

Making Money With Dynamics 365 Business Central: Opportunities and Enablement Programs

Introduction: All Roads Lead to Cloud

The Microsoft Dynamics channel has entered the “One Commercial Partner” era and all roads in Microsoft’s map now seem to lead toward the cloud. This means Partners need to be able to sell and support cloud infrastructure, productivity and business applications to continue working with Microsoft. Of course, going cloud means shrinking margins and service revenue opportunities. So, as cloud technology continues to take over the entire IT landscape, Microsoft needs to obtain greater share of the customer IT spend in order to be profitable, as do Microsoft Partners. Earning decent margins in the cloud market requires selling more subscriptions to the same customer and driving down internal costs while meeting ever-changing customer demand.

In order to meet a rapidly growing demand for an all-in-one cloud business solution package, Microsoft introduced Dynamics 365 Business Central (formerly “Tenerife”). Dynamics 365 Business Central, like the rest of Dynamics 365, is meant to increase

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Microsoft’s share of its customer’s strategic technology as well as the greater cloud market.

Business Central is an end-to-end solution combining Microsoft’s productivity solutions like Office 365 with enterprise resource planning functionality based on Dynamics NAV. The release of Business Central is major mile-marker on the road to Microsoft’s Move to Modern and a big sign that partners need to be able to turn a profit on cloud subscriptions in order to transform alongside Microsoft and stay relevant. This cannot be done with ERP alone; competency in the Microsoft cloud platform and applications like Office 365, PowerBI and Flow are becoming increasingly important for Dynamics Partners.

The market, and therefore Microsoft, are demanding resellers become “Modern” partners, and it seems Microsoft is not committing much in the way of support to help partners make the transformation. However, they have recognized the challenge this creates for partners and have created opportunities for new types of alliances in the channel through programs like Cloud Solutions Provider Program, or CSP, and Microsoft AppSource.

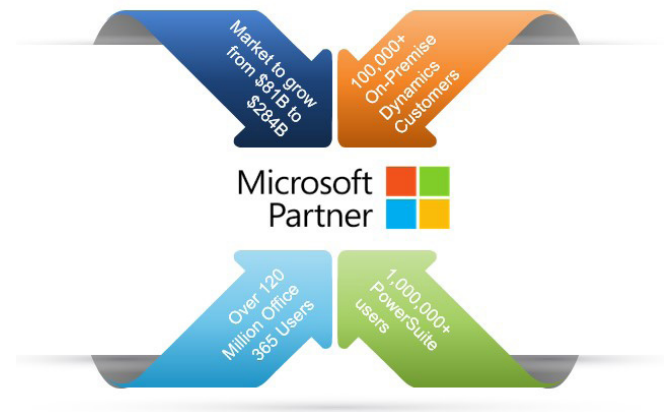
In this whitepaper we will examine how Microsoft vehicles like CSP and AppSource, as well as available Stratos Cloud Alliance programs, enable partners to make money selling Microsoft Dynamics 365 Business Central.

Going it alone is going to require not only smart decisions and quick actions, but significant investment.

The Channel

Opportunities

The reality is, Partners need to change, not just because Microsoft has changed their program, but because the market demands it. The good news is, every new frontier offers new opportunity and Microsoft Cloud for Business is booming with opportunity. It has been noted many times that the historic divide between Microsoft Dynamics partners and the rest of the channel, including Office has been shattered. While this presents new challenges, it also presents opportunity.



Gartner predicts the business apps market will grow from \$81 billion last year to \$284 billion by 2025. That is more than \$25 billion in growth per year for the next eight years. Now think of that growth in the context of the more than 100,000 on-premise Dynamics customers... someone is going to be migrating them to the cloud. And that is just the Dynamics channel. There are legacy ERP customers with Sage, Deltek, Infor and so on. And there are more than a million users of PowerSuite, Microsoft’s primary toolkit for cloud

business apps encompassing PowerApps, Power BI, and Flow. This represents thousands of organizations that are committed to the Microsoft cloud space.

Why is Dynamics better than NetSuite or Salesforce? If Office365 is not part of that discussion, it is a much more difficult conversation.

The Competitive Landscape

Like everything else, the competitive landscape for Dynamics Partners has been disrupted by cloud. You can expect to find platform partners

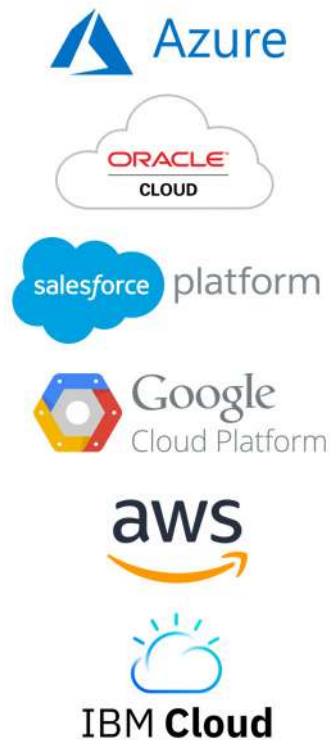
of all types in the Dynamics business now... local infrastructure shops with whom you are used to partnering, big software resellers like CDW, SoftChoice and SHI. Global SIs like Avanade and HPE, and even Best Buy and the Geek Squad are selling Dynamics 365. They are now providing enablement services as well as fulfillment assistance to smaller partners.

But if there is one thing you can expect to find, it is a divide between Microsoft's view of the competition and the Partners' view...

The Partner's View of Competition Application Vendors



Microsoft's View of Competition Platform Providers



Move to Modern, or Move to the Museum

Partners are fighting a battle against business application vendors while Microsoft is competing for the future of the cloud with other platform vendors. For Microsoft, business applications are just one front in a much larger war. In the case of Dynamics 365 Business Central, Microsoft has an entire strategy dedicated to building a brand new channel with Business Central for Accountants. The bottom line for Dynamics Partners is, move to modern or move to the museum.

But here is the good news: Dynamics Partners are better at selling business solutions to business people and delivering business value than the rest of the Microsoft channel. So let's discuss what partners can do to compete and win in the cloud!

What to Do: 4 Important Changes to Make to Win in the Cloud

As we have mentioned, Microsoft has been reorganized around supporting the One Commercial Partner model and for Partners who have been putting off selling cloud subscriptions, the time to be proactive has come. Here are a few key moves to make as you move to modern...

- Transition to recurring revenue model
- Expand Your Portfolio
- Differentiate through vertical expertise and IP
- Market, sell and deliver digitally

Now let's look at the programs and resources that Microsoft has established to help its partners remain competitive.

Microsoft Partner Resources

Cloud Service Provider Program

The CSP, or Cloud Solution Provider program, is Microsoft's partner program for reselling cloud solutions and is the only vehicle for D365 Business Central fulfillment. CSP offers a choice of two models for Partners. 1-Tier direct in which the partner engages directly with Microsoft for fulfillment and provisioning, and 2-Tier Indirect where the partner works through a distributor.

As a Cloud Solution Provider Distributor, Stratos Cloud Alliance is your CSP partner, offering several programs to enable Microsoft Partners to make money with Dynamics 365 Business Central.

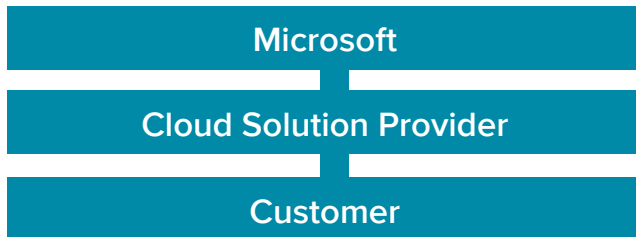
AppSource

AppSource is Microsoft's online marketplace for approved solutions and services delivered by Microsoft. Using launch promotion, demand generation, and joint sales & marketing, a portfolio of solutions on AppSource can be a strong driver for your cloud business. **And there are no fees for listing your offer in AppSource – Microsoft's goal is to connect their customers with quality partner solutions and services.**

You can bring two types of offerings to Microsoft AppSource:

- Individual Apps – in which you bring your industry expertise to market.
- Packaged Consulting Services – in which you bring ready-made pre-defined engagements to market. This can be anything from POC's to complete deployment packages.

1-Tier Direct



Ready To Go

To help partners, Microsoft has created The Ready to Go program. Ready to Go offers resources, services and tools to enable Partners to list offerings on Microsoft AppSource. It can be found [here](#).

Ready to go has three core elements:

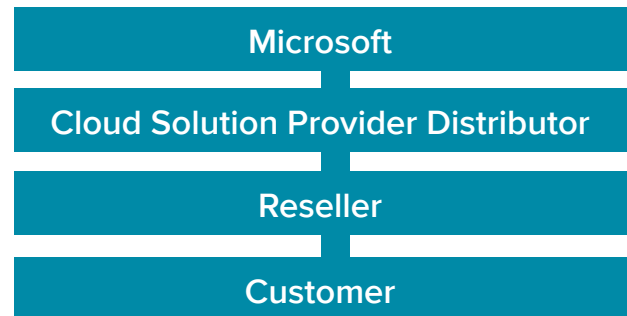
- Ready to Go online learning
- Ready to Go training and workshops provided by Development Centers and Master VARs
- Ready to Go solution development platform

The Dynamics 365 Ready to Go Validation Workshop is a Microsoft-endorsed Enablement Program delivered by Development Centers and MasterVARs. Six global partners have been authorized by Microsoft to deliver this program providing Dynamics Resellers and ISVs with unique IP the knowledge and resources they need to create and market a solution on AppSource.

Master VAR

Another resource open to Dynamics ERP partners with existing businesses based on GP, SL, or NAV is the Dynamics Master VAR program. The Master VAR Program was envisioned back in 2011 as way to enable smaller VARs to consolidate difficult-to-scale activities, like back-office operations and marketing, and leverage shared resources and

2-Tier Direct



expertise, so they could focus resources on what they do best, whether sales, technical services or managing customer relationships. The Master VAR program provides the knowledge and resources to help customers transition to a recurring revenue model, extend their solutions portfolio, differentiate, and move to a digital model. With the Master VAR program, Partners can develop and execute on a plan to maximize legacy on-premise business and transition to the cloud, all with no up-front investment or hiring of additional staff.

Stratos Cloud Alliance Partner Resources

Stratos Management Portal

The latest version of Stratos Management Portal, Management Portal 4.8, includes some exciting enhancements and brand new features. With Stratos Management Portal, SCA partners are able to start transacting on Microsoft cloud products like D365 Business Central and Azure in a matter of a few days.

Stratos Marketplace App

SCA enables its partners to digitally sell and deliver Dynamics 365 Business central through SCA's customizable Marketplace App which partners can host on their own websites or

through the SCA's domain. Partners have the option of a cobranded marketplace with SCA or a fully customized marketplace depending on the member level they choose (SCA Partner Member or Merchant Partner).

Stratos Success

SCA delivers training through the Stratos Success program so partners and service providers can continue to grow their Dynamics 365 offering. The Stratos Success e-Learning program delivers a comprehensive suite of industry leading solutions for Dynamics 365, with rapid implementation and self-service training portals to ensure your organization maximizes its return on investment.

Ready to Go Workshops


Through our affiliation with Velosio, a MasterVAR, our partners can access the Velosio workshops as part of Microsoft's Ready to Go program. Velosio is one of six global partners authorized by Microsoft to deliver this program providing Dynamics ISV's and other partners with unique IP the knowledge and resources they need to get a jump on the competition and seize the Business Central opportunity. The program begins with a 1:1 Workshop. Workshop technical mentors provide partners with a detailed plan to not only get your solution migrated to AppSource, but to enable you to successfully market and sell your Dynamics 365 Business Central solution.

Surviving Disruption Through Partnership

The changes brought on by new market demands and a growing reliance on cloud technology have created challenges. Many smaller partners are getting out of the business or getting acquired in greater numbers, while the big partners are being acquired are merging, and getting bigger--in the modern marketplace for business applications, scale matters a lot. Partners need to move to modern, but have limited resources and Microsoft is only going to be of so much help in terms of direct enablement. Resellers need a partner to survive this disruption.

The good news is, Dynamics Partners are the best established and more equipped to deliver business application packages. With industry and role-based expertise, Dynamics Partners understand customers' application needs. What resellers need in order to generate cloud revenue from that expertise is a Cloud Partner to help transition to a recurring revenue model, leverage Microsoft programs and market, sell and deliver digitally.

Now is the time to transition at a controlled pace and secure a foothold in the new frontier of cloud business apps.

 For more information about Stratos Cloud Alliance, visit dynamics365partner.com