Microsoft

# Microsoft Dynamics 365 Business Central Capability Guide

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# Financial Management - General

## General Ledger

Set up companies and how to post to the general ledger though general journals. Use features for VAT and sales tax, recurring journals, and background posting of journals. Posting and reporting can be done in one additional reporting currency.

Use built-in reports, customized reports (both RDCL and Word), refreshable data in Excel, and Power BI reports and charts.

View and edit the data in most pages using Microsoft Excel.

## Dimensions

Use unlimited dimensions in transactions in all ledgers for important parts of your business, such as your departments, projects, sales channel, and geographical areas. Set up rules for how to combine dimensions and dimension values. Control the use of dimensions and increase the reliability of output based on dimensions. Assign default dimensions values to master data such as general ledger accounts, customers, vendors, fixed assets, resources, and items. Set up rules to prioritize the use of default values.

Use data from dimensions in reports for filtering, account schedules to analyze your general ledger, and in data sent to Power BI.

## Multiple Currencies

Conduct business with customers and vendors in any number of currencies. Use multiple currencies on sales and purchase documents and in bank transactions and payments in payables and receivables. Store currency details for transactions in receivables and payables are stored in local and foreign currencies. Adjust currency values in local and foreign currencies for unrealized gains and losses to keep aging reports correct for receivables and payables.

## Budgets

Track business progress using budgets in the general ledger. Use budgets in financial reports, user-defined analysis in account schedules, or in data sent to Power BI for data sharing and analysis.

Import budget information to and from Excel for enhanced calculation capabilities when you prepare budgets.

# Financial Management - General

## Accounts Schedules

Use account schedules as a powerful financial reporting tool. Accountants and controllers can include essential business data from the chart of accounts, budgets, cash flow accounts and cost types in financial reports. Use the data to efficiently monitor the health of the business and provide valuable input for business decision makers. Define row and column layouts and combinations to generate the report you need. Calculate totals and sub-totals and control the print output, for example, to compare current and historical budget figures.

## Consolidation

Consolidate companies from the same Business Central tenant and pull data directly into the consolidation company, or use XML files to pull data from other Business Central tenants, databases, or third party business management application. Use multiple currencies, dimensions, and budgets for the consolidation.

## Intercompany Postings

Manage accounting for more than one company in a posting process that includes one or more Business Central tenants or databases. Send sales and purchase documents to partner companies and post journals transactions through a mapping to shared charts of accounts and dimensions. Control the document flow through an Inbox/Outbox feature that automates sending and receipt. Use sales and purchase documents with multiple currencies to reconcile intercompany balances.

## Cash Flow Forecast

Predict how your company's liquidity will evolve over time. Forecast expected cash receipts and disbursements plus available liquid funds.

Create basic cash flow forecast set ups that you can extend and adjust. Use an assisted setup guide for help completing tasks and take advantage of automatic daily or weekly data updates. Include data from jobs and taxes as sources for the cash flow forecast. Use Azure ML capabilities to let Business Central generate cashflow predictions.

# Financial Management - General

## Fixed Assets

Track fixed assets such as buildings, machinery, and equipment. Post fixed-asset transactions such as acquisitions, depreciation, write-downs, appreciation, and disposal. Assign one or more depreciation books to define methods and conditions for calculating depreciation. Use depreciation books to meet managerial, internal accounting, and legal reporting requirements. Register maintenance costs, insurance coverage, and cost allocations for assets.

## Fixed Assets Allocations

Use allocation keys to distribute percentages of fixed asset transactions, such as acquisition cost and depreciation, to departments or projects.

## Fixed Assets - Insurance

Track insurance coverage and annual insurance premiums for fixed assets and easily determine whether they are under- or over-insured. Attach assets to one or more insurance policies and index insurance amounts.

## Fixed Assets - Maintenance

Record maintenance and service expenses for fixed assets. Get detailed information to analyze and make decisions about fixed asset renewal and disposal.

## Cost Accounting

Get insight into costs through the visibility of actual and budgeted costs of operations, departments, products, and projects. Combine base data in general ledger transactions with dimensions with known future costs and define a hierarchy of cost centers and cost objects. Allocate costs using allocation runs with different allocation keys and methods.

Analyze general ledger actuals and budgets in user-defined scenarios. Explore the scenarios to gain insight into the business that is not immediately reflected in your chart of accounts.

## Deferrals

Set up deferral templates that automate the process of deferring revenues and expenses based on a schedule. Recognize revenues and expenses in periods other than the period in which the transaction is posted.

# Cash Management

## Bank Account Management

Create, operate, and manage multiple bank accounts to cater to diverse business needs and across different currencies.

## Electronic Payments and Direct Debits

Create payment proposals based on vendor documents and generate bank payment files in ISO20022/SEPA format or use the AMC Banking Service to generate electronic payment files in the format your banks require. Create direct debit collections for a bank direct debit file in the ISO20022/SEPA format.

## Easy Payment Process for your customers

Give customers an efficient way to submit payments by adding links to online payment services to invoices in the online version of Business Central.

Use the PayPal extension for access to a trustworthy global payment service that offers multiple ways to accept payments, including credit card processing and PayPal accounts.

## Reconciliation of Incoming and Outgoing Bank Transactions

Import bank transaction data from electronic files sent from your bank in ISO20022/SEPA format or other file types. Apply transactions automatically to open customer and vendor ledger entries and create your own matching rules. Review proposed applications and account matches. Change the algorithm behind the record matching by modifying, removing, or adding rules.

Reconcile bank payments from the Payment Reconciliation Journal in one step, and in one place.

## Bank Account Reconciliation

Import bank statement data from electronic files sent from you bank in ISO20022/SEPA format or other file types. Reconcile bank statement data automatically to open bank account ledger entries and keep track of all bank statements.

Filter bank statement information to view only the transactions that need attention. Summarize outstanding bank information and drill-down to the details of each bank transaction.

# Cash Management

## Check Writing

Print checks as automated electronic checks or to write them manual, both with flexible options for voiding, reprinting, using check forms with preprinted stubs, and testing before printing. Consolidate payments to a vendor in a single check.

# Finance Management - Other

## XBRL

Export documents in Extensible Business Reporting Language (XBRL) format and import XBRL taxonomies. The XBRL module supports the XBRL 2.1 Specification released by the XBRL Consortium.

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# Microsoft Dynamics 365 Business Central Capabilities

Sales Management

# Sales and Marketing

## Contact Management

Maintain an overview of your contacts and personalize your approach to them. Record contact information for all business relationships, and specify the individual people related to each contact. Be alerted if you enter duplicate contact information. Get a precise view of prospects and customers by categorizing your contacts based on weighted profiling questions (assign the weights of two questions to identify the value of a third question). Divide customers into ABC segments and even use this module for rating. Use the information to target contacts for campaigns. Issue quotes to prospects and create sales documents for specific contacts.

## Campaign Management

Organize campaigns for segments of your contacts that you define based on reusable criteria, such as sales, contact profiles, and interactions, and reuse existing segments. Send documents to people of different nationalities in their native language by using Campaign Management with Interaction/Document Management.

## Interaction and Document Management

Record interactions that you have with your contacts, such as telephone calls, meetings, or letters, and attach documents such as Word, Excel, or TXT files. Automatically log other interactions, such as the sales orders and quotes that you exchange contacts, and revisit them if needed.

## Email Logging for Microsoft Exchange Server

Log all inbound and outbound email messages sent through Business Central or Microsoft Outlook®. Logging can be manual, or automated. Use a server-based solution with Microsoft Exchange Server to keep email messages in their natural environment and ease administration.

## Opportunity Management

Keep track of sales opportunities. Section your sales processes into different stages to get an overview of and manage your sales opportunities.

# Sales and Marketing

## Microsoft Dynamics Sales integration

Enabling integration between Business Central and Sales allows for a more efficient lead-to-cash process and enables users to make more informed decisions without switching products. Gain efficiency by ensuring tight integration between accounts and customers and adding cross-product features for the lead-to-cash flow.

Use an assisted setup guide for help setting up the integration and coupling records in Business Central with corresponding records in Sales.

Work with prices in currencies that differ from the local currency, using the coupling of the Customer Price Group record in Business Central with the Price List in Sales.

## Sales and Delivery

### Sales Invoicing
Set up, post, and print customer invoices and sales credit memos.

### Sales Order Management
Manage sales quotes, blanket sales orders, and sales order processes. Create partial shipments, ship and invoice separately, create prepayment invoices for the sales order, and use quotes and blanket orders.

### Sales Line Pricing and Discounting
Manage flexible item price and discount structures that differentiate between special agreements with customers and customer groups and are conditioned by parameters such as minimum quantity, unit of measure, currency, item variant, and time period.

Offer the lowest price on sales lines when the sales order meets the conditions you specify on for sales prices. Update the price agreements by using the sales price worksheet.

### Campaign Pricing
Connect sales prices and sales line discounts to sales campaigns to give special pricing and discounts to customers and contacts in campaign segments. Specify periods for which prices are valid. Apply campaign pricing and discounts to sales and service orders.

### Sales Invoice Discounts
Calculate invoice discounts automatically. Set up any number of invoice discount terms, including a certain minimum amount, discount percentage, and/or a service charge. The discount is calculated on the individual item lines and becomes part of the net sum of the invoice. Calculations can be done in both local and foreign currencies.

### Alternative Shipping Addresses
Set up multiple ship-to addresses for customers who receive goods at more than one site. The person creating a sales order or invoice can specify exactly where to send it.

# Sales and Delivery

## Sales Return Order Management

Create sales return orders to compensate customers who received incorrect or damaged items, receive return items for the orders, and link the orders to a replacement sales order. Create a partial return receipt or combine return receipts on one credit memo.

## Bulk Invoicing from Microsoft Bookings

For companies using the Microsoft Bookings in Office 365, it's possible to do bulk invoicing for bookings. The Un-invoiced Bookings page in Microsoft Dynamics Business Central provides a list of the company's completed bookings. In this page you can quickly select the bookings you want to invoice and create draft invoices for the services provided.

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# Microsoft Dynamics 365 Business Central Capabilities

Supply Chain Management

# Purchase and Payable

## Purchase Invoicing

Set up, post, and print purchase invoices and purchase credit memos.

## Purchase Order Management

Manage purchase quotes, blanket orders, and purchase order processes. Creating a purchase order differs from creating a purchase invoice directly. The quantity available is adjusted as soon as an amount is entered on a purchase order line, but it is not affected by a purchase invoice until the invoice is posted. Use this functionality to manage partial receipts, receive and invoice separately and create prepayment invoices for the purchase order, use quotes and blanket orders in the purchase phase. Quotes and blanket orders do not affect inventory figures.

## Purchase Return Order Management

Create a purchase return order in order to compensate your own company for wrong or damaged items. Items can then be picked from the purchase return order. You can set up partial return shipments or combine return shipments in one credit memo and link purchase return orders with replacement purchase orders.

## Alternative Order Addresses

Set up multiple addresses to manage orders from vendors that in addition to a main business address have more than one site from which they ship orders. These additional locations can then be selected by the purchasing agent when creating a purchase order or invoice.

## Purchase Invoice Discounts

Calculate invoice discounts automatically. The discount can differ from vendor to vendor with different minimum amounts (also in different currencies) and different rates, depending on the size of the invoice. The discount is calculated on the individual item lines and becomes part of the net sum of the invoice.

## Purchase Line Discounting

Manage multiple item purchase price discounts that you have negotiated with individual vendors as based on such parameters as minimum quantity, unit of measure, currency, item variant and time period. The best, as based on the highest discount, unit cost is calculated for the purchase line when the order details meet the conditions specified in the purchase line discounts table.

# Purchase and Payable

## Alternative Vendors

Manage purchase of the same item from different vendors. Set up alternative vendors for items, specify typical lead times, and record price and discount agreements with each vendor.

## Vendor Catalog Items

Offer items to customers that are not part of regular inventory, but you can order from vendors or manufacturers on a one-off basis. Register these items as non-stock items but treat them like regular items.

# Inventory

## Basic Inventory

Set up stock items and specify properties such as their unit of measures, costing method, inventory posting group, and unit cost and price. Post item transactions, such as sales, purchase, and negative and positive adjustments from item journals. Store quantity and cost records of posted transactions in the inventory ledger, and use that as the basis for inventory valuation and other costing calculations.

## Item Categories

Group items in a hierarchy and define custom categories that include specific attributes.

## Item Attributes

Add custom data, such as color, country of manufacture, size, or product dimensions, to applicable items, to supplement built-in global item fields. Use Azure AI to let Business Central analyze images of your items and automatically suggest item attributes.

Define types of attribute options, including list and text, and integer and decimal that can include units of measure. Translate attribute names and options to multiple languages.

Block attributes or attribute options from being used, for example, if they are no longer applicable.

## Item Tracking

Manage and track serial and lot numbers. Assign serial or lot numbers manually or automatically, receive and ship multiple quantities with serial or lot numbers from a single order line entry.

## Multiple Locations

Manage inventory in multiple locations that may represent a production plant, distribution centers, warehouses, show rooms, retail outlets and service cars.

## Stock-Keeping Units

Manage stock-keeping units (SKUs). Identical items with the same item number can be stored in different locations and managed individually at each location. Add cost prices, replenishment, manufacturing information, and so on, based on the location.

# Inventory

## Location Transfers

Track inventory as it moves from one location to another. Account for the value of inventory in transit and at various locations.

## Shipping Agents

Set up multiple shipping agents (for example, UPS, DHL, external carriers, or your own carrier) and relate their services (express, overnight, standard) with shipping time. Associate default shipping agents and their services with individual customers or specify those details on sales orders and transfer orders to improve accuracy of order promising.

## Calendars

Set up calendars with working and non-working days. Assign a base calendar to customers, vendors, locations, companies, shipping agent services, and the service management setup and make changes when needed. Use calendar entries in date calculations on sales, purchase, transfer, production, and service orders, and the requisition and planning worksheets.

## Item Charges

Manage item charges. Include the value of additional costs such as freight or insurance in the unit cost or unit price of an item.

## Item Cross References

Identify the items a customer is ordering based on item numbers other than your own. Store and easily access cross-reference information from customers, vendors, and manufacturers, as well as generic numbers, universal product codes (UPCs), and European article numbers (EANs).

## Item Substitutions

Link items that have the same or similar characteristics to suggest alternatives for out-or-stock items on orders. Provide extra service to customers by offering lower-cost alternatives.

# Inventory

## Item Budgets

Define sales and purchase budgets on the customer, vendor, and item levels. Prepare and record a sales budget that can serve as input to decision makers in operational areas such as purchasing and logistics. Get information about expected demand and use it in business discussions with customers.

Finalize budgets and track the actual sales performance by calculating the variance. Export budget figures to Excel for flexible calculations in the budgeting process.

## Analysis Reports

Provide decision makers, especially those with responsibility for sales, purchases, and product portfolio management, with meaningful information that informs day-to-day decisions. Build on item entries to provide customizable analytics that let you add and combine analysis objects, such as customers, items, and vendors, according to your needs.

## Cycle Counting

Manage cycle counting to verify inventory record data used to maintain and increase inventory accuracy. You can set up cycle counting on the item or SKU level.

# Supply Plan and Availability

## Supply Planning

Plan material requirements based on demand with support for master production scheduling and materials requirements planning. Generate optimal suggestions for replenishing inventory transfers based on the item's current and future demand and availability, as well as a variety of planning parameters, such as minimum and maximum quantities and reorder quantities.

Use automatic orders for assembly, purchase, production, and transfers, and action messages to balance supply and demand. Use time buckets when planning material requirements.

## Demand Forecasting

Manage demand forecasting based on items. Input demand (sales) forecasts for products and components in a more convenient way (daily, monthly, quarterly). Create production and purchase orders that consider the demand forecast, available inventory, and plan requirements.

## Sales and Inventory Forecasting

Get deep insight into potential sales and a clear overview of expected stock-outs by using the Sales and Inventory Forecast extension. Leverage its built-in Azure AI capabilities to generate reliable forecasts that make it easier to manage replenishment.

## Order Promising

Promise accurate order shipment and delivery dates based on an item's current and future availability. When items are not available to meet a customer's requested delivery date, calculate the earliest shipment date as either an available-to-promise date that is based on upcoming uncommitted supply or a capable-to-promise date, which is when items can become available.

## Drop Shipments

Handle orders that ship directly from the vendor to the customer without having to physically stock items in your inventory. Keep track of order costs and profit. Link sales orders to purchase orders to control the sequence of posting tasks.

## Order Planning

Plan supply for all types of demand on individual orders using a simple supply planning tool.

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# Microsoft Dynamics 365 Business Central Capabilities

Project Management

# Project Management

## Basic Resources

Keep track of resources and prices. Register and sell resources, combine related resources into one resource group, or track individual resources. Divide resources into labor and equipment and allocate resources to a specific job in a time schedule.

## Capacity Management

Plan capacity and sales and manage usage statistics and the profitability of resources. Create your plan in a calendar system with the required level of detail and for the period you need. Monitor resource usage and get a complete overview of resource capacity including availability and planned costs on orders and quotes.

## Multiple Costs

Manage alternative costs for resources and resource groups. Costs can be fixed, percentage based, or an additional fixed charge. Define as many work types as you need.

## Jobs

Track usage on jobs and data for invoicing the customer. Manage fixed-price jobs and time-and-materials jobs:

- Create a plan for a job with multiple tasks and task groupings. Each task can have a budget and can be done for whatever period you need.
- Copy a budget from one job to another and set up a job-specific price list for item and resource charges and general ledger account expenses for the customer.
- View suggested WIP and recognition postings for a job.
- Plan and invoice job in multiple currencies.
- Assign a specific job to a specific customer and invoice the job completely or partially.
- Use an assisted setup guide to set up jobs, easily enter time sheets and job journals, and use the Project Manager Role Center to access common tasks, new charts, and the list of your jobs.
- Use the Job page to access tasks, assign job ownership, and get visibility into costs and billings.
- Use the Job Quote report to quickly email a customer the price for a project.

## Time Sheet

Register time spent and get manager approval using the simple and flexible Time Sheet. Time Sheet integrates with Service and Project Management and can include resources.

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# Microsoft Dynamics 365 Business Central Capabilities

Service Management

# Service Management

## Planning and Dispatching

Assign personnel to work orders and log details such as work order handling and work order status. For dispatching, manage service personnel and field technician information, and filter according to availability, skills, and stock items. Gain an overview of service task prioritization, service loads, and task escalations.

## Service Contract Management

Set up agreements with the customers about service levels:

- Maintain information on contract history, contract renewal, and contract templates.
- Manage warranties for service items and spare parts.
- Record details on service levels, response times, discount levels, and the service history of each contract, including service items and parts used and labor hours.
- Measure service contract profitability.
- Generate service contract quotes.

## Service Item Management

Record and keep track of all your service items, including contract information, component management, and BOM reference and warranty information. Use the Trendscape Analysis feature to view key performance indicators for service items during various periods.

## Service Order Management

Register post-sales issues including service requests, services due, service orders, and repair requests. Let customers initiate service requests or create them automatically according to the terms of service agreements.

Register and manage equipment loans to customers. Get a complete history of service orders and service order quotes through the Service Order Log.

## Service Price Management

Set up, maintain, and monitor service prices. Set up price groups based on criteria, such as the service item (or several item groups), the service tasks, or the type of fault for a period of time or for specific customers or currencies. Define price calculation structures that include all parameters involved in providing service, such as the parts used, the types of work, and the service charges. Automatically assign the correct price structure to service orders that match the price group criteria. Assign fixed prices, minimum prices, or maximum prices to price groups and view statistics about profitability.

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# Microsoft Dynamics 365 Business Central Capabilities

Warehouse Management

# Warehouse Management

## Bin

Organize your warehouse by assigning items to bins, the smallest unit in the warehouse logical structure. Use item journals to assign bin directly on document lines.

## Bin Setup

Set up and maintain bins by defining both the layout of your warehouse and the dimensions of your racks, columns, and shelves. Give input to planning by defining characteristics for bins.

## Inventory Pick and Inventory Put Away

Create pick lists from released sales orders and put away work from released purchase orders. Manage picking and put away work without opening sales and purchase orders when handling shipments.

## Warehouse Receipt

Create a put-away work directly from receipts. Manage receipts from a separate user interface in a multi-order environment.

## Warehouse Shipment

Create picking lists from shipments. Manage warehouse shipments from a separate user interface in a multi-order environment.

## Internal Picks and Put-Aways

Create pick and put-away orders for internal purposes, such as testing put-away for production output, without using a source document (such as a purchase order or a sales order).

## Warehouse Management Systems

Manage items on a bin level. Receive and put away items in bins, pick items from bins according to put-away templates, and pick items based on zone and bin rankings. Move items between bins using a report that optimizes the picking process and the use of space or move items manually. Create warehouse instruction documents for pick and put-away processes for sales, purchases, transfers, returns, and production orders.

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# Microsoft Dynamics 365 Business Central Capabilities

Manufacturing

# Manufacturing

## Assembly Management

Specify a list of sellable the items, raw materials, subassemblies, and resources as an assembly bill of materials that make up a finished item or a kit. Use assembly orders to replenish assembly items. Capture customer requirements for the kit's bill of materials directly from sales quotes, blanket orders, and order lines in the assembly-to-order processes.

## Standard Cost Worksheet

Give company controllers a reliable and efficient way to maintain accurate inventory costs. Work with standard cost updates in Business Central in the same way you would in an Excel spreadsheet. Prepare for cost updates without changing data until you're ready.

## Production Bill of Materials

Create bills of materials and calculate their standard costs.

## Basic Capacity Planning

Add capacities (work centers) to the manufacturing process. Set up routings for production orders and material requirements planning. View loads and the task list for the capacities.

## Machine Centers

Add machine centers as capacities in the manufacturing process. Manage capacity for each machine or production resource on a detailed level for machine centers, and on a consolidated level for work centers. Use machine centers to store default information about manufacturing processes, such as setup times and default scrap percentages.

## Version Management

Create versions of manufacturing bills of materials and routings.

## Production Orders

Create production orders and post consumption and output. Calculate net requirements based on production orders. Use a manual supply planning tool as an alternative to automatic planning. Get visibility and tools to manually plan for demand from sales lines and to create supply orders.

## Finite Loading

Manage finite loading of capacity-constraint resources. Account for capacity constraints for periods to avoid overloading work centers. Calculate capable-to-promise (CTP).

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