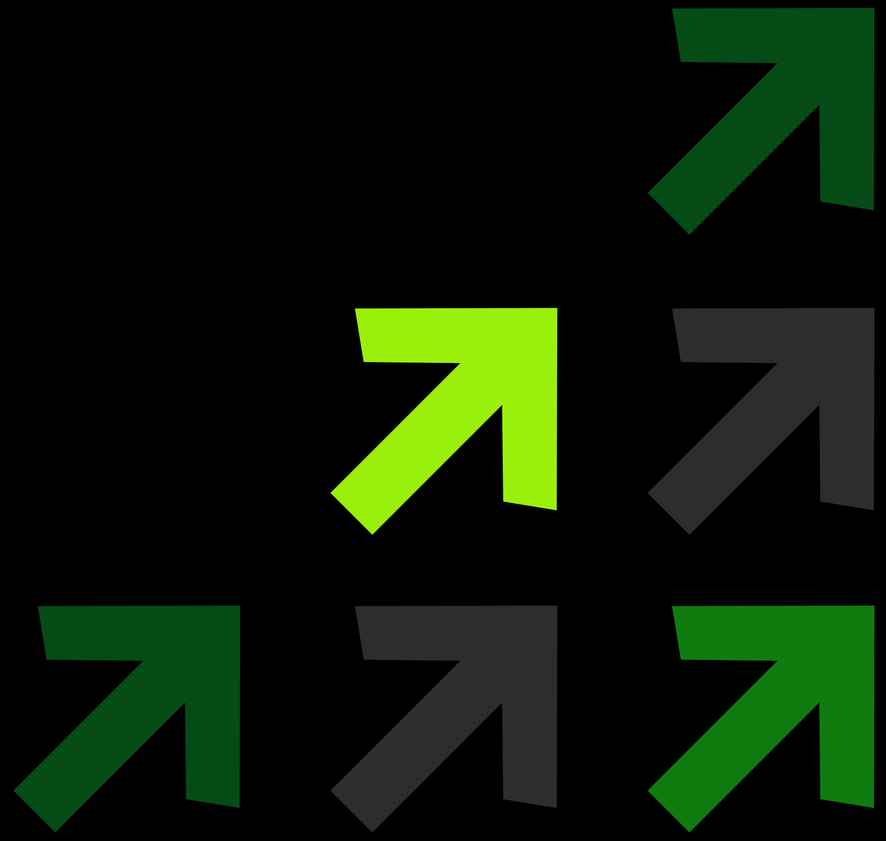
Microsoft Dynamics 365

Savvy SMB Leader's Guide to Cloud ERP

How business management software can help you build an agile and resilient company



This information is for you if…

Estimated reading time: <10 minutes

- You're a leader within a small- to medium-sized business that needs to be able to pivot, adapt, and refocus quickly as conditions change.
- You're looking for ways to streamline processes, save money, and consolidate efforts across the business with a business management solution or an enterprise resource planning (ERP) system.
- You don't have visibility into the state of your business outside of financials, and you can't identify the causes of poor performance across sales, service, projects, and operations.

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Build a foundation for agility

As the leader of a smaller to mid-size business, you're alert for anything that might throw your strategy off track. You stay centered on your vision for the company and you don't take business performance for granted. When an unexpected event sets the company back, you refocus your teams and pivot to drive a new set of results. Being able to adapt quickly in the midst of change is essential to making your business vision a reality. Agility and resilience are the core competencies that drive your business forward.

Business agility has the potential to improve:[1]

- Customer experience
- Employee engagement
- Financial performance

By up to

30%↑

[1]"Enterprise agility: Buzz or business impact?," McKinsey & Company, March 2020.

Accelerating organizational agility requires attention across five dimensions:[1]

1. **Strategy**
   A shared purpose and vision across the organization
2. **Structure**
   A network of empowered teams
3. **Process**
   Rapid decision and learning cycles
4. **People**
   An aligned purpose that ignites their passion
5. **Technology**
   An adaptive platform that will grow and change with you

[1]"Enterprise agility: Buzz or business impact?," McKinsey & Company, March 2020.

An organization can only be as agile as its least agile dimension. For example, a responsive process, where decisions are made quickly, will fail if the team structure is outdated and requires approvals on every detail from time-constrained leaders.

Similarly, an organization striving to improve agility will be brought to a halt if systems are not adaptive and if they enforce rigid workflows that can't be configured to support new business models. You need visibility to quickly adapt processes across finance and accounting, sales and service, and everything else across your operations—purchasing, supply chain, warehouses, and manufacturing.

Maybe you're considering a move from basic accounting and project management software to an all-in-one business management solution that will give you the agile edge you need to continuously improve performance. You'd like to run your entire business with a single solution, getting the insights you need across your teams to make more confident decisions and adapt faster when disruptions arise.

> **This e-book will walk you through the considerations for moving to an Enterprise Resource Planning (ERP) or all-in-one business management solution, and detail how each element of your business process can be made more agile with it.**

Why move to an ERP or all-in-one business management solution?

An ERP system or business management solution brings together all the necessary parts of running your SMB, including:

- Finance and accounting
- Inventory and supply chain
- Purchasing
- Customer management and sales
- Customer service
- Project and service management
- Warehousing
- Manufacturing

In the current environment, it bears repeating that it's much easier to work efficiently from anywhere at any time with a cloud-based business management solution. A solution like this improves collaboration across the company when everyone can access the same information at the same time. This in turn improves productivity, another key to agile and responsive business.

A connected business management solution will help you:

- Increase visibility across your entire organization—not just financials.
- Support international purchasing and sales with multicurrency and multilingual support.
- Expand your business with multicompany and intercompany processing.
- Accelerate sales and improve service with a better customer experience.
- Deliver projects on time and on budget, while managing detailed time, expenses, and cost accounting.
- Optimize your supply chain and implement purchase governance to reduce risk and costs.
- Improve productivity with automation and process governance to ensure data accuracy.
- Strengthen security to protect your organization from data breaches, while allowing you to take your business on the go with anytime, anywhere controlled access from any device.

Things to consider

As you consider a business management solution, keep these questions (and your answers) top of mind:

Who is the best partner/vendor for my business?

No need to become an expert—the important thing is to choose a vendor that you trust. Look for longevity. Will they be with you for the long haul? Will they give you the service you need to successfully deploy a solution?

What is the deployment process?

How long does it take to bring the solution online? Who needs to be involved from your company? Are there best practices for deployment that the vendor can share so you can be prepared?

Does an on-premises or cloud version make more sense for your company?

Higher security, lower cost, access from anywhere, and automatic updates make the cloud an agile move. You might have some legacy systems on premises that won't move to the cloud yet. Consider the risk of committing long term to legacy solutions that may inhibit your ability to keep up with rapid growth opportunities. In most cases, the cloud version is customizable and may be able to replace the on-premises version.

What is your timing?

You've got a lot going on. No time may seem like the right time to make a transition like this. But it's important to weigh the broader business benefits against the one-time disruption. Pick a window of opportunity that makes sense with the cycles of your business.

What's your plan for employee adoption?

It's important to get employee buy-in right from the start. Share the benefits with them personally. How will this new system make their jobs easier and less stressful? Walk through training on new processes and new technology.

How will you communicate the change across your business?

Nobody likes to be surprised—or the last to know. To ensure enthusiastic adoption, think through how you are communicating. Share workback schedules and make sure everyone knows who is leading the change.

Are you ready for agile tech transformation?

A "yes" response to any of these questions is a signal that you are ready for agile tech transformation.

- ☐ Does your business need to be able to respond quickly to changes in your industry, with customers, or in the supply chain?
- ☐ Has it become difficult to plan ahead because siloed data from different departments makes it hard to see a holistic view of the company?
- ☐ Are you frustrated that it's so hard (if not impossible) to pass customers from one department to another while tracking their experience?
- ☐ Is the administrative side of your business (sales, inventory, purchasing, finance, accounting) stuck in a backlog while customers wait impatiently?
- ☐ Do you struggle to innovate products, services, or business models quickly to stay ahead of competition?

1. How to:
Manage financials

Old way

As a business grows, it becomes more difficult to keep up with customer expectations and to track information across projects and teams. You're spending more time putting out fires from upset customers, suppliers, or employees than running the business. It's difficult to know how to prioritize your time and investments because you don't have the ability to dig into the cause of issues or insights into the next big opportunity.

These data silos also make it hard to use predictive analytics, resulting in a constant "What happened?" view instead of "What's next?".

Financial closing and reporting are often behind schedule while accounts receivable and payable are reconciled and approved manually.

Agile way

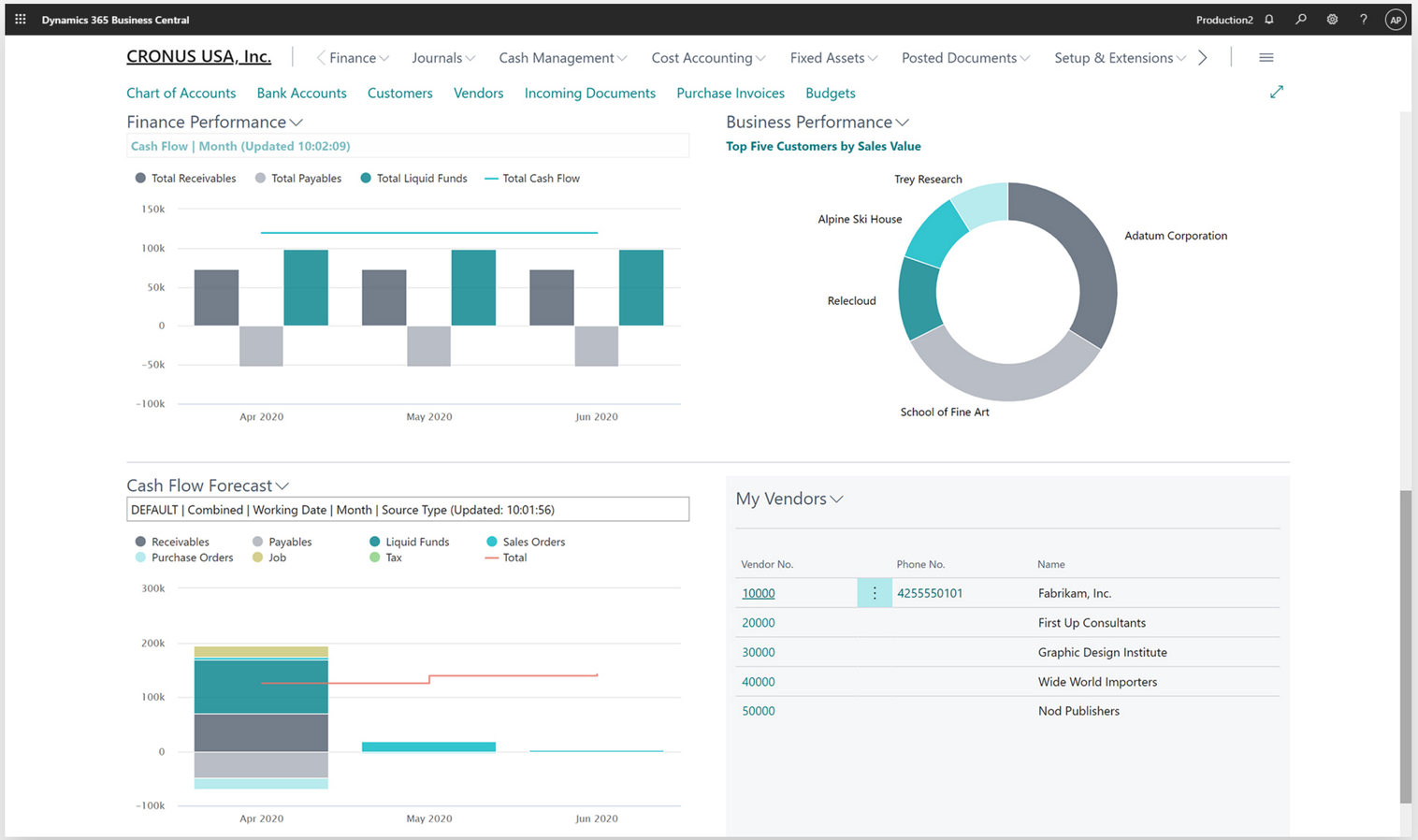
Using connected data across finance, sales, service, projects, and operations, decision-makers can confidently move the business forward.

Identify patterns and trends with charts and reports in real time, using unlimited dimensions for the data. Get insights and next-best action advice based on connected data.

With the integrated accounts receivable and payable capabilities, accelerate financial closing and reporting. Vendor and customer portals, electronic payments, international payments, and multicurrency support all provide more flexibility in managing financials.

How to tell if your financial management system is successful:

You are able to track critical key performance indicators real time, such as profit, profitability (margins), cash flow, growth rate, and financial risk.



2. How to:

Optimize the supply chain

Old way

Sometimes an order to replenish stock will be delayed because of late payment on an earlier order. This happens because finance and purchasing aren't using a connected platform, and invoices need to be manually submitted to the finance department for payment.

Without a way to analyze inventory data and trends, it's hard to keep supplies in exactly the right quantity. When there's an unexpected rush on a product and customers can't get it when they'd like to, future sales will suffer as customers lose trust.

Managing suppliers is challenging. They have different offers, delivery timelines, and terms. Placing an order is time-consuming and involves a lot of back-and-forth to confirm expectations. This becomes exponentially more difficult when you begin to work with international suppliers and across multiple companies.

Agile way

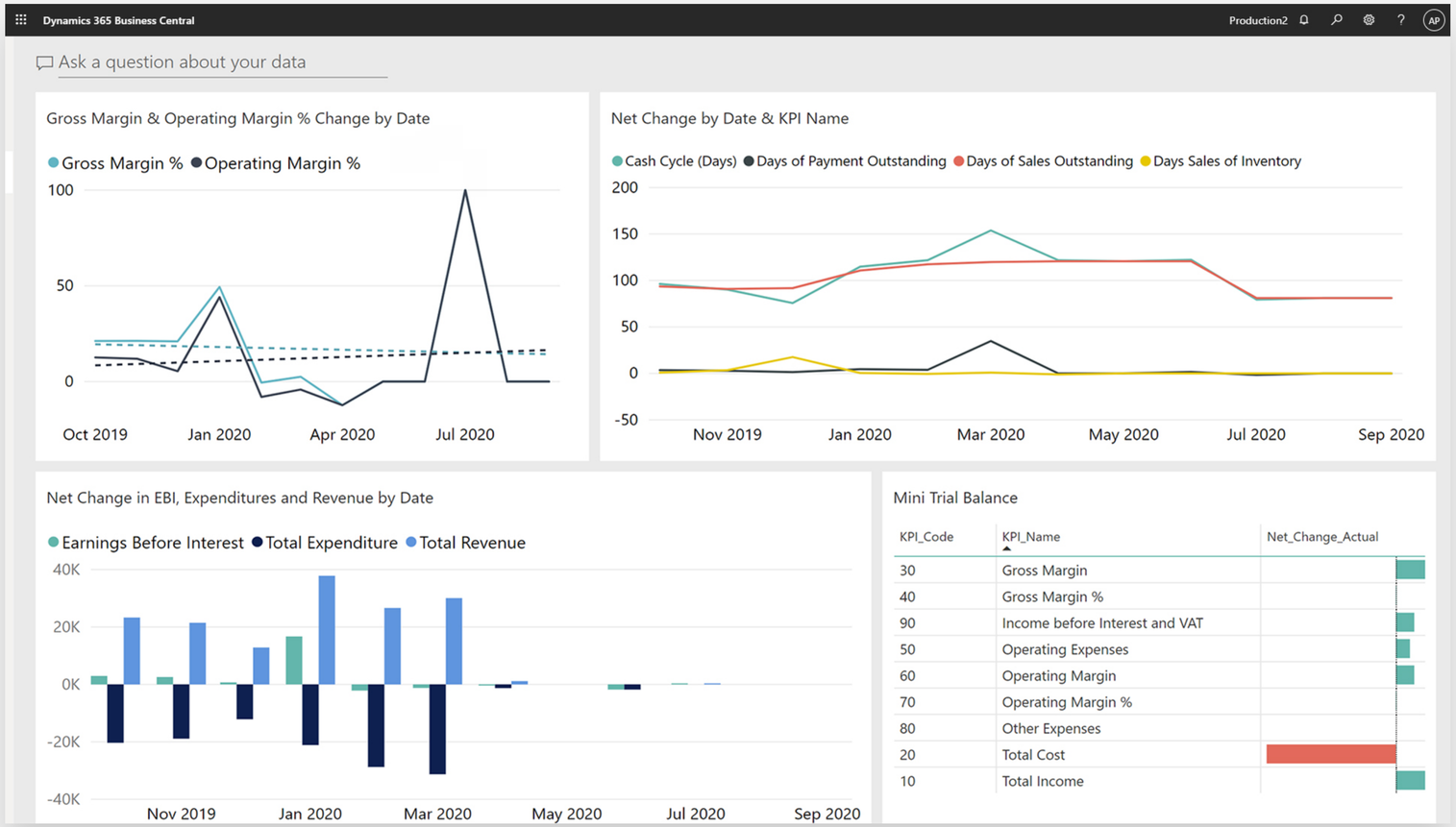
Built-in intelligence predicts the best time to replenish stock, while using sales forecasts and expected stock-outs to automatically create purchase orders.

Use the same costing method or different methods for inventory items, and freely move them between locations. Control the quantity on hand using cycle counting.

Register potential suppliers, send inquiries, and convert the best offers to orders, all within the same connected system.

How to tell if your supply chain management system is successful:

You are able to track your contact-to-cash cycle time, perfect order rates, and days sales outstanding (DSO) to continuously decrease operational costs and improve cycle times.



3. How to:

Deliver projects on time and under budget

Old way

Timesheets and job costing are separate solutions, making it hard to track hours used against a specific job. When the calculations are finally figured out, there may be too many hours billed to the job, leading to budget problems.

Without a quick view into resource planning, sales often accepts a job and sets a timeline without knowing whether people are available to work on it.

As a project nears completion, managers don't have a real-time holistic view into resource allocation. In the last few weeks of a project, when manual calculations can't keep up with day-to-day activities, it's not unusual for under-spending or over-spending to sneak up and ruin timeline and budget goals.

Agile way

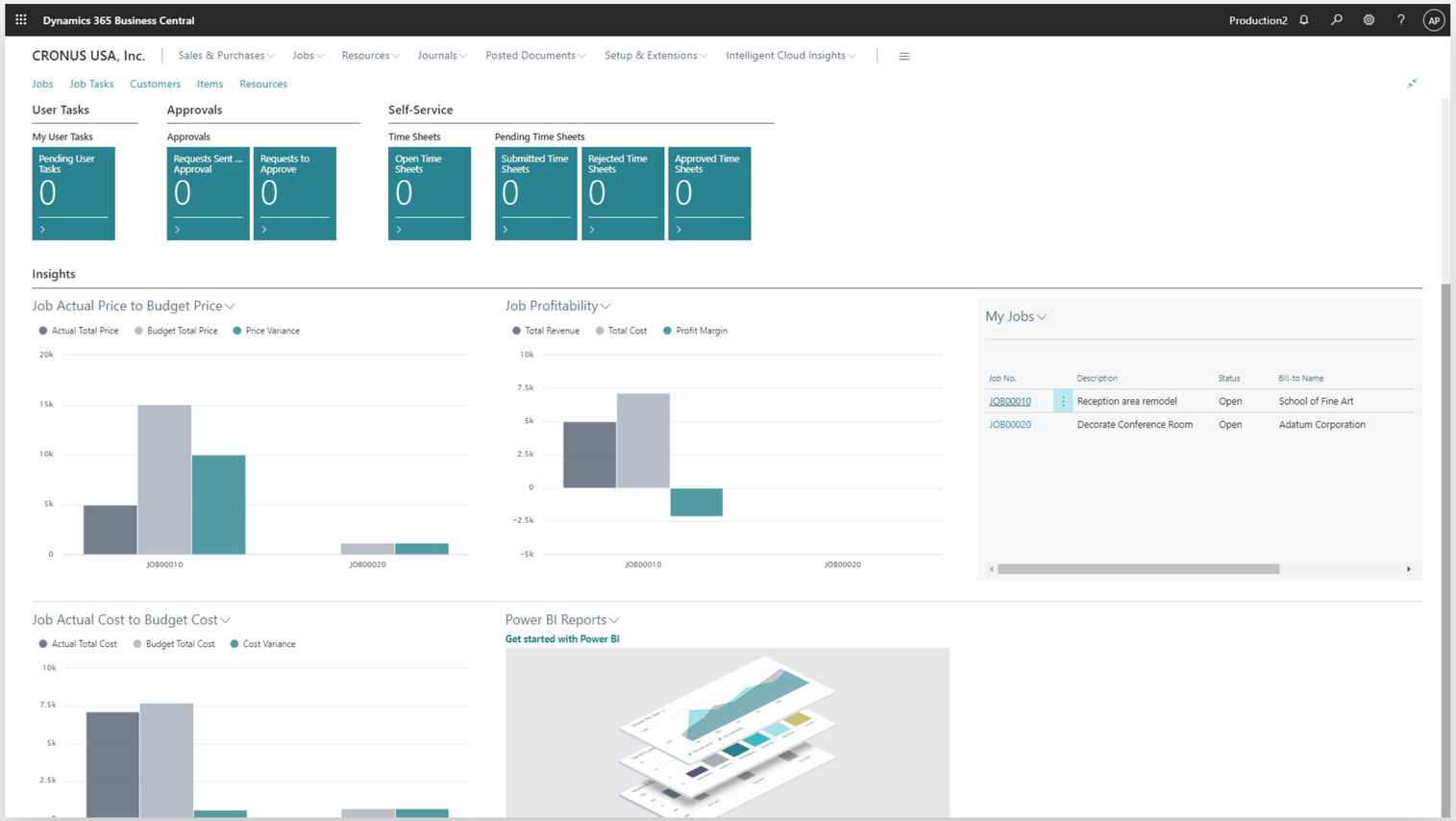
Create, manage, and track customer projects using timesheets and advanced job costing and reporting capabilities, all in the same platform. You can modify budgets as the project proceeds to ensure profitability, with enough time to communicate clearly to clients.

Manage resource levels according to capacity and sales. The two can work in tandem, where real-time info helps sales see immediately what's reasonable to promise a client, given resource levels.

Real-time insights on project status, profitability, and resource metrics help managers head off problems or identify trends in jobs that can be used to make better decisions.

How to tell if your project accounting system is successful:

You know if projects are being delivered on time, within scope, and on budget early enough to intervene when things go off track. You can easily determine which projects and service offerings are the most profitable using a profitability index that shows you where you should focus your resources.



4. How to:

Improve sales and the customer experience

Old way

Without a clear understanding of how cross-selling and upselling can impact profitability, sales takes a passive approach to every lead. This leaves customers dissatisfied and costs the business incremental revenue.

A haphazard sales process without clear expectations for each step creates inconsistencies in pricing and discounts across the business. When clients learn that someone else got a better deal, your brand is damaged.

When a job has closed and the client comes back with service requests, it's hard to track what happened in the original project that might have led to the problem. This causes service teams to be dismissive of client requests.

Agile way

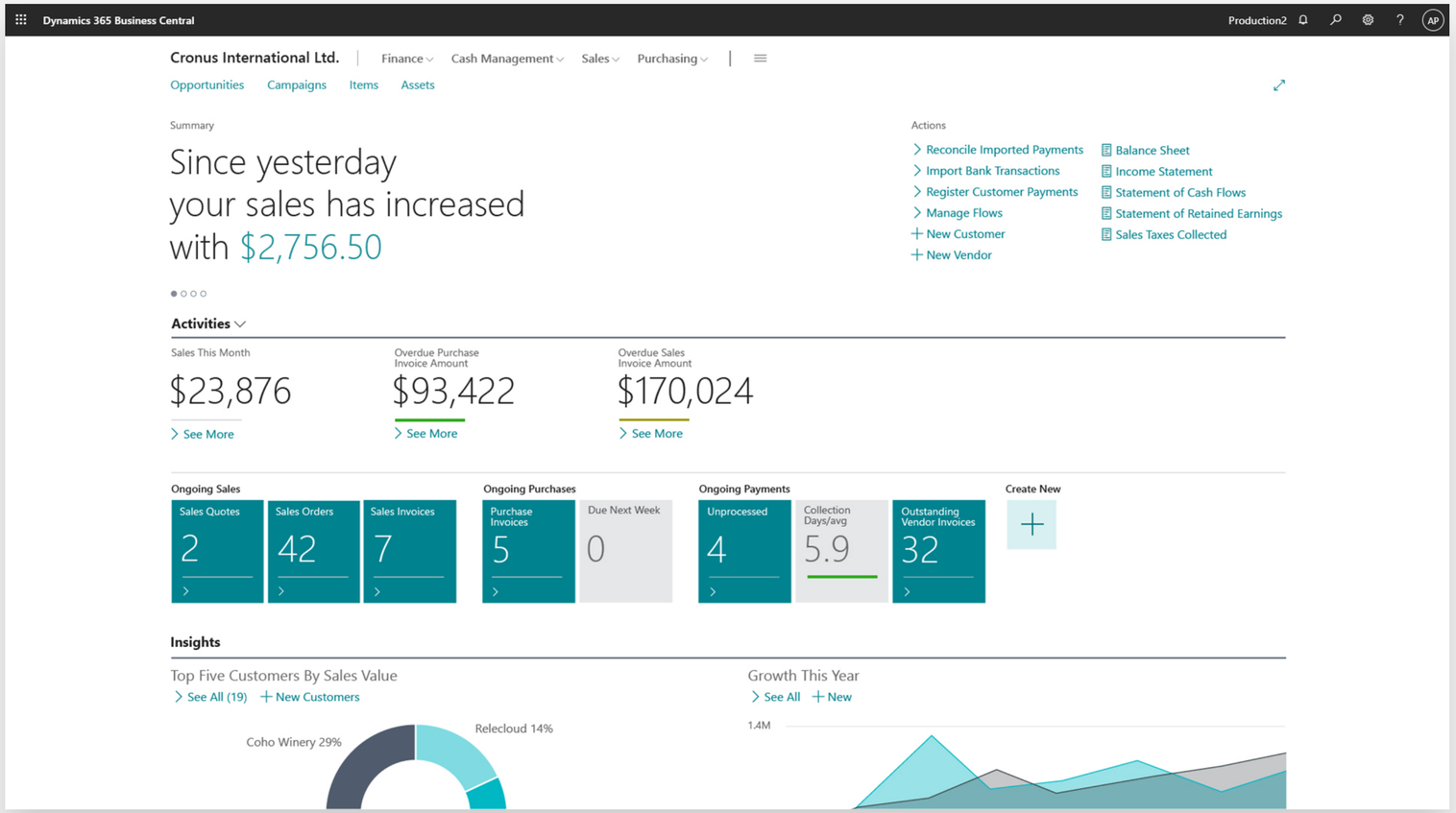
With a holistic view of the kinds of projects that deliver the most revenue potential, sales can prioritize those leads. Factored into this scenario is the value of cross-sell, upsell, and renewal opportunities.

Keep an overview of agreements with sales order and blanket sales order processes. This makes it easy to quickly give customers standard details about prices, discounts, delivery dates, product availability, and fulfillment status.

With sales return order management, customer service is easy to track and tie to specific orders and previous actions by the company. Accountability is automatic when all the information is available in one place.

How to tell if your sales system is successful:

You have clear visibility into your average sales cycle, lead response times, opportunity-to-close cycle times, credit processing time, or any friction points in your customer experience. You can quickly resolve customer issues on first contact and track first-contact resolution rates.



Be ready for what's next

You and your teams are blazing new trails with vision and grit. While you might be ready to take on what's next, can you say the same of your business system? Quick decisions require access to the data that informs them, and that data can be found in an all-in-one business management solution. Every day brings something new, and agile processes require the tools to facilitate them. Flexible teams need to be able to collaborate within the context of business data. Ensure your technology is empowering your people to unlock what's next.

Microsoft Dynamics 365 Business Central

Dynamics 365 Business Central provides a connected cloud business management solution for growing small and midmarket organizations. Connected means you can bring together your sales, services, and operations teams within a single application to get the insights needed to drive your business forward and be prepared for what's next.

Adapt faster

Be prepared for disruption with the insights needed to pivot quickly, shift business models, and cultivate strategic plans.

Work smarter

Empower your people to confidently take action and get more done with AI-infused processes, automated workflows, and interoperability with Microsoft 365 and Teams.

Perform better

Enable better business performance with better tracking and responsiveness across your entire business, not just financials.

When you're ready to step into business agility, we're here to help.

Contact iCepts Technolgy Group, Inc. Today!

717-704-1000 info@icepts.com www.icepts.com

Microsoft Dynamics 365

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