Microsoft Dynamics 365 vs NetSuite: A Clash of the Clouds
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**Introduction**

Our personal lives have been transformed by technology: in virtually every sphere we engage in, simple, intuitive applications and services deliver information that improves our lives and assists our ability to navigate through them successfully. Take your local coffee shop, where you may be picking up an order already made for you after having sent it in from your smartphone while on your way there; or consider the functionality that is now built into your automobile. Technology is making things easier by putting them at our fingertips. It seems there are no limits to what it can do.

In business, however, the evidence has not been as compelling. The applications and services used to drive business processes are frequently difficult to use, try, assess, and deploy. Some even make you pay more for capabilities increasingly seen as essential to being competitive (e.g., visualization, workflow automation, predictive insights).

But the curve of software development is addressing these concerns: more software solutions are making it easier to track leads, drive sales, optimize field service, and improve operations through modern, mobile, enterprise-ready intelligent business apps that are pulled from the cloud and are as easy to use as their consumer counterparts. As part of this development, functionality that used to be siloed now is packaged in solutions where broad functionality comes from a single source or common data model. Such solutions are becoming the new foundations for running enterprises large and small.

Industry analyst Gartner has pointed to four areas companies should look to when considering enterprise software solutions:

- IT cost savings.
- Business process efficiency.
- Process standardization on a business process platform.
- Ability to be a catalyst for business innovation.

Most companies look to the first two because they are easier to quantify, but the latter two often have the most significant impact on the business.¹

Investing in these systems is a serious undertaking; they can cost anywhere from hundreds of thousands of dollars to millions of dollars, and implementing them is a significant investment in time.

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and corporate resources. As such, medium enterprise organizations are looking for cloud-based solutions that minimize capital expense and provide functionality quickly, with minimal need of customization.

This paper looks at two cloud-based solutions designed to meet the needs of today’s rapidly evolving enterprises - Microsoft Dynamics 365 and NetSuite - and speaks to the advantages of the former over the latter. It highlights why growing organizations should invest into a business platform they can grow into – instead of outgrow in 3 to 5 years. And it then details how the Rapid365 best practices deployment from Merit Solutions can extend Microsoft Dynamics 365’s advantages by speeding time to value and minimizing cost.

**Microsoft Dynamics 365**

Microsoft Dynamics 365 is Microsoft’s next generation of intelligent business applications delivered in a single-tenant cloud environment. Dynamics 365 unifies CRM, ERP, BI, IoT, and mobile capabilities by delivering new purpose-built applications to help manage specific business functions, including Dynamics 365 for Operations, Dynamics 365 for Sales, Dynamics 365 for Customer Service, Dynamics 365 for Field Service, and Dynamics 365 for Project Service Automation.

Designed to be personalized, enable greater productivity, deliver deeper insights, and adapt to business needs, Microsoft Dynamics 365 applications help businesses accelerate digital transformation to meet the changing needs of customers and capture the new business opportunities of tomorrow.

The ecosystem of the Microsoft Dynamics 365 solution has four components:

- At its foundation, the system is hosted on Microsoft Azure. Microsoft’s cloud computing service for building, deploying, and managing applications and services through a global network of Microsoft-managed data centers. Azure has more compliance certifications than any other cloud provider, and more data centers in more geographies than Google and AWS.

- The next level sits on Azure: the Application Platform (including Power Apps, Power BI, and Flow) and the Common Data Service (the framework used by all Microsoft applications).

- Dynamics 365 sits on the next level, as do other Microsoft solutions (e.g., Office 365, Azure IoT).
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- Above this, the **Microsoft AppSource** is a destination to help business users find, try, and use line-of-business SaaS apps from Microsoft and its partners. Users can also discover add-ins for Microsoft business apps such as Dynamics 365, Power BI, Office 365, and more.

Essentially, Microsoft Dynamics 365 evolves Microsoft’s current CRM and ERP cloud solutions into one cloud service with new purpose-built apps to help manage specific business functions.

Microsoft Dynamics 365 apps are designed to be easily and independently deployed. That means users can start small and pay only for what they need. The apps work together seamlessly, so as an enterprise’s demands change, it can grow into additional capabilities with ease. These *include built-in insights, predictive intelligence*, and workflow optimization - all of which are delivered through simple, easy-to-use, mobile experiences with offline capabilities.

Deep integration between Microsoft Dynamics 365 and the Office 365 suite connects the structured workflow of business apps with the unstructured work of collaboration and productivity. For example, a salesperson receives an email, and can respond directly in Outlook with a quote that is created discounting, etc. All without the user having to leave Outlook. Microsoft Dynamics 365 apps use a common data service, shared with Office 365, to simplify data management and integration across apps and business processes.

This provides tech-savvy business customers or analysts - citizen developers (using PowerApps, Power BI, and Microsoft Flow) and professional developers (using Azure platforms services) with a consistent business platform they can use to compose new apps and easily extend and modify existing ones. It also comes with connectors that allow integration with applications and services from Microsoft and its partners, including custom APIs and on-premises systems.

**NetSuite**

NetSuite provides multi-tenant cloud ERP, CRM, professional services automation, e-commerce, and BI capabilities for growing and midsize enterprises. Additionally, each component of NetSuite is modular, enabling it to be deployed and integrated with existing investments as required. NetSuite OneWorld scales with businesses by providing complete, multi-subsidiary management and support for local accounting regulations.²

NetSuite therefore can automate key business functions across numerous departments, including sales, marketing, service, finance, inventory, order fulfillment, purchasing, and employee management. Personnel no longer have to re-enter data in different systems, rectify inconsistent or

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inaccurate data, or wait for batch updates. Data is viewed and shared in real time, leading to greater collaboration among departments and increased productivity across the enterprise.

NetSuite also offers self-service portals that enhance both B2B and B2C collaboration. Moreover, proactive notification of partner-specific events accelerates process cycles and improves responsiveness.

Areas of Advantage: Microsoft Dynamics 365

While both Microsoft Dynamics 365 and NetSuite have compelling value propositions as cloud-based solutions for their target markets, there are a number of areas where Microsoft Dynamics 365 shows clear advantages:

- **Serious upgrade issues:** NetSuite is a multi-tenant solution, and twice a year they roll out updates across the platform: all software, all users. Because it is a multi-tenant solution, end users are forced to take those updates. This is risky in a number of ways. One, the changes often cause issues that can impact the business; two, it takes a great deal of planning from the clients to stay ahead of the updates. In essence, they must understand how the update will impact their current install of the software system and how it will impact the business. Because Microsoft Dynamics 365 is a single-tenant solution, Microsoft is responsible for supporting and managing the application platform, as well as the overall infrastructure of the data centers. The client is only responsible for handling customer-specific activities in the application. A client of Microsoft can manage updates as they choose and are not forced to accommodate them. Particularly in regulated environments such as life sciences, this feature is critical. They do not want updates imposed on them that can impact validation.

- **Less agile reporting:** From a reporting perspective, users have far more options within Microsoft Dynamics 365 than they do in NetSuite. In NetSuite, a developer is needed to do any customized reporting within the software. It does not have the front-end usability that's inherent in Dynamics 365, and as such entails cost, labor, and frustration in getting customized reports. That is an important difference. Real-time reporting is a challenge with NetSuite. If you are looking to compare data sets both inside of data stored in NetSuite and from other sources, the tool does not exist in NetSuite to do this: a third-party tool must be utilized.

- **Lacks application lifecycle management tools:** Microsoft Dynamics 365 comes with built-in application lifecycle management tools. These allow organizations to easily map all their business processes. This functionality is a standard feature, and houses the processes in one central location. In contrast, this feature is not a standard part of NetSuite.
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- **Costly configuration:** All configurations in NetSuite are done via scripting, including workflows, which can get very expensive. Further, users have to have NetSuite implement the code.

- **Limited access to essential and forward-looking services:** NetSuite has no ability to use services like machine learning or personal assistants like Cortana. Further, sandboxes are not included in basic NetSuite and must be purchased at a premium. Upgrade sandboxes are available at no cost 3-4 weeks before the forced upgrade, but if an issue is found prior to the upgrade, users still need to accept the upgrade and then file a ticket. Any other sandboxes need to be purchased—and refreshing can take upwards of 48 hours!

- **Limited Office integration:** NetSuite lacks integration with the full suite of office and collaboration products such as Skype. There are no audit trail capabilities if you make a change on an Excel file and then upload it - you have no way to track changes. Another of the downsides of NetSuite is its limited Outlook integration. This means that users have to manage two calendars - Outlook and NetSuite - to do anything in NetSuite. This “back and forth” adds up. According to the American Psychological Association, 40 percent of a worker’s productive time is lost when switching tasks. This costs the global economy $450 billion annually.\(^3\)

- **Customer support considerations:** A column in *CRM Exposed* cites both support and cost issues for NetSuite. It reports “troublesome customer support” from moving operations to the Far East. Then it cites high customer support costs: “Charging additional recurring fees of 22.5 percent to 37.5 percent for users who need support via email and phone is significantly higher than other comparable hosted systems.”\(^4\)

**Rapid365: Speeding Time to Value While Cutting Costs**

One of the main reasons organizations in the past have gone with a less robust ERP solution like NetSuite is due to it’s ability to be rapidly deployed as a cloud-based, out-of-the-box, and pre-configured solution.

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Traditionally, with a Tier 1 ERP solution like Microsoft Dynamics 365, it has been challenging from a cost standpoint to implement the software for clients oriented towards a pre-built type of offering. And these Tier 1 deployments were known to take upwards of 12 months to go live.

Merit Solution’s Rapid365 addresses that challenge.

Rapid365 is a pre-configured and best practices-driven implementation model for Microsoft Dynamics 365 that enables organizations to implement Dynamics 365 at a fraction of the time and investment it would take otherwise. Rapid365 provides:

- A cloud-based deployment that does not require building internal IT infrastructure and support resources to implement and maintain.
- A pre-configured system and best practice templates, dramatically reducing the complexity of the implementation.
- Robust and complete documentation that makes implementation, user adoption, and training simpler, cheaper, and quicker.
- Systems and processes that are modular, flexible, and agile - enabling organizations to add-on, adapt, grow, and change as needed.

Rapid365 services include pre-built business process models, best practice configurations, implementation and data migration templates, training documentation, reporting, and standard customizations that together create a preconfigured solution that can be “dropped in” with standard configurations or used as an accelerator for global deployments.

“Rapid365 is a great offering for companies wanting to implement enterprise ERP systems and processes with substantially less investment, fewer internal resources, and a faster timeline,” says Bill Burke, CEO of Merit Solutions. “These companies are now able to truly transform their business without the high costs and complexities of traditional Microsoft Dynamics 365 projects.”

An example of how cost effective Rapid365 can be: companies can get up and running with Microsoft Dynamics 365 financial management within a 16-week timeframe and for a fixed fee of $300,000 in services.
Future Considerations

One final aspect to consider when evaluating software solutions: the impact technology will have on the solution moving forward, as this will have a direct bearing on the value of the software over time. What is the company doing to ensure the product roadmap leads long and successfully into the future?

In 2015, Microsoft was number one by twofold in terms of research and development into software. It spent more than $13 billion in R&D, compared to Oracle's $5.5 billion and SAP's $2.6 billion. To the extent that technology development can be a comfort to technology users, those investing in Dynamics 365 can look to those numbers as an investment in their future.

In contrast, consider this note from industry analyst Nucleus Research in their “ERP Technology Value Matrix 2016”: “The largest development for NetSuite in 2016 was its acquisition by Oracle, which was completed in November. The acquisition leaves NetSuite’s future uncertain, though it has stated that customers should expect greater service and value….”

Conclusion

The Nucleus Research report above reflects a much larger shift to cloud than in years past as vendors made large investments in their cloud offerings, with mobile functionality, internet of things (IoT), and embedded analytics as the table stakes.

While NetSuite has been one of the fast growing cloud ERP solutions over the past couple of years – their acquisition leaves their future unknown. Microsoft Dynamics 365, on the other hand, is the result of one of the largest product investments than any other solution in the market. It also integrates enterprise-wide applications that only Microsoft can deliver – including ERP, CRM, Office365, Power BI, Azure, Cortana, and more. This gives Microsoft Dynamics 365 clients access to much stronger functionality, more intelligent operations, and a better ability to scale globally.

And with the release of Rapid365 from Merit Solutions, one of the largest differentiators for choosing NetSuite - being able to implement the system in less time and with less money – can now be achieved with Microsoft Dynamics 365.
About Merit Solutions

Merit Solutions is a global business process consultant and systems integrator with offices in North America and Europe. We are a focused-strategy company with the goal of being the very best at helping clients automate, grow, and transform their business through process mapping and optimization, change management, and innovative IT consulting and development services.

Merit Solutions works with clients to understand and triangulate their exact business needs in terms of people, workstreams, and enabling systems. From future state business process mapping to systems analysis, fit-gap process definition and scoping, sourcing, design and deployment, integration with other systems, and on-going support - we provide end-to-end global services that help clients successfully transform their business and build a foundation that continuously flows value to their customers.

Our clients are typically medium to large, global enterprises who are challenged by inefficient workstreams that cost money, waste time, and reduce quality; information flows and systems that no longer support the goals of the company; and lack of visibility into business data which impedes effective decision making.

Additional Resources

Related resources to this white paper include:

- Microsoft Dynamics 365 Brochure
- ERP Evaluations: Selecting the Best System to Grow Your Business
- ERP and the Risks of Being Outdated

Information on Merit Solutions or other publications can be found on www.meritsolutions.com