

Microsoft Dynamics 365 Business Central or 365 for Finance & Operations?

Which is the right Microsoft Dynamics ERP system
for your business?

An Executive Comparison White Paper by Malcolm Wheatley, a specialist
manufacturing, supply chain and IT industry journalist



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Introduction

These days, no mid-sized manufacturing business can seriously contemplate operating without a modern ERP system. And not just any ERP system. Growing—and growing profitably—is almost impossible without a system that is appropriate for the business’s needs, and which possesses the right mix of industry-specific and business-specific features and functionality.

And in the search for such a system, the logic behind taking a close look at a Microsoft ERP system is clear enough.

Microsoft, after all, is not only a significant player in the ERP marketplace, but also possesses an extensive set of enterprise software offerings stretching across CRM, Business Intelligence and desktop productivity applications. Many of which, of course, are fine-tuned to integrate closely with Microsoft’s core ERP offerings.

At which point, though, things get a little more complicated.

Which Microsoft ERP system should you look at? **Microsoft Dynamics 365 for Finance and Operations**, or **Microsoft Dynamics 365 Business Central**? Both are widely used, with broad appeal to most mid-sized businesses.

By the way, if the name Microsoft Dynamics 365 for Finance and Operations is new to you, it’s the latest iteration in the evolution of Microsoft’s former flagship ERP system, Microsoft Dynamics AX. Likewise, if the name Dynamics 365 Business Central is new to you, this is the latest development of the most widely used Microsoft ERP product, Dynamics NAV.

Want to know more? See pages 9 and 10 for a fuller brief on Microsoft Dynamics 365 Finance and Operations and Dynamics 365 Business Central.

Frankly—and this may surprise you—the bottom line is that for many manufacturing businesses in the £10-£100 million revenue range, either ERP system would be a decent fit. Granted, one might be a better fit than the other, but either would do the job.

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Microsoft Dynamics 365 for Finance and Operations is the evolution of Microsoft’s former flagship ERP system, Dynamics AX.

Microsoft Dynamics 365 Business Central, meanwhile, is the latest development of Dynamics Microsoft NAV.



Introduction

Which is best for my business?

There's no cookie-cutter kind of answer to the 'which Dynamics 365 ERP system is best for our business?' question.

It's best to seek advice from someone who genuinely understands, sells and supports both systems.

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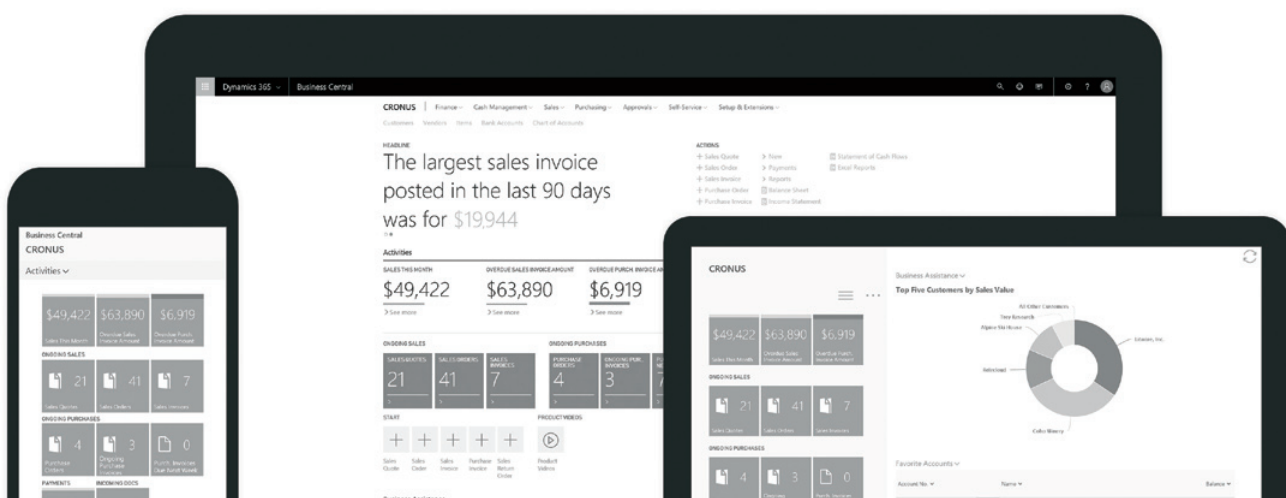
Put another way, there's no 'one size fits all', cookie-cutter kind of answer to the 'Microsoft Dynamics 365 for Finance and Operations, or Dynamics 365 Business Central?' question. Both are frequently sensible choices, and it's usually necessary to drill into the fine detail in order to determine which is truly the best fit for a given business.

Which, simply put, can be a problem. Because many sources of advice have a vested interest in opting for one system or the other. They sell and support Microsoft Dynamics 365 for Finance and Operations. Or they sell and support Microsoft Dynamics 365 Business Central. But remarkably few Microsoft ERP implementation specialists genuinely sell and support both, and possess genuine expertise in both.

At eBECS, their Microsoft ERP experts are different. They do genuinely sell, support, and advise on both.

So to help you determine which is the right Microsoft ERP system for your business, I spent some time with them exploring the key factors to consider when deciding between Dynamics 365 for Finance and Operations and Dynamics 365 Business Central.

Like Dynamics 365 for Finance and Operations, Dynamics 365 Business Central works with the familiar Microsoft tools you use already, and you get the same powerful capabilities across iOS, Android and Windows platforms.



Key factors to consider when deciding between Dynamics 365 Business Central and Dynamics 365 for Finance and Operations

The take-away here is clear-cut: Microsoft Dynamics 365 Business Central is a good fit for decentralised global operations, while Microsoft Dynamics 365 for Finance and Operations has the edge when it comes to handling more centralised global operations.

For some manufacturing companies, the additional manufacturing and traceability features of Dynamics 365 for Finance and Operations will be 'must haves', for compliance or operational reasons.

Other manufacturers, once they have sat down with an implementer such as eBECS and compared their requirements with what Dynamics 365 Business Central has to offer, will find they are amply catered for by Business Central's extensive manufacturing feature set.

Company Structure

Microsoft Dynamics 365 Business Central

Microsoft Dynamics 365 Business Central offers multi company, multilingual and inter company transaction capabilities, together with localisations.

Microsoft Dynamics 365 for Finance & Operations

Just like Microsoft Dynamics 365 Business Central, Microsoft Dynamics 365 for Finance and Operations offers multi company, multilingual, inter-company and localisation features.

However, it also permits a single database to contain multiple companies and multiple localisations.

Manufacturing Mode

Microsoft Dynamics 365 Business Central

Microsoft Dynamics 365 Business Central offers a rich set of manufacturing capabilities.

In terms of traceability, Dynamics 365 Business Central provides serial number and lot number tracking.

Microsoft Dynamics 365 for Finance & Operations

Microsoft Dynamics 365 for Finance and Operations similarly offers a rich set of manufacturing capabilities, but also contains additional functionality that gives it the edge in process manufacturing and lean manufacturing environments. It's also likely to be the better solution if your business has extensive engineer-to-order and configure-to-order processes.

Traceability is another differentiator: while Microsoft Dynamics 365 Business Central provides serial number and lot number tracking, Microsoft Dynamics 365 for Finance and Operations adds to this with pallet number and so-called 'licence plate' tracking functionality.

Key factors to consider when deciding between Dynamics 365 Business Central and Dynamics 365 for Finance and Operations

Unless your business operates in regions of the world where Dynamics 365 for Finance and Operations' 'mixed-mode' capability is useful, there isn't a great deal of difference between Dynamics 365 Business Central and Dynamics 365 for Finance and Operations in terms of deployment options.

Subtle small deployment differences may be significant to individual businesses, but these are best explored with one of eBECS' Dynamics ERP experts.

In general, licensing is broadly comparable across Microsoft Dynamics 365 for Finance and Operations and Microsoft Dynamics 365 Business Central.

The exception: Microsoft Dynamics 365 for Finance and Operations' device-level licensing options, which don't require the purchase of an additional ISV solution.

Deployment Choices

Microsoft Dynamics 365 Business Central

Microsoft Dynamics 365 Business Central can be deployed on premise and in the Cloud on Microsoft Azure, for instance, or on the eBECS Private Cloud. Indeed, eBECS offers its Cloud based DaaS (Dynamics as a Service) for Dynamics 365 Business Central.

Microsoft Dynamics 365 for Finance & Operations

Microsoft Dynamics 365 for Finance and Operations can likewise be hosted on-premise, or in the Cloud.

There's also a 'mixed-mode' capability, enabling businesses to operate Microsoft Dynamics 365 for Finance and Operations in the Cloud in locations where Internet connectivity is good, and on-premise where that isn't the case.

Licensing Costs

Microsoft Dynamics 365 Business Central

Licences for Microsoft Dynamics 365 Business Central can be bought on either named user perpetual basis, or on a subscription basis for named users.

Device licences—for handhelds and shopfloor data capture, for instance—are also available, but only via an associated ISV solution.

Microsoft Dynamics 365 for Finance & Operations

Licences for Cloud-based Microsoft Dynamics 365 for Finance and Operations deployments are on a named user subscriptions basis, or device-level subscriptions that can be used by multiple users.

Key factors to consider when deciding between Dynamics 365 Business Central and Dynamics 365 for Finance and Operations

Microsoft Dynamics 365 for Finance and Operations is a more complex and capable offering, and if your business intends to make use of those capabilities, configuration and deployment will cost slightly more.

But it's often surprising how the use of standard templates and processes can reduce these costs—so talk to an eBECS expert.

Configuration and Deployment Services Costs

Microsoft Dynamics 365 Business Central

Microsoft Dynamics 365 Business Central typically has a 1:2 license-to-service cost ratio.

In other words, every £1k of licence will typically require £2k of associated configuration and deployment services.

Microsoft Dynamics 365 for Finance & Operations

With Microsoft Dynamics 365 for Finance and Operations, the comparable licence-to-service cost ratio is typically 1:4.

As with Microsoft Dynamics 365 Business Central, a template-based 'best practice' deployment, using the standard business processes and standard configuration options available through Microsoft's 'lifecycle services', and eBECS' own implementation process and rapid return methodologies, can reduce costs and timescales.

Conclusion

Dynamics 365 Business Central or Dynamics 365 for Finance and Operations?

How best then to sum up the choice between Microsoft Dynamics 365 for Finance and Operations, and Microsoft Dynamics 365 Business Central?

With each solution providing a reasonable fit for most businesses, it's necessary to probe into the fine detail in order to determine which is the best fit for you.

In short, it all depends on a business's individual requirements and circumstances: there are no simple, 'one size fits all' answers.

The most valuable piece of advice is this: talking to people who know both solutions very well indeed—and who can provide objective advice on both solutions—is vital. And at eBECs, you'll find those people.



What is Microsoft Dynamics 365 for Finance and Operations?

"Microsoft technology runs our business. Dynamics 365 for Finance and Operations provides the backbone infrastructure for the Renault Sport Formula One team.

It supports everything from design to manufacturing to our success on the race track."

Cyril Abiteboul, Managing Director,
Renault Sport Racing



Microsoft Dynamics 365 is the next step in Microsoft's investment in its Cloud business software. As such, it reinvents critical business applications for the Cloud age and promises significant benefits for businesses that have already invested (or plan to invest) in Microsoft Dynamics solutions.

Microsoft Dynamics 365 brings together Microsoft's well established best of breed Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), and Business Intelligence (BI) solutions into a single product offering, all online.

Just as Microsoft has put its Office suite online with Office 365, the same is now happening with Microsoft's line of business software—hence the name Dynamics 365.

Microsoft Dynamics 365 takes a new approach to business applications. It unifies Microsoft's current CRM and ERP Cloud solutions into one Cloud service with new purpose built apps to help manage specific business functions.

These Dynamics 365 purpose built business apps are:

- Finance and Operations
- Sales
- Marketing
- Customer Service
- Field Service
- Talent
- Project Service Automation

Each app provides a modern experience and actionable insights delivered from natively embedded Power BI, IoT, and Cortana Intelligence experiences.

Dynamics 365 also introduces an extremely flexible licensing structure that will allow businesses to deliver just the functionality required for different teams and individuals across the business. And of course, being online and following the '365' model, these apps and associated business intelligence and insights will be available wherever your people happen to be.

The result?

- A high speed of deployment
- Unrivalled flexibility and agility
- The potential for significant cost savings
- Close integration of all business systems with a Common Data Model
- Greater business insights and efficiencies
- Improved productivity, customer service and business performance.

What is Microsoft Dynamics 365 Business Central?

"The move to Dynamics has given us a much better system, and a much better integrated system. We're transforming the business..."

Talking to eBECS was a revelation. It was immediately clear that not only were eBECS experts in NAVEKSA [the ShopFloor data capture add-on module], but that they knew a lot about manufacturing, and a lot about using Microsoft's Dynamics ERP solutions in manufacturing environments—which was exactly what we wanted."

Steve Davis, Technical Manager,
Kent Brushes



Microsoft Dynamics 365 Business Central is a multi-language, multi-currency business management solution that helps small and mid-size companies worldwide manage their accounting and finances, supply chain and operations.

Microsoft Dynamics 365 Business Central comes with a wide set of functionalities supporting business processes and enhancing business productivity within the organisation.

A Microsoft Dynamics 365 Business Central customer can choose whether to deploy the Essentials and Premium Pack through the Microsoft Windows client for Microsoft Dynamics 365 Business Central, the Web client for Microsoft Dynamics 365 Business Central all through the same User types.

The Essentials Pack is for companies who need core financials and trade functionality including; Basic Financials Management (General Ledger and Fixed Assets); Basic Supply Chain Management and Basic Sales Management (Sales, Purchasing and Inventory); Professional Services (Project Management) with a broad set of Business Insight and reporting functionality as an integral part of the product.

The Premium Pack is for growing, midmarket, or high-functional-needs companies who are looking for an adaptive solution with a broad set of functionality including Inter Company Trading, Advanced Warehousing, and Manufacturing.

Microsoft Dynamics 365 Business Central and Office 365 provide a winning combination for business. When your email, calendar and files seamlessly come together with your data, reports and business processes you get an integrated experience that no other stand-alone ERP solution can match.

Share the big picture on your team collaboration site and conveniently drill into the details within Microsoft Dynamics 365 Business Central without the need to change from one application to the other. A consistent user experience across devices makes it easy for your people to complete their everyday tasks whether they are in the office or on the go.

Why Microsoft Dynamics ERP is different

Drive digital transformation with a new approach to business applications

Microsoft Dynamics 365 is the next generation of business applications.

The solutions are designed to unleash your organisation's potential by breaking down data silos to connect customers, products, people, and operations.

With Dynamics 365, Microsoft has removed the complexity of disparate CRM and ERP systems. This enables your business to benefit from modern, modular business applications that work together on a single platform and give your organisation the flexibility to adopt technology when you need it to improve business outcomes.

Bringing it all together

Microsoft Dynamics goes beyond traditional ERP systems by bringing the applications that run your finances, sales and operations together with the familiar Office apps that you and your people already know.

Anywhere, anytime

Combined with the power of the Cloud, a Microsoft business solution frees you to work anywhere, anytime, across your devices.

Seamless, secure

No matter how you access and use your systems, you receive the same seamless experience and enterprise grade security to protect your business and its customers.

Gets you started quickly, and grows with you

Microsoft Dynamics ERP is designed to get you up and running quickly and to grow with your business. You can start with what you need today and easily adapt as your needs change. Organisations will find reassurance in Microsoft's clear, long term road map.

Fits your business

Of course, Microsoft Dynamics ERP, be it Microsoft Dynamics 365 Business Central or Microsoft Dynamics 365 for Finance and Operations, also fits right in with the Microsoft technologies that make your business tick, from Microsoft Office to SharePoint and beyond.

That typically translates into reduced complexity and cost, and greater user productivity and satisfaction, too.



About eBECS

Award winning total business solutions

eBECS, a DXC Technology Company, is a specialist in total Microsoft Business Solutions, designing and delivering Lean and agile solutions globally for customers in Manufacturing, Distribution, Retail, Services, Not for profit and other related sectors.

Tailored to industry and business needs, eBECS' award winning solutions cover Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), Mobile, Field Service, Data Analytics, Business Intelligence (BI), the Internet of Things (IoT), and Cloud and Managed Services.

eBECS' solutions draw on the full Microsoft Business stack, including Microsoft Dynamics 365 for Finance and Operations, Microsoft Dynamics 365 Business Central and Microsoft Dynamics CRM, and Microsoft's intelligent business Cloud.

Each solution is focused on delivering improved business performance and productivity, and is measured by comprehensive, embedded BI. This is achieved by enabling our customers to streamline and integrate processes, improve customer relations and service, maximise sales, minimise waste, optimise the extended supply chain and manage customer demands efficiently.

Just as importantly, eBECS' own 'templated' implementation process and unique rapid return methodologies deliver significant time and cost benefits to its customers.

Want to find out more?

Please contact eBECS on +44 (0)8455 441 441 or at info@ebeecs.com

eBECS: with you, wherever your business operates

In addition to a rich network of like-minded and capable partners, eBECS also operates directly in the United States, Ireland, and Saudi Arabia.

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