Microsoft Dynamics 365

Agile Systems for Optimized Operations:

The new, flexible approach to ERP

Who this is for

Forward-thinking COOs and CFOs looking to better understand how ERP can accelerate digital transformation to fuel growth, optimize costs, and mitigate risks.

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Optimize operations for business agility

In the midst of a complex and fast-changing global business environment, agility is a key competitive advantage. Turbulence in financial and labor markets, as well as global supply chains from energy to manufactured goods, affect every business. New digital business models challenge traditional management and finance practices. At the same time, hybrid work and the gig economy demand that businesses empower employees to contribute their best from anywhere.

To thrive in this environment, operations and finance leaders need to:

Visualize:

Know what's happening inside the business now, at any time, and be able to make smart predictions about what's next; have data and insights at your fingertips to make the best decisions under time and cost pressure.

Operationalize:

Quickly adapt systems and optimize processes as conditions change, using data and AI to optimize efficiency.

Actualize:

Empower teams with the tools they need to work smarter, and enable collaboration with colleagues, partners, vendors, and suppliers.

Do you pass the agility test?

How agile is your business today? As with all business objectives, you can only manage what you can measure. Are you tracking KPIs that measure your ability to quickly pivot business models, processes, and organizational structures to better meet customer expectations?

Improving these capabilities requires digitally transforming the systems supporting finance and operations. The key is a composable solution that gives you constantly updated capabilities, the flexibility to change on the fly, and data-driven insights everywhere. Let's look at ways an agile ERP can improve agility in the three areas of Visualize, Operationalize, and Actualize.

Here are some indicators that agility is embedded in your organization:

○ **Speed to insight:** How quickly can people in your organization get answers that help them make quality business decisions?

○ **Time to market:** How long does it take for a product, service, or feature to get to market from beginning to end? How does this compare to competitors?

○ **Decentralized decision-making:** Are people throughout your organization empowered and informed to make significant decisions to accelerate results?

○ **Efficiency:** How much active work time is required to complete work compared to time spent waiting for other processes to complete?

○ **Change aptitude:** How long does your business take to respond to a change in suppliers, markets, or customer demand?

○ **Cycle times:** Do you measure the speed of your business processes (procure to pay, order to cash, etc.) and drive continuous improvements?

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Visualize

"The major advantage is the level of transparency between the different departments. It ensures we're always talking about the same customer— no matter at which of the multiple touchpoints they engage with us throughout their journey.

We get much more processable data out of the system. And this has set the base to foster a Learning Organization that gives us the ability to see where we can continue to improve our services and business processes. This all contributes to an enhanced customer experience."

Michele D'Angelo

Senior Manager of Processes and Performance for Global Customer Service, **Lufthansa Cargo**

The challenge

You can't respond to a problem or capitalize on an invisible opportunity. Having the right data at the right time makes all the difference. In a fast-paced world, how quickly you can get that data matters to your competitiveness.

Many ERP systems were designed for a world where monthly and quarterly reporting were sufficient, management had privileged access to data, and simple metrics were used to gauge business success.

Now, markets and customer demands evolve week by week, day by day, and moment by moment. People need answers now—not at the end of the month. When disruption happens, up-to-date information is critical. And data access needs to be democratized so employees can act responsibly rather than waiting for instructions.

Benefits of agile ERP

Optimizing the value of data requires an agile ERP that makes it easy to access, analyze, and use information wherever decisions are made.

- **Gain a unified view:** Break through data silos to see the whole picture, enabling you to identify efficiency, speed, and profitability opportunities. Identify margin improvements, cost efficiencies, and market opportunities with AI-driven insights from data.

- **Spot trouble faster:** Address business segment underperformance earlier by analyzing excess costs, resource allocation, and inventory management with up-to-date, accurate, verifiable cost accounting.

- **Accelerate decision-making:** Give more people access to information and insights so they can fix problems closer to where they occur and infuse intelligence into employee experiences to help them do their jobs better.

What to look for in ERP

- **Connected data fabric:** Bring together data stored in disparate applications and locations in a way that makes it possible for anyone to access, analyze, and act on it, securely and through familiar apps and experiences.

- **Real-time, comprehensive analytics and reporting:** This enables you to assess the health of your business, improve financial controls, and make timely decisions to drive agility and growth with real-time analytics.

- **Intelligent and configurable cash flow forecasting:** With advanced cash-flow monitoring, you can quickly identify current and future trends and make data-driven decisions. AI can improve cash flow forecasts over time by comparing projections with results.

- **Spend intelligence:** When you can continuously manage costs and cashflow with accurate, timely data, automated insights, and predictive capabilities, you can save money and maximize liquidity when needed.

- **Collaborative data insights:** Sharing insights turns connected data into collective impact. Look for ERP that

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Operationalize

"We chose Dynamics 365 because we need modern technology that will evolve with us. The reality is that our business needs didn't just change over the past two years—they were disrupted overnight by the pandemic. Fortunately, with Dynamics 365 we have a flexible solution that can adjust and adapt with us."
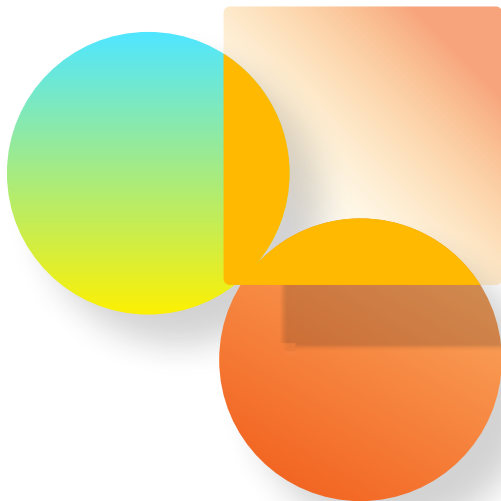
Carol Fawcett

Corporate Vice President and Chief Information Officer,
Golden State Foods

The challenge

Data-driven knowledge and insights are only as powerful as your ability to put them into effect. The speed with which your operations can adapt to dynamic circumstances is key to business agility. With increasing amounts of revenue coming from service-based lines of business, organizations need the ability to experiment with and optimize billing models that diverge from traditional practices.

Some business systems have not kept up with the increasing pace of change. Many organizations face a reality where ERP is a drag on business agility. Complex, IT-intensive customization is required to make the system fit the business, resulting in brittle and hard-to-use systems.

Benefits of agile ERP

When your business changes, your ERP should be able to change with it quickly and inexpensively. An agile ERP ensures that core systems always reflect business realities, reduces technology complexity and spending, and supports more efficient operations.

- **Capitalize on the moment:** Create new entities on demand and take advantage of opportunities in times of disruption. Spin up a new business, make acquisitions, or divest a non-core business to maximize shareholder value.

- **Grow without barriers:** Rapid deploy new subsidiaries or product lines in record time with the ability to copy existing legal entity's setup to a new company, allowing the onboarding of a new location to be quick, cost-effective, and consistent with the company's best practices.

- **Meet your teams' changing needs:** Ensure people always have the most up-to-date technology. Quickly incorporate new functionality through technology partner ecosystems and low-code development.

What to look for in ERP

- **Continuous process optimization:** Your ERP should allow you to measure and manage processes end to end within the context of specific roles and activities. This intelligence helps you uncover friction points, achieve targets, and optimize processes for a better employee and customer experience.

- **Automation and AI:** Combining core business data with AI empowers teams to solve problems, predict challenges, and make informed decisions faster. It can also drive intelligent automation that reduces repetitive work and frees people for more complex tasks.

- **Composability:** A composable system can be updated by adding or removing components rather than customizing the core system. Composability makes it easier to update and adapt your ERP platform as needs change without having to rip and replace what you already have.

- **Integrability:** An agile ERP system can easily integrate with other apps and systems using standards-based methods. A robust partner ecosystem provides options for making the solution fit your needs.

- **Extensibility:** The ability to create new apps and capabilities using low-code tools makes it simpler to solve company- or industry-specific business challenges quickly and at a lower cost than traditional development.

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Actualize

"A lot of times, people think that Oracle and SAP are the only large ERPs that can support a complex business. That's not the case. With Microsoft and RSM solutions, we've been able to address these problems by making accurate, real-time information about operations available to everyone who needs it. This not only makes us more productive and cost-effective, but we continue to augment and improve the flexible Microsoft Dynamics 365 system, adding more agility to engage with existing customers and gain new ones."

Travis Pierce

Director of Information Technology,
Tillamook County Creamery

The challenge

No matter how powerful your ERP, those benefits will go untapped if people don't want to use it. Many ERP systems of the past intentionally limited access to data and delivered it through complex, confusing interfaces. Rather than encouraging exploration and learning, they were built to serve a small number of specialists using strictly defined procedures.

The result is a culture where people actively avoid using ERP unless they have to and often must go through IT or business analysts to get what they need. Employees may have to manually update information across multiple platforms, or engage with several disparate systems to get a complete picture of the situation. Actualizing the power of your business data requires technology that people want to use, and that adapts to how people and teams want to work.

Benefits of agile, collaborative ERP

- **Empower your people:** Create a proactive, data-enabled culture of localized problem-solving.

- **Collaborate everywhere:** Integrate all teams onto a single platform so they can work together without limits.

- **Work efficiently:** Reduce the time required for data collection, cleansing, and reporting. Minimize context-switching and redundant, manual tasks.

- **Support hybrid work:** Enable seamless productivity for those working at home or on mobile devices.

What to look for in ERP

- **User-friendliness:** A modern, intuitive interface enables people to onboard faster and be more productive day to day, whatever their role. This should include guidance and insights within the flow of work to ensure process adherence and reduce errors.

- **Cloud access and reliability:** A cloud-based solution provides significant advantages in a hybrid workplace where people need secure access from more locations. At the same time, the cloud solution must provide a high level of availability and reliability to ensure core systems are available when needed.

- **Collaboration:** Connecting conversations and experiences across the organization—whether it's voice, chat, document co-authoring, or team meetings—from within the ERP experience accelerates productivity and enhances engagement. If your ERP is easy to extend with new functionality using low-code and third-party apps, you can meet emerging needs without complex customization of core systems. This also reduces the need to switch contexts to get work done, because more options are available through the tools people use every day.

- **Security:** With the proliferation of cyberthreats, you can't compromise the protection of your core business data. Choosing a vendor with a proven track record of security investment and innovation provides peace of mind as you empower more people with data.

- **Trust:** The critical nature of business data and the fact that it may contain material or personal information requires compliance with a wide range of regulations. The platform you choose needs to support compliance and governance capabilities as applicable to your geography and industry.

Conclusion

Business agility depends on your ability to visualize, operationalize, and actualize needed changes before your customer is affected. Getting there first requires data insights, flexible systems, and productive, collaborative teams.

Composable, agile, modern ERP empowers CFOs and COOs to digitally transform their businesses and meet current challenges. With Dynamics 365, you can drive more efficiency, reduce costs, and create a hyperconnected business that links people, data, and processes across your organization—enabling every team to adapt and innovate quickly.

Supply Chain Management | Microsoft Dynamics 365: Adapt and thrive with a digital supply chain. Predict and overcome disruptions fast to meet customer demand and stay profitable.

Finance | Microsoft Dynamics 365: Build finance and business operation agility. Reimagine your financial and business operating models to prepare, respond, and thrive in the face of disruption.