prevent employees from achieving goals?
- Where are they wasting the most time?
- What information are they missing?
- Identify **new capabilities offered by D365**— divide them into two groups: must-haves and nice-to-haves.
- Also ID features you can remove. That way you're starting with a new system that only contains the features/functions relevant to your business. You can add/modify them later.
- Do the results/outcomes of the customized transactions need to be reversible?
- Does custom functionality need the ability to be enabled or disabled? Without asking these questions and accounting for all of this then that scenario, the custom code will have bugs.

Anthony Dossier, Client Success – BC Support Engineer adds, "one of the biggest mistakes clients make is not adding hover-text to the custom fields." This defines the purpose and function of new fields and explains their impact on other fields and data.

Change Management

Modernizing your ERP is as much a cultural transformation as it is a technological one.

Companies need to dedicate the appropriate amount of time and resources to preparing their entire organization ahead of time.

Carrie Gabris emphasizes that key users must be involved throughout the entire process—starting at the very beginning. For reference, key users are your internal subject matter experts (SMEs), champions, and power users driving adoption across the organization.

She says, "throughout the execution, they should be showing glimpses to their team members, and discussing functionality hits and misses. The biggest issue for end-users is fear of not knowing what's being constructed and wondering if they are going to be able to manage the change."

A Few Things to Keep in Mind at This Stage:

- Functionality and usage should not be "new" to end-users during training
- Key users should do end-to-end testing
- They should document & screenshot processes
- They should capture relevant data
- Business rules must be created & communicated
- Train-the-trainer... most cost effective and forces full ownership of the solution.

Carrie adds that, "key users can serve as ongoing support before support issues are escalated to a partner... saving time and money in the long-term."

You need at least one "power user" that understands processes across the entire business—beyond their own functional area. This is essential for making sure you get the big picture view.

Functional users play an important role, too. This group knows the ins and outs of specific processes because they use them every day. They're in the best position to identify bottlenecks and barriers—and provide valuable feedback for how to improve.

Finally, you'll need a project champion to lead the charge.

This person has strong project management skills and is prepared to guide the implementation process and keep everyone on track and aligned around the same goals.

Design & Development

As you're planning the design and development stages of Dynamics 365 implementation, you'll want to make sure you focus on must-haves first (essentials you'll need on go-live day).

Your "nice-to-haves" might change post-launch after you've spent more time in the system.

Make sure to use data from your test case results, gap analysis, and sessions with each department to design the new system and map processes. While the focus shifts toward identifying customizations, data, and integrations, it's important to keep end-user feedback top of mind.

This will inform what data you'll migrate, which processes to keep, and which ones you'll replace using the new functionality.

Here, You'll Want to Answer the Following Questions:

- Are you starting from an on-prem or cloud solution? What version?
- Do you have any existing customizations or ISV solutions?
- Are integrations to other systems required? If so, how will you interface with the external systems?

- What data needs to be integrated? What directions? How often?

- Does any data need to be migrated from a legacy system to D365 BC for this development to work properly?

- What automation is needed? (data in, data out, posting)

- Is data transformation needed? (what is provided to D365 BC need to be evaluated and then changed to a valid D365 BC date element)

- How many reports (Sales invoices, Purchase Order Documents, Check requirements, WIP reports, project status or management report) are required for the organizations that may be complex?

- Will simply adding a logo to a simple format work?

- Do you have required notifications/workflows that you heavily rely upon?

- Are new fields/tables required? Describe what you understand the prospect will need.

- Who needs to see the fields?

- Are the new fields/tables editable?

- Where do they need to see the fields? i.e. setup screen, customer ledger, General Ledger

- What reports are required?

- What tool will be used to create and generate the reports?

- What are the current business applications in your environment and is there integration between those systems?

- What technology is used for those integrations?

- How many integrations need to be built?

- Does the integration need to update extension tables and fields?

- How fields might need to be updated/ imported?

- What is the source of the data? (Concur, ADP, External operating system)

- Where does the data need to be imported? (GL, AP, Inventory)

- Does the integration need to return data to the source system?

- Does the integration need to create or update master records? Which ones?

- Does the integration need to transform any data? (Source Item number to BC item number?)

- What level of automation is required? Immediate and automatic? (API's?) Scheduled and Automatic (Containers)? Manual and as needed?

Testing & User Training

Anthony Dossier advises clients to use "real data-based training that accounts for most common scenarios across all systems, departments, and processes."

> "In general, get engaged, watch videos, read training manuals, understand the table/field structures and the system architecture, learn the terminology of the new system, learn where data flows from and where it flows to."
>
> **— Anthony Dossier,**
> **BC Support Engineer**

You'll need to develop well-documented step-by-step, click-by-click standard operating procedures, complete with screenshots and details of all fields and steps involved.

- Develop a training plan—should include hands-on live sessions, self-guided lessons/tutorials, and a plan for developing skills long-term
- User acceptance testing (UAT)
- Cutover phase—typically lasts a few days & allows orgs to start working with the new system before retiring the old one—in case they hit any unexpected snags.
- Gives clients time to run through day-to-day tasks and address issues, while also maintaining business continuity.
- Activities might include running sales reports, processing orders, bank reconciliation, etc.

Nick DiAngelo says, "issues often come from clients not testing all of their scenarios. Take the time to develop test scripts and ensure they are complete before cutover."

Anthony weighs in again stating, "when scenarios and critical processes go untested, users don't know how to use the system at go-live. To avoid this issue, make learning the system and completing UAT the top priorities, instead of focusing too much on go-live deadlines."

Make Sure You:

- Track testing scenarios
- Provide detailed steps if an error occurs. Include what the expected result was and the actual result.
- Hold people to a timeline—UAT usually runs over if there's no project sponsor or manager keeping the team on track.

Deployment

Don't force the go live if you're not fully ready to hit some target deadline. That's focusing on the wrong objective.

> "Ensure all artifacts and necessary configurations are in place during deployment. Additionally, maintaining a proper deployment checklist that covers every detail that must be in place before the go-live."
>
> **– Sreenath Reddy Girigari,**
> **Directory of Delivery**

Before Moving Forward, Make Sure That:

- Adequate unit testing was performed by enough users
- Documents were fully tested/reviewed during testing. Some might be missing necessary information.
- Reporting was fully addressed. In other words, you've proven that reports address specific questions and make it easy for users to understand the situation and take the appropriate actions.

Post Go-Live

After you've launched the new system and completed the cutover, you'll need a strategy for managing and improving the system long-term.

A few things to work into your ongoing plan:

- Create a system for ongoing testing, regular reliability & network performance checks

- Establish & document communication protocols for unexpected downtime

- Make sure you have strong (and redundant) data backup processes

- Make room in the budget for overtime/temp staff to support teams as they learn to work in a new system

Final Thoughts

Carrie Gabris has one final piece of advice. She tells clients to "be open to change. The requirements you currently have in place may be a result of your current system's limitations. You'll need to be open to process changes in order to utilize D365 best practices to improve business outcomes."

Your Microsoft Dynamics 365 implementation project plan is a massive undertaking. It involves a lot of time, teamwork, and a ton of in-depth cross-functional planning.

What's more, many orgs don't have experience with Dynamics 365 implementations. And some have little to no experience with the cloud, in general. Even those companies that consider themselves experienced cloud users might struggle with the more technical aspects of implementation. Think—mapping business processes, preparing data, converting custom code.

Chapter 30 takes things a step further. In it, experts share their advice for making sure your Dynamics implementation is a success.

5 Reasons Why Dynamics 365 Implementations Fail

Many ERP failures point back to some common problems that can be avoided through careful planning and a rock solid game plan — poor leadership, messy data, complex customizations, and so on. This section looks at some of these issues and includes expert advice for avoiding critical migration mistakes.

There are many Dynamics 365 upgrade issues that can cause a migration to fail.

Unruly, inaccurate datasets. A lack of internal knowledge or the technical skills needed to realize the promise of the new system. Migrating old, complex customizations. The list goes on.

However, most Microsoft Dynamics issues can be avoided with proper planning and strong project management skills.

In these next few sections, we'll look at some common reasons an upgrade might fail—and how to avoid those issues in the first place.

1. Failing to Perform an Initial Assessment/Analysis

You might assume that because Dynamics 365 covers a lot of the same core functions as your on-prem system that you don't need to spend a ton of time on the analysis stage. However, many Dynamics 365 upgrade issues can be prevented by performing a thorough assessment before the migration process gets underway.

The assessment process should start with a basic overview of your key business processes. Make sure documentation describes each process and how it is performed right now.

Top Reasons Microsoft Dynamics Upgrades Fail

01 — Failure to perform an initial analysis to obtain a better grasp on key business procedures and follow the migration process.

02 — Migrating problematic data which includes missing data, bad data or messy data.

03 — Migrating complex customizations that won't suit your new platform. This prevents you from unlocking cloud-based potential.

04 — Insufficient training and testing means you don't fully understand your new system's functionality, which leaves room for error.

05 — Poor project management and internal leadership causes miscommunication between the team and leads to undesirable results.

> "Analysis is a super important part of the upgrade process. Most upgrades fail if we don't identify migration activities during the Analyze phase. This process helps us estimate how much effort is required and put together a project plan. The activities we identify at this stage need to be completed before we're able to migrate from AX to Dynamics 365."
>
> — *Sreenath Reddy Girigari,* **Director of Delivery**

But, unfortunately, it's not the kind of thing you can throw money at and expect results. See, failing to get involved in the planning process means your partner doesn't have a whole lot to work with. And, as a result, will have a hard time executing the big-picture plan in a way that aligns with what you had in mind.

> "The biggest migration issues I see clients experience comes from the lack of any upfront assessment to determine the migration approach—followed by a lack of client involvement."
>
> — *Jacob Halusic,* **Account Executive**

The idea is, you'll have an understanding of the "current state" of your migration project–which serves as the foundation for driving improvements.

Consider how many upgrades Microsoft has made to its feature suite since you implemented your current on-prem setup–chances are, there's some new functionality that you could use to improve many of your core business processes–whether that's through automation or by gaining more visibility into your business so you can make better decisions.

Account Executive Jacob Halusic had a similar take–but also emphasized the importance of treating your migration partner like, well, an actual partner.

Often, organizations make the mistake of hiring a migration partner or an outsourcing company to solve a specific problem and assume they can pass the project off on that third-party partner.

Microsoft recommends having your project team conduct an extensive review of the new software. The process serves two main purposes–both of which will set the stage for long term success. First, it allows your project team to get familiar with the new solution and identify potential skills gaps ahead of the official rollout. This allows organizations to start planning the training process ASAP.

Second, the early review process also allows companies to define which manual processes they'd like to automate post-migration. This ensures that necessary customizations are made ahead of the rollout so the migration process moves along without hitting any roadblocks or delays.

2. Migrating Problematic Data

The biggest migration mistake you can make is failing to prepare your data for migration. Whether that's due to a lack of data validation or migrating without cleaning up your "dirty" data first, your ERP system is only as good as the data you feed it.

Many customers think they want to migrate all their existing data—but that's rarely a good idea.

Migrations take longer when the source data has issues—whether that's missing data, bad data, or messy data.

To get ahead of any major data issues, you'll want to define which data sets to convert to the new system. From there, you can analyze and clean up that data to weed out any outdated or irrelevant information.

Migrations should bring your current data over to the new system and place historical data into a data lake. That way, you can access old insights and make more informed decisions about what makes the final cut. If possible, try to find source documents that can verify data accuracy and completeness.

Microsoft also recommends creating spreadsheets to capture and segment data into logical tables. This will help you streamline the conversion into the new D365 system.

3. Migrating Complex Customizations

Consulting Manager Sandeep Chaudhury says "carrying over unwanted custom code is not a great decision."

Just because your customizations were useful in the past doesn't mean they'll serve you well on the new platform. Like bad or unnecessary data,

customizations often end up causing issues that prevent you from unlocking the value of the **cloud-based Dynamics**.

> *"Converting past custom development to extensions can be time-consuming if you're using a traditional approach."*
>
> *— Rob Urbanowicz,*
> **VP of Enterprise Services**

Rob adds that Velosio supports a seamless transition from **AX to D365 with low-cost code migration**. "Our experts have experience with migrations and understand how to reduce the number of customizations you bring over to the new platform."

Ultimately, it doesn't make sense to migrate all the customizations from your past—especially if you've been working with your existing solution since the earliest days of MS Dynamics. Customizations, workflows, and processes should represent how you work today and where you're headed next.

4. A Lack of Proper Training & Testing

Proper training and testing prior to go-live are key. In most cases, the issues that come up after the system is live were not tested beforehand. Rarely does a true technical issue slip through the cracks when proper testing and training were implemented from the get-go.

Velosio BC Express Practice Director, Lorna Link says a "lack of understanding of the new system's functionality" is a major reason that Dynamics migrations fail.

> "A lack of user skills/abilities is a big one. Moving from old software to new software comes with a challenging learning curve related to usability."
>
> — **Kimberly Bateson,**
> **Senior Consultant**

Sandeep chimes in again, adding that it's not just usability issues that put migrations at risk. It's also the lack of user interest in learning the new system, as well as inadequate UAT testing (a process where actual users test the software to see how it holds up in real-world scenarios) that cause migrations to fail.

5. Poor Project Management & Internal Leadership

We mentioned this in the "assessment" section, but it's worth mentioning again—working with a partner doesn't mean you get to take a hands-off approach to migration. Yes, some vendors will happily take your money, but any reputable partner will advise you to take a more active role in the process.

Velosio F&O Practice Director Sreepathy Nagarajan explains, "a lack of leadership on the client side makes our job harder. At the same time, sometimes clients want to participate in the migration process, which can create confusion."

Rob chimes in again with a similar sentiment. He says, "many migration issues are caused by a lack of experience, combined with long time frames to value, poor project management, and ever-changing scope & business requirements."

If project managers haven't defined how and when to execute a process, what business cases and goals they're going after, it's really hard to deliver the desired results.

Final Thoughts

As you can see, many of the migration issues that lead to failure have more to do with people and processes more than technology itself.

> "It's people who implement systems. If the people involved in the process can't work as a team, the upgrade will fail. The point is, when people work together, they can take a system live — even if the implementation/migration experience feels like total chaos."
>
> — **Sam Miller,** Sales Director

In other words—if your culture isn't ready for migration, you've got issues to address before you begin the upgrade process.

In the end, most of the Dynamics 365 issues that cause upgrades to fail point back to a lack of preparation. Migrations are a complex process that require a strategic approach—from the very first stages of your initial assessment to how you handle training, legacy data, and customizations.

In the next section, we'll look at some common performance issues to watch out for after your D365 ERP is up and running.

What to Look for in a Microsoft Dynamics Partner

In our final chapter, we'll share some advice – and selection criteria – for finding the perfect-fit Microsoft Dynamics partner. We'll focus on four main areas: expertise, reputation, experience, and capacity and provide a list of sample questions you can use in your own search for the ideal D365 partner.

As with every part of your **cloud ERP strategy**, your Microsoft Dynamics partner must align with your business needs, processes, and goals. Which means, the word "partner" is key.

See, you're not outsourcing the migration or implementation process. You're not passing the buck on training or change management responsibilities, nor are you paying an external expert to define your company's Dynamics 365 strategy on their own. You're also not hiring someone for reactive break/fix services (though, yeah, that's definitely part of it).

Rather, this should be a collaborative relationship—with both parties working together to achieve critical business objectives.

In this article, we'll discuss what to look for in a Microsoft Dynamics 365 ERP consulting partner and share some sample questions you might use to determine who makes the final cut.

1. Microsoft Dynamics Knowledge & Expertise

Your Microsoft Dynamics partner should bring in-depth product knowledge to the table, along with deep knowledge of everything from UI and integrations to customization options and advanced features.

Partners should know which solutions are most effective for achieving specific objectives and offer suggestions and guidance for leveraging **D365's features/functionality** to maximize business value.

Here are some questions you might use to learn more about the expertise potential partners have to offer:

- What services do you offer?
- Have you worked with companies like ours before?
- How do you engage clients?
- What is your approach to problem solving?
- Can you help us transition from our current partner?
- What is your experience with integrations?
- What kinds of ISV solutions do you offer? (I.e.: do they have solutions built for specific challenges/industries like AXIO or Advanced Projects for BC?)

Solution Architect, James Thomas adds that you'll also want to look for a partner with cross-cloud expertise.

Ultimately, the big question becomes—does the partner have real expertise across all these solutions?

Even if you're not using them now, they'll likely factor into the next steps in your **digital transformation journey**. So, better to choose a partner that fits into the five, ten-year plan rather than focusing on the here and now.

> "Find out if this partner is only great at the product you're implementing or has expertise that spans the entire Microsoft cloud. You'll likely want your Dynamics solution to integrate with Microsoft 365, Azure services, Power BI, and so on."
>
> **— James Thomas,** Solution Architect

2. Reputation

After you've assessed a prospective partner's Microsoft experience and the services they provide, you'll want to make sure they're legit. This isn't as hard as you might think. It's really just a matter of investigating firms from multiple angles.

At a minimum, you'll want to look at the following areas:

Microsoft Certification

Velosio Solution Architect, James Thomas says it's a good idea to look for "recognition from Microsoft and a Microsoft rep/ambassador who is paid a commission based on the partner's success."

He adds, "Microsoft's approval means the company will pay attention to you, communicating through the partner, if there's something wrong with the product." This means, they'll be more likely to prioritize bug fixes, address errors, and eliminate friction points.

You can use **Microsoft's Partner Directory** to find consulting services and **partner solutions**

(essentially apps developed by partners in the MS network) to start identifying potential candidates. All third-party partners are certified based on their ability to meet certain competency standards across the following categories:

- Apps & infrastructure
- Data & AI
- Modern workplace & security
- Business applications

Note: if you look at Microsoft's documentation, you'll see that most partner certification info is written for partner organizations rather than their potential clients.

Still, it may offer relevant insights to those interested in learning what it means to earn Microsoft's seal of approval. (For reference, here's **a look at the competencies & criteria** used to score service providers.)

Additionally, you might use "best of lists" like **Business Applications Inner Circle Award** or the **Bob Scott List** to find top providers with specific competencies. Full disclosure: these particular examples do recognize Velosio as a top provider— but highlight other top picks, as well.

Client Roster

A long list of clients is a good sign that a potential service provider can deliver the results that were promised. Dig into their online presence and ask yourself the following questions:

- Have they worked with any big names?
- Do they have positive reviews?
- Are there case studies/videos you can review?
- If so, are they relevant to your industry? Do they highlight solutions to problems you're currently experiencing? Or help similar companies carve out a competitive advantage?

You can find out which companies a firm has worked with on the front page of their website (usually a collection of recognizable logos), as well as in case studies, blog posts, and downloadable assets like e-books and white papers.

Note that, the companies that make the front page are typically the biggest, most recognizable clients that lend them more credibility/recognition. However, they're not always the most relevant examples of past work. As such, you may be better off digging into the archives to learn more about their work with lesser known or niche clients that look more like you.

References

Looking at clients is only the first step toward properly vetting potential partners.

James recommends trying to gauge the "integrity of the implementation leadership. It's hard to find but easy to find out. Just ask for references and look up the leaders who will be on your status calls during implementation."

You can look up the companies featured on partner sites yourself and try to get in touch, though you might have better luck asking prospective partners if it's possible to interview specific clients. They might be willing to make an introduction on your behalf—or at the very least, provide you with direct contact info. That way, you're not reaching out completely cold—and you'll be more likely to get a response.

Questions you might ask references about their Dynamics 365 partner:

- What services did Partner A provide?
- What was your experience like—overall?
- Were they responsive? Proactive? Easy to work with?
- Did you get the results you were hoping for? Why or why not?

- What was the intake process like?
- How did they help you gather business requirements/develop an understanding of your business?
- How did they help you develop a training program (or change management strategy? Or an onboarding program? Or any other strategies central to achieving critical goals)
- What support did they provide after the implementation was completed?

The list goes on. Here, your goal is to come up with a series of questions to help you understand whether a prospective MIcrosoft Dynamics partner can realistically deliver on critical objectives.

Ask questions with the intention of surfacing specific answers. Aim for clarity—avoid asking leading or multi-part questions that complicate the evaluation process.

3. Industry & Business-Specific Experience

It's not just about big name clients and recognition from Microsoft you still need to make sure you find a partner that "gets" your business.

You want to find a partner that knows exactly what it takes to move the needle on high-level business goals.

Your Dynamics partner should also have experience developing solutions to businesses within your industry. Industry experience is critical for getting the most out of a partner's platform knowledge/expertise. It means they're better equipped to anticipate needs and tackle pain points—in context.

Consider whether they have a record of getting great results for other businesses in your industry or companies of a similar size or organizational structure. For example, if you're an accounting firm

you might look at work they've done with other project-based companies such as consulting firms and digital agencies.

Look at areas where there's some overlap, like solutions concerning billing or resource management. You might even look at examples of projects in the construction industry—particularly if they focus on making it easier to navigate large-scale projects with multiple moving parts.

If you manage a large portfolio, look for partners with experience with M&A or multi-location implementation. In this case, you might try to learn more about their experience integrating data across different portfolio brands. Or what steps they take to maintain consistency across locations/brands, while also maintaining separation between each company's data (in case you divest at some point).

Anyway, as you weigh your options, ask yourself the following questions to narrow your search:

- How have you helped similar companies address X, Y, or Z?
- Can you tell me more about your process for achieving X?
- What steps do you take to ensure you achieve the desired outcome?

- What metrics do you use to measure success?
- Can you provide any data from past projects?
- Will you tailor the service to meet our business needs—and if so, to what extent?

4. Team Size & Capacity

Finally, it's important to choose a partner with an eye toward the future. Do they have what it takes to help you scale, expand, and pivot on-the-fly during the next black swan event?

Look at service offerings. Do they offer a broad range of services? Do those services align with future goals?

Account Executive, Kevin Fischer advises organizations to look for partners with "large implementation teams, a dedicated support team, and a dedicated PM that follows a proven methodology."

Questions to ask a prospective partner for Microsoft Dynamics 365 solutions:

- What kind of internal resources do you have available?
- Can you scale up or down as needed?

- What's your availability?
- Can you provide round-the-clock services?
- What kind of support do you offer during implementation?
- What about after?
- What will the training program look like?
- How involved will you be in the training process?
- Do you offer ongoing training options?
- Who will we be working with—in what capacity? What are their roles?
- What kind of experience do they have?
- Is innovation a top priority?
- Are you investing in new services as new capabilities become available?
- How do you hire talent in response to changing technologies/core competencies?
- How do you upskill existing talent/develop & deepen expertise?

In other words, are they helping clients leverage cutting edge solutions or focusing on areas that represent standard competency—like cloud migrations or basic improvements to accounting features and reports.

Final Thoughts

Look, Dynamics 365 is a massive investment that demands tremendous effort from the entire organization. Without a Microsoft Dynamics partner on your side, there's a good chance you'll introduce unnecessary risks or spend more than you budgeted for. You might also end up with solutions that aren't quite right or don't align with what employees need to ensure they do good work.

And–worst case scenario? The **ERP implementation fails**, putting your company in a situation worse than the one you started with.

A good partner ensures Microsoft Dynamics migrations, implementations, and whatever's next go as smoothly as possible. You'll still need to put in the work to make that happen. We're talking about investing in culture, training, and developing a plan to ensure effective partner collaboration.