Top 7 Tips for Digital Transformation with Microsoft Business Central ERP

Whether you are new to the cloud or one of the 160,000+ organizations currently using Microsoft Dynamics 365 Business Central (formerly NAV), this white paper has been written by our team to help you get more out of your Digital Transformation investments with Microsoft Business Central ERP.

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Microsoft Dynamics 365
Business Central

DIGITAL TRANSFORMATION AND BUSINESS TRANSFORMATION have been around for years. Best Practices suggest the use of digital technology and processes to accelerate repeatable tasks, facilitate decision matrices to automate and route more complex tasks and capture data for greater analytics and insights into OKRs (Objectives and Key Results). Starting well before Y2K, companies have been trying to go paperless with the additional use of scanners to digitize documents, email applications to send digital documents, and EDI to transfer data between trusted partners – all in a cost-saving attempt to improve productivity and reduce risks associated with manual processes.

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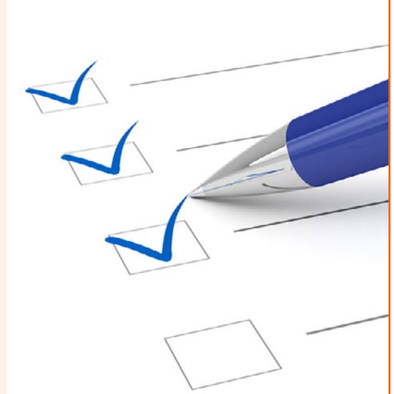
In recent years, the emergence and maturity of cloud-based subscription software have allowed large third-party add-on applications, typically reserved for the large enterprise space, to become more affordable and repackaged for SMB and Mid-Market organizations, thus yielding a greater ROI for modern cloud-savvy ERP users.

Microsoft Dynamics 365 Business Central is a modern cloud-based ERP platform with built-in CRM functions to support the growth of SMB and Mid-Market organizations. Microsoft's cloud-data centers for Dynamics 365 are powered by Microsoft Azure, and located in major global centers around the world including the United States and Canada with options for securing your data within local geographies.

BUSINESS CENTRAL – DIGITAL TRANSFORMATION



"Our industry does not respect tradition, it only respects innovation"

Satya Nadella
CEO, Microsoft

TIP

1

REVIEW YOUR BUSINESS PROCESSES

Back to the Basics – Individual process review and time studies.

The original use of time studies started during the beginning of the industrial revolution over 100 years ago. They focused on a worker's time spent on individual movements and tasks on a manufacturing line. Fast forward a century, and there continues to be a number of back-office tasks that can be accelerated, automated, or even eliminated based on additional business process analysis.

WHAT TO LOOK FOR:

- Manual data entry or keying in data.
- Opening, viewing, routing, sorting, saving, and reattaching documents.
- Switching between applications, screens, and tabs.
- Exporting information into Excel for analysis or processing.
- Sending and receiving documents and approvals.

HOW TO RESOLVE:

- Start digital, stay digital – look at integration points between systems. Encourage customers and vendors to send digital copies rather than paper-based documents.
- Look for process optimization opportunities. Sometimes external experts are able to bring a fresh perspective to teams resistant to change.
- Use machine-based OCR reading of digital documents (Optical Character Recognition) to pre-populate fields with relevant data. Cost savings can range from $1 to $5 per invoice touched.
- Increase your adoption of built-in functions within Dynamics 365 Business Central. Many of these functions continue to evolve for increased usability and enhancement with AI and machine learning.
- Additional Microsoft Business Central user training may help to close gaps. For example, EFT and other digital payments.

TIP
2

FURTHER AUTOMATE FINANCE PROCESSES

Follow the bouncing ball. Create a process map to follow key documents and touchpoints.

Take a special look at your financial processes, including your Order-to-Cash and Procure-to-Pay processes. Review and document how transactions are performed and what documents, decisions, audit trails, and data are captured. In addition to understanding the end-to-end process at a high level, it is recommended that an additional deeper analysis be conducted for scenarios that have higher volumes, or are more time-consuming, as these tasks often represent an opportunity for above-average savings.

Note, there is often a balance between security and controls versus convenience for users. The decisions around segregation of duties and division of labour may have been made in the past based on the individual needs or capabilities of previous staff members. By gaining additional data and visibility into these process flows, approval processes, and reporting inquiries, your Finance team should be able to identify common document flows that can be optimized.

WHAT TO LOOK FOR:

- Email requests for authorizations to order, spend, and pay that are repetitive or predictable.
- Transactions that are consistent on a replenishment basis or subscription basis – for example, certain utilities, office water cooler supplies, and quarterly maintenance may align within pre-approval guardrails.
- Reporting and analytics related to month-end close that is repeated on a monthly basis.

HOW TO RESOLVE:

- Change and optimize finance processes, business rules, and reporting to create a greater level of consistency and repeatability. Think of the 80-20 rule for capturing the majority of tasks.
- Consolidate reports so that end-users can quickly filter the reports for their personalized needs, rather than requiring a custom report or ad-hoc analysis and manual modification.
- Review and create new decision trees, approval thresholds, and variance calculations related to approvals, requests for process visibility and provide automated alerts on an exception basis. A monthly or even quarterly summary may suffice, rather than daily or weekly approvals for common transactions.
- Microsoft Business Central workflow and approvals automation includes a variety of mature tools included at no charge within Business Central. These functions and capabilities have been enhanced and updated with recent automatic cloud updates including expanded virtual tables within the Microsoft Dataverse for Power Apps and the Microsoft Dataverse.

TIP
3

DESIGN & BUILD ADDITIONAL LINE OF BUSINESS METRICS

Review of business value and value-added functions – OKRs.

The need for analysis and metrics extends far wider than just the Finance team. True digital transformation looks at areas outside of Finance that can automate other work processes. Sometimes there are apps and automation unique to specific departments and may require an additional focus or more technical review of data models. Often data capture and analytics are key skills that the Finance team can share with other operational teams.

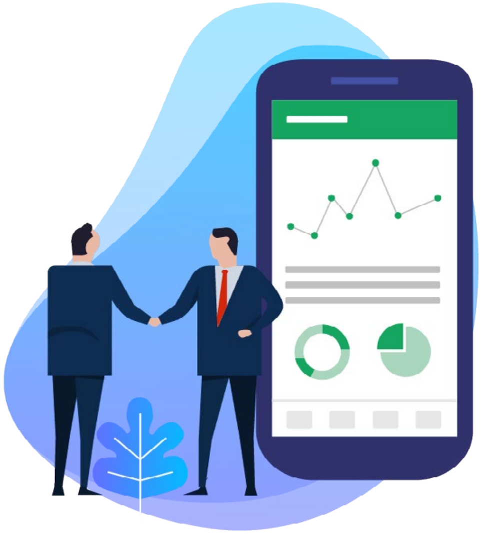
Setting goals for desired Outcomes and Key Results (OKRs), formerly known as Key Performance Indicators (KPIs), can set some key measures for success. Some may be proactive and focus on unique value-added efforts, while others can be more reactive supporting accountability to specific performance expectations.

WHAT TO LOOK FOR:

- Departmental apps, forms, and reports that the Finance and IT teams can help to create and automate. Can any of these processes be integrated with Business Central as an input or trigger for other processes?
- Administrative tasks within departments that could be centralized or automated.
- Measurable outputs and metrics on a departmental basis that other teams rely on. Map out a value chain of interconnected metrics that could be used as a scorecard.
- Are there key metrics from Business Central that should be shared to support or validate the metrics used within other departmental OKRs.

HOW TO RESOLVE:

- Find opportunities for data and metrics within Business Central to complement departmental dashboards to serve as trend-lines, leading indicators, or benchmarks to validate trends and assumptions used when making business decisions.
- Work with departments to help automate tasks and reporting through cross-functional workshops building a shared understanding of process automation.
- Consider the Multi-entity Manager add-on for Business Central to support a centralized approach in cases where there are multiple divisions or legal entities with common tasks that can be performed by a single shared-services team.
- IT teams can access the Microsoft Power Platform, including PowerApps, Power Automate, Power Virtual Agents, and Power BI to create forms, reports, bots, dashboards, and simple or complex workflow processes integrated with data found within Business Central, the Microsoft Dataverse and 600+ other data sources, including SharePoint, SQL Server, Microsoft 365, OneDrive for Business, Salesforce, Excel, Dropbox, Twitter, and more.



TIP 4

CONNECT BUSINESS CENTRAL WITH YOUR CRM

Create connections to synchronize data between customer-facing systems and Business Central.

Delivering an exceptional customer experience includes empowering front-line staff with information and context to help them perform their jobs. Business Central has built-in CRM functions for common Contact Management needs. There are also extensions available to improve the management of Leads, Opportunities, and Customers. However, many Sales, Marketing, and Customer Service-centric teams prefer to use purpose-built applications, such as Dynamics 365 Sales, Dynamics 365 Marketing, and Dynamics 365 Customer Service, or even applications from Salesforce.com and other providers.

To create a more seamless all-in-one ERP-CRM platform, use the pre-built connections to link Business Central with the Microsoft Dataverse, the foundation for Dynamics 365 (CRM) and Power Platform applications. Providing a unified set of process flows between sales and service with finance, inventory, and WMS management can provide a stronger foundation for data analytics and greatly benefit manufacturing and distribution teams through a stronger master data management, offering one source of the truth.

WHAT TO LOOK FOR:

- Inquiries made to Finance from Sales, Marketing, and Customer Service teams that may relate to systems and data that can be shared or synchronized for a greater level of end-user self-reliance.
- Build a common understanding of the data used within systems outside of Business Central that have common attributes, such as customer and vendor information, mailing addresses, shipping addresses, preferred products, repeat orders, and other demographic information.
- Customer-facing interactions that are performed by Finance professionals that could be shared with other teams, such as AR collections and credit checks.
- Key Business Central, or CRM field changes, and transactions that can serve as workflow automation triggers and/or email alerts that kick off additional process flows.

HOW TO RESOLVE:

- Build a decision matrix with both a listing of list data to be synchronized along with which system will serve as a source of truth in the case of data conflicts or synchronization errors.
- Dive into key metrics held within Business Central related to orders and transactions that could benefit Sales, Marketing, and Customer Service teams, such as top products/services sold for each customer (Contact or Account).
- Push key read-only style information that is typically managed by Finance, such as credit limits, AR collection status, payment terms, payment receipt dates, and listing of outstanding invoices from Business Central to be viewed within the respective CRM applications.
- Use the Business Central Dataverse Connection Setup assisted setup guide to help facilitate the initial analysis, coupling criteria, job queues, and synchronization mapping on a field-by-field basis using many of the standard connection points with the Dataverse and Dynamics 365 CRM. Once connected, Microsoft Power Automate can be used to initiate automated process flows based on key triggers within Business Central, to initiate processes with Dynamics 365 (CRM). Be sure to read the Microsoft documentation online for specific capabilities and best practices. For example, the local currency for your company in Business Central must be the same as the base transaction currency used within your Dataverse and Dynamics 365 Sales tenant.
- Microsoft Power BI can be used to embed reports within both Business Central and Dynamics 365 CRM applications thus allowing for shared dashboards and reports to provide an aggregated view of relevant metrics across platforms without a specific need to synchronize data at the database/Dataverse level.

TIP
5

EXTEND SYSTEMS TO SUPPORT REMOTE SELF SERVICE

Set up integrated web portals and cloud apps for internal and external stakeholders.

As a cloud-based application with a browser-based front end that automatically adapts to each user's screen size, there are a number of inherent self-serve capabilities and functions available through the Business Central Full-user, or the lower-cost Business Central Team Member user subscriptions. The primary purpose of the Team Members subscription is to support self-serve read-only inquiries along with select fields that can be edited, such as customer, vendor and item record fields, quotes for Sales Orders, Purchase Requisition requests, and the ability to submit and/or approve timesheets.

Aligning with the recommendations in Business Central Tip 1, to "Start digital/Stay digital," the adoption of self-serve portals can significantly reduce the manual data-entry needs of your Finance team while also saving others time on approvals, and responding to ad-hoc inquiries. New hybrid work-from-home strategies supporting a remote workforce have brought back to light the need for additional self-serve remote access for a wide range of functions and a broader user group than what has been seen in the past.

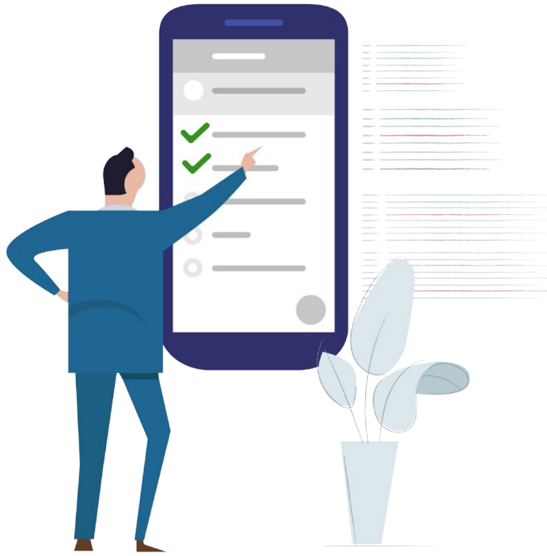
Software implementation costs, recurring annual subscriptions, and consumption-based fees should be factored into a business case for change, balanced with the value to both your Finance team and the end-user business community.

WHAT TO LOOK FOR:

- Explore options for remote submissions, self-service reporting, and remote approvals. The behind-the-scenes review, and approval processes are often spread across a wide audience of managers and leaders whose time may be better spent on strategic priorities than on administrative tasks. Automating such processes can greatly improve not only morale but overall organizational performance assuming the time saved is spent on more value-added activities such as coaching, mentorship, and strategic initiatives.
- For such activities, look at key processes and develop some assumptions around metrics for the time taken per task (i.e. invoices per day) and the frequency and prevalence of such tasks being performed across your organization (for example, purchase requisitions, invoice approvals, employee expense management, report distribution, annual and quarterly budgeting processes, and resource management tasks, such as time entry, leave tracking, individual performance plans and related approvals for each).
- Rather than re-creating the wheel and trying to uncover processes suitable for self-service, look to the mature and emerging cloud application providers with apps that are solving common and proven market needs.

HOW TO RESOLVE:

- There are several cloud-based extensions and external portals that can be cost-effectively integrated with your cloud-based Microsoft Business Central. Many of these focus on major workstreams that include mobile apps, portal self-service, and facilitate manager approval workflows.
  - Purchase Order requisition portal and PO approvals workflow
  - Invoice and Accounts Payable automation, OCR coding, and approvals workflow
  - Advanced AP matching with POs, contracts, and recurring transactions
  - Online billing portal with payment processing and Collections Management reminders
  - Expense submission portal and mobile apps with approvals workflow
  - Time tracking portal and mobile apps with approvals workflow
  - Leave management/vacation tracking portal and mobile apps with approvals workflow
  - Budget and forecast portal, financial planning, dashboards, and approvals workflow
  - Cloud-based dashboard reporting, data visualization, and report package deployment
- There are two types of vendor solutions that work with Business Central. The first is an external portal that is connected to Business Central in the back end via API's. The second is in the form of an extension that functions within Business Central and leverages the approvals workflow functions within Business Central. Workflow approvals can be accessed via the Business Central Full User, Team Member user, and more recently been extended to support approvals via Outlook 365, Power Apps, and Microsoft Teams.
- If choosing an external portal that functions outside of Business Central, there may be merit in choosing a solution that supports multiple workstreams, thus a greater ability to provide a common unified user interface to your end-user community. An example is an external platform for Purchase Requisitions, Expense Submissions, and AP invoice approvals all using a common user interface and approval process.



TIP
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CREATE AN EXPANDED FOCUS ON COMMUNICATIONS

Leverage digital communications tools internally and with customers.

Providing an exceptional customer experience has been the mantra for many top consumer-focused organizations and is increasingly important for B2B customers, Direct 2 Consumers, and strategic vendors. Communications related to transactional items, such as notices, order confirmations, surveys, quotes, and invoices can all be sent through Business Central via integrated Microsoft 365 email for an enriched customer experience.

Internal inter-departmental communications are also important to help facilitate the automation of internal business processes. Workflow triggers can be set up to automatically email individuals based on key field changes. These can be related to security changes, adding vendors, purchase requisitions, and payables approvals. Specific dollar thresholds can be set for when and to whom to send internal notices or approvals to, as well as designated or multi-step approvals triggered based on a defined approval chain.

WHAT TO LOOK FOR:

- Set up a quarterly cross-functional team tasked to come up with ideas to improve customer communications. Included may be sales, marketing, and operational teams both at an executive level as well as those who have direct customer interactions.
- Review the types of communications that you receive from your vendors. These may be good examples for similar communications that you could send to your customers. Similarly, customer satisfaction surveys may be something to consider sending to your clients.
- Documents that are printed and sent in paper format can often be sent digitally on an automated basis. The digital version may or may not eliminate the paper version, but in most cases will be faster and appreciated by the receiving party – your customer or vendor.
- Follow the flow of paper that is sent internally and reviewed by others. Are there specific initials, signatures, or approvals being captured? Or is the information merely for informative purposes?
- Beyond just the movement of paper, document retention and storage policies should also be reviewed. Often digital document storage is cheaper, more secure, and easier to retrieve when needed.

HOW TO RESOLVE:

- Email is an easy-to-use and common means of sending and receiving documents and other communications to individuals. Generic, shared email accounts can be set up with ease to represent key customer-facing teams, such as AR, Finance, Supply Chain, and AP.
- Internal workflow approvals for documents can be sent via email on an automated basis. Using the standard Business Central document workflow functions, or custom Power Automate apps to attach documents stored from within Business Central, SharePoint Online, or other cloud-accessible locations.
- Third-party ISV (Independent Software Vendor) applications are available via Endeavour for advanced email management, collections management, document drag-and-drop into Business Central, as well as more advanced process automation tools that often include a communications component, such as budget workflow collaboration and approvals, and notes related to PO requisitions, invoice payments, and expense submissions.

TIP

7

EMBED ANALYTICS THROUGHOUT YOUR PROCESSES

Business Central natively supports quick and affordable Power BI Analytics.

The need for quality, trusted data as an input to making informed decisions rather than simply relying on a 'gut feeling' and past experience isn't a new concept. What is new, is the ease of use, quality of visualizations, and an overall increased ability to drive user adoption. Known as building a data-centric culture of business users, Microsoft wants to help you stay ahead of the curve (versus your competition), decision makers need to get tangible information in a format they can understand as quickly as possible.

Overall, the goal is to help your team "Make Smarter Decisions" and thus improve business performance. One of the aspects of smarter decisions is data visualization. Data visualization helps people process large amounts of data by displaying it in a visual format the human brain can quickly comprehend. Data visualizations in the form of charts, graphs, dials, and other metrics help to make information easier and faster to digest than more traditional financial statements. Each metric can tell its own story and together with other related metrics on the same dashboard can tell a broader and more complete story, including storytelling elements such as timelines, cause-and-effect relationships, and a shared context.

WHAT TO LOOK FOR:

- Financial Reports, formerly called Account Schedules within Business Central, include common financial statements, such as a Balance Sheet, Trial Balance, or Sales transaction summary report. These reports are typically text-based, showing a variety of calculated numbers within a column format. Seek to obtain input and insights from Finance, executive, and line of business users on what they look at within these reports, how the data could inform their business decisions, and if there is an additional business context around the numbers that help distinguish good for bad, and from good to great.
- Challenge major strategic and operational decisions to validate whether those who influenced or made the decision used data and analytics as part of their decision criteria. Would there be value if a repeatable process was created to help surface similar data on a defined schedule?
- Look for expanded insights from a broader user community to uncover best practices for metrics and action. Knowing what good looks like will greatly accelerate user buy-in for the adoption of additional KPI/OKR metrics and associated development – TURST – BC source data.

HOW TO RESOLVE:

- Build a center of excellence around data analytics, and find an internal champion who can look into trends and insights, and encourage the adoption of data-centric decision-making based on available data and metrics.
- If trusted data and metrics are lacking, look to different means of capturing the data on a more consistent and reliable basis. Business Central can be configured to make certain fields mandatory. Additional options are the use of automation tools, such as OCR (optical character recognition) used to scan invoices as part of AP automation, or tools such as barcode scanning within a WMS or manufacturing environment to improve data capture.
- The Analysis Mode within Business Central can be used to create pivot-table style analysis within most list-view type screens. This level of cross-tab analysis, data filtering, and sorting can often help to find trends when exported and presented as a chart or graph within Excel.
- Microsoft Power BI visualizations and analytics come standard across many of the common screens and modules within Business Central. Additional custom Power BI reports can also be embedded into key screens or Role Center home pages. Depending on the source and nature of the data and analysis some of the Power BI embedded analytics can be accessed without additional fees associated with Power BI Pro and other paid subscriptions.
- Lastly, your analytics, including scenario planning, forecasts, and budgeting, can be further enhanced with third-party tools connected to Business Central for FP&A, corporate performance management, and financial modeling. Many of these tools have their own built-in workflow tools for managing a collaborative planning process, as well as distributing reporting packages automatically tailored to specific audiences.

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About Endeavour Solutions

Now is the time to invest in your team's future. Endeavour Solutions has been supporting Microsoft Dynamics for over 35 years across Canada and the USA. We are a proud Microsoft Solutions Provider for Business Applications with multiple Gold Certifications for Dynamics ERP, CRM, and Cloud Business Applications, including an Advanced specialization for Small and Midmarket Business Management.

*At Endeavour Solutions, our continued success is due to our focus on our Microsoft customers, our people, and our core values of **integrity, trust, and accountability.***

Endeavour's top goals for your Business Transformation:

1. **Better utilization** of people and resources (less paperwork, more automation).
2. **Increasing visibility** to data throughout their processes (FP&A with contextual insights).
3. **Finding patterns** and building predictive analytics (capturing and turning data into actionable information).
4. **Getting it right the first time** with a proper analysis of your current needs and future potential (custom-tailored design and implementation).

With offices in Toronto, Halifax, Vancouver, Montréal, Edmonton, and London, Canada, their consultants support more than 900 active clients throughout North America, including clients using Dynamics GP and Dynamics NAV. Over the years, Endeavour has been named multiple times to the Microsoft President's Club – the top 5% of Microsoft Partners Worldwide.

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Our team doesn't just implement software.
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