NUCLEUS RESEARCH

MICROSOFT DYNAMICS 365 DELIVERS $16.97 FOR EVERY DOLLAR SPENT

ANALYSTS

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THE BOTTOM LINE

In analyzing the results of Microsoft Dynamics 365 deployments, Nucleus found that for every dollar spent, companies realized an average of $16.97 in returns. This is significantly higher than the average for both enterprise resource planning (ERP) and customer relationship management (CRM), which deliver, on average, $7.23 and $8.71 respectively. Nucleus found that companies taking advantage of Microsoft's investments in cloud and usability, as well as integration and analytics, were able to achieve significant returns by increasing productivity and revenues and reducing costs.

OVERVIEW

Microsoft has continued to expand and develop its portfolio of capabilities under the Dynamics 365 umbrella to support CRM, ERP, and human capital management (HCM) processes as well as advanced analytics, application development (with PowerApps), and collaboration.

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Since 2004, Nucleus has examined the experiences of Microsoft customers and published return on investment (ROI) case studies on customer deployments. To assess the current value delivered by Dynamics 365, we analyzed aggregate data from all the ROI case studies Nucleus has published on Microsoft customers since 2010 and found that, during the first three years of deployment, for each dollar spent a company recovered an average of $16.97.

Nucleus independently decided to assess the value achieved by Microsoft customers. The latest cases considered in the analysis were Canadian, European, and American companies using Microsoft solutions to drive greater collaboration, improve operations and processes, and analyze and act on data.

All cases were developed independently by Nucleus following our standard ROI case study methodology, which has been used to publish nearly 1,000 ROI case studies over the past 18 years. The review of the detailed data of each case study was performed without vendor input, and Nucleus informed Microsoft of the results only after this analysis was completed.

VALUE DRIVERS

Many of the deployments studied were upgrades or competitive switches from previous applications; these projects generally tend to deliver only moderate incremental returns. Common elements to the financial success of deployments include:

- Integration. The ability to integrate Microsoft solutions with existing or new applications and data sources was key to finishing projects on-time and under-budget.

- Microsoft solutions' enablement of new lines of business. In a number of cases, Microsoft customers were able to create new profit sources such as cross-selling/up-selling with field service. With access to real-time data and embedded analytics functionality, customers can maximize the value of company data with data-driven decision making.

- Focus on a standardized, easy-to-use user interface (UI) across products. Microsoft products share common design and user experience (UX) elements. Customers can leverage familiarity with other Microsoft products to speed up the onboarding and user adoption processes.

- Cost savings and greater innovation from cloud technology. With all the necessary infrastructure and implementation support, Microsoft supports customers through cloud deployments, allowing them to reduce initial hardware and ongoing information technology (IT) support spends.

- Focus on improving user productivity. In many cases, deploying the more scalable and usable Microsoft solutions allowed customers to automate or standardize repeatable manual processes, enabling users to redirect the time saved to high-value tasks.

CUSTOMER PROFILES

Two of the most recent ROI case studies published, which were included in this analysis, highlight the relative value Dynamics 365 and the overall portfolio of Microsoft capabilities provide to customers.

MACDONALD-MILLER FACILITY SOLUTIONS

MacDonald-Miller Facility Solutions is a facility design, construction, and maintenance company headquartered in Seattle, Washington. It is an industry leader in the design, construction and modernization of "smart" buildings to minimize energy usage.

The company chose to deploy Microsoft Dynamics 365 and Azure Internet of Things (IoT) Hub to modernize its operations. The company was collecting data from a variety of disparate sources and it was difficult and time consuming to derive actionable insights from the data. Additionally, this company wanted to be an early-adopter of IoT technology in the facility maintenance space.

Since the deployment, the company is fully onboarded with Dynamics, with a specially configured system for each of the business arms. Technicians are using wearable technology to give real-time visibility into the equipment and service process. The company leverages its now-centralized data for analytics and to improve visibility. The efficiency of field service

technicians has increased, and the company has seen overall increases to profits from cross-sales and better lead capture (Nucleus Research s112 – *Microsoft Dynamics 365 ROI case study: MacDonald-Miller Facility Solutions* – July 2018).

RENAULT SPORT FORMULA ONE TEAM

As a racing team, the group is in charge of building, testing, and improving Formula One cars. Renault has been involved in the sport as an engine supplier and car constructor since 1977. The Renault Sport Formula One team was formed in 2015 out of the purchase of the Lotus F1 team.

To deliver the best-performing vehicles, the team needed software that was capable of ingesting massive quantities of data and providing analysis in real time. After considering options such as SAP and a custom piecemeal solution, the team decided on Microsoft Dynamics 365 for its flexibility and potential for custom configuration. Currently, the entire team is using the system and accessing the necessary data from anywhere with the cloud. The team has also deployed Azure Machine Learning to analyze the test data and help detect areas for performance improvement.

As a result of the deployment, member productivity increased with reports that took weeks to compile able to be done in hours with Dynamics 365. Additionally, with better visibility and access to data, the time-to-decision and time-to-execution on design elements have been reduced significantly (Nucleus Research r108 – *Microsoft ROI case study: Renault Sport Formula One Team* – June 2017).

CONCLUSION

Microsoft has continued to grow the capabilities and value of the Dynamics 365 portfolio, both organically and by acquisition. The integration of business capabilities such as ERP, CRM, and HCM with Office 365, Power BI, PowerApps, and Azure offer even greater value than the industry averages for CRM (Nucleus Research *o128 – CRM pays back $8.71 for every dollar spent*, June 2014) and ERP (Nucleus Research *o196 – ERP returns $7.23 for every dollar spent*, September 2014). As Microsoft makes further investments in integration and innovation, customers will benefit from the additional value provided by the Dynamics 365 portfolio.