Microsoft Dynamics GP Users See the Benefits of Change as 'Urgent' Transition Approaches

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Introduction

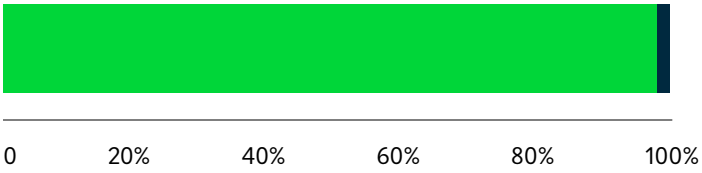
Digitalization of the finance industry continues — and as it does, the accountancy profession is adapting its business models to utilize technology and provide better systems and services for their customers.

Organizations that use Microsoft Dynamics Great Plains have been engaging in digital transformation for many reasons, including efficiency, cost savings, and reducing error-prone manual processes. But their use of Microsoft Dynamics Great Plains itself is poised for transformation, as Microsoft is sunsetting older versions of its product by 2025 — forcing organizations to make a technology investment decision about what their finance departments should use next.

"It's a complex situation, as the runway for sunsetting Microsoft Dynamics Great Plains is fairly long and gradual and somewhat complicated," says Scott Freedman, director of industry marketing at Sage Intacct. "If you're on the newer versions, you have a few more years. If you've got the older versions, you have fewer years. But by 2024 or 2025, you're going to need to switch over."

How are organizations navigating the transition process? This report — driven by a survey of 169 CEOs, CFOs, and other finance leaders — explores the pain points and pressures finance departments are experiencing in this time of change.

I. CFOs are increasingly becoming strategic partners to the business.



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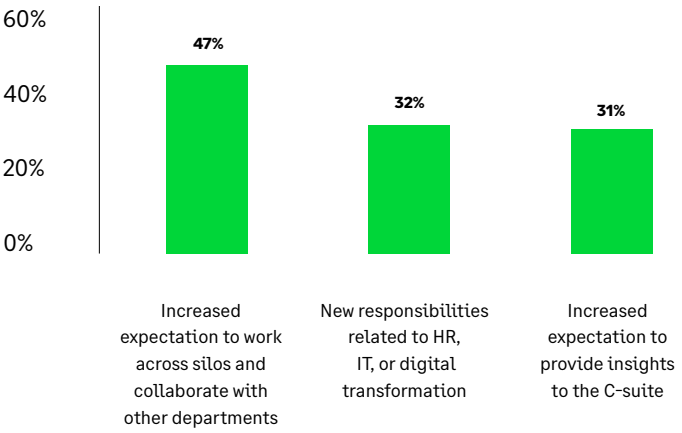
Nearly all financial executives (98%) surveyed agree that, as their organizations grow, the Finance function is becoming more strategic and integral to the business. As organizations invest in digital transformation, this increased strategic significance is often powered by finance departments' use of technology.

"Finance departments are now enabled to become a partner in strategic growth, as opposed to just trying to scale up and survive growth," says Freedman. "A lot of that is powered by real-time reporting and forecasting tools — so CFOs are not just focused on historical reporting and closing the books, but they're also using real-time reporting and forecasting to be a consultant and a strategic partner."

"Financial management systems are also becoming the one source of truth for a lot of business information, and they are removing a lot of silos," adds Freedman. "CFOs are also becoming more and more prominent in technology decisions when it comes to digital transformation."

Using financial management systems to break down silos is increasingly essential to success for CFOs. Almost half of financial executives (47%) report that the main pressure finance departments or CFOs are currently experiencing is the increased expectation to work across silos and collaborate with other departments. Other pressures reported by financial executives are new responsibilities related to HR, IT, or digital transformation (32%), and increased expectation to provide insights to the C-suite (31%).

Main pressure finance departments or CFOs are currently experiencing



II. Great Plains has long been meeting CFOs' needs, but they exhibit an openness to change amid an 'urgent' need to transition from the product.

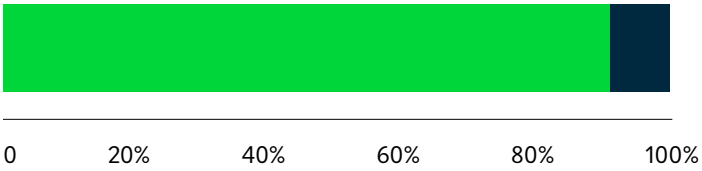
Replacing Microsoft Dynamics Great Plains is seen as extremely or very urgent. Nearly four out of five financial executives (78%) believe that it is extremely urgent or very urgent to replace Microsoft Dynamics Great Plains.

Organizations that use Microsoft Dynamics Great Plains have deep ties to the product. More than nine out of ten financial executives (95%) say that Microsoft Dynamics Great Plains is very effective (60%) or somewhat effective (35%) in meeting their organizations' current needs. More than two thirds of financial executives (69%) also say their organizations have been using Microsoft Dynamics Great Plains for one to five years, while another 18% have been using it for 6 years or more.

"Microsoft Dynamics Great Plains has been around for a long time, but as an on-premises solution, the writing has long been on the wall for the product," says Freedman. "With software not just going hosted and going to the cloud, but ultimately becoming cloud native, Microsoft knew it needed to invest in a cloud solution in Microsoft Dynamics 365 Business Central — which is still a very young product. But it's kind of a normal lifecycle process to now be sunsetting Great Plains."

Lifecycle processes represent opportunities for change, and financial executives recognize the benefits of transformation. Most financial executives (95%) agree that being more open to change would benefit their organizations.

III. But despite their contentment with Great Plains — and their plans to implement Dynamics 365 — pain points remain.



73% of financial executives report that their organizations have been offered incentives (such as specialized support or discounts) to transition to Microsoft Dynamics 365 Business Central.

Microsoft's lifecycle process also involves getting Microsoft Dynamics Great Plains users to become Microsoft Dynamics 365 Business Central users. Seven out of ten financial executives (72%) say that, given the announcement that Microsoft will discontinue its support for Dynamics Great Plains, their organizations intend to transition to or have already transitioned to Microsoft Dynamics 365 Business Central (38% intend to transition to Microsoft Dynamics 365 Business Central, and 34% are already transitioning to the product).

Incentives from Microsoft may be influencing their decisions. Almost three out of four financial executives (73%) report that their organizations have been offered incentives (such as specialized support or discounts) to transition to Microsoft Dynamics 365 Business Central.

However, Microsoft Dynamics 365 Business Central may not rise to the expectations of financial executives.

Survey data suggests that today, there are gaps between what finance departments want and what Microsoft Dynamics Great Plains delivers: The consideration mentioned most often by financial executives as one that would cause their organizations to be more inclined to switch to a new software provider, for example, was better capabilities to understand/analyze core financials (46%).

Microsoft Dynamics 365 Business Central is unlikely to deliver on those capabilities either, as the product is still "a work in progress," according to Freedman, that was built around the concepts of the on-premises Great Plains product.

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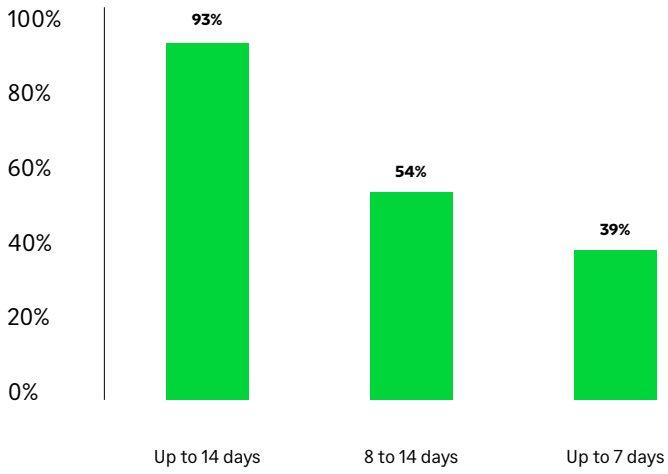
Financial executives are also grappling with challenges beyond understanding and analyzing core financials. The monthly close remains time-consuming: More than nine out of ten financial executives (93%) report that it takes up to 14 days to complete the financial close every month (39% say up to 7 days, and 54% say 8 to 14 days).

There are many obstacles faced in the monthly financial close. The biggest obstacles are technology limitations (19%), data inaccuracies (18%), lengthy data entry/manipulation processes (14%), and the impact of reconciliation and investigations (12%) — all suggesting that CFOs' needs aren't being met quite as well by Great Plains as they claim.

Time to complete the financial close every month reported by finacial executives



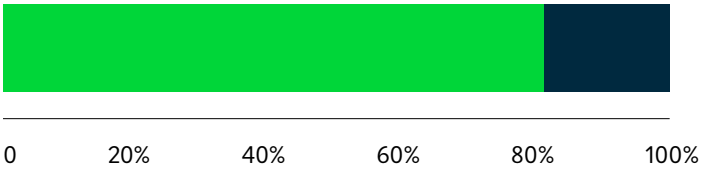
IV. CFOs recognize the value of change, and opportunities to improve through technology abound.

Despite their reticence to move away from Microsoft — even in the face of clear challenges — four out of five financial executives (81%) believe their organizations are extremely or very open to change. And again, most financial executives (95%) concur that being even more open to change would benefit their organizations.

Embracing a more robust cloud solution for financial management can open up more opportunities for change — helping organizations directly address rising pain points, pressures, and challenges.

When it comes to facing the challenge of working across silos, for example, Sage Intacct has audit trails and other features that simplify invoice approvals and other processes. Reducing reconciliations and investigations is also made possible with Sage Intacct's automated error and anomaly detection capabilities.

By providing better analytics through customized dashboards and reporting, as well as facilitating more standardization and automation, using a solution like Sage Intacct results in greater accuracy and trust in data across the organization.



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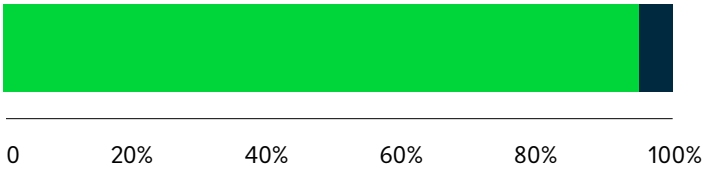

95% of financial executives concur that being even more open to change would benefit their organizations.

V. What organizations perceive as a natural move to a successor product may not be the answer — and organizations may want to consider more robust solutions.

"A continuous close uses automation and modern, integrated information systems to ensure that financial entries are input into your system as soon as possible — so you're not waiting until the end of a period to be reconciling everything, inputting everything, and closing things for the purpose of ending all financial activity against those transactions."

Scott Freedman
Director of Industry Marketing at Sage Intacct

The Microsoft Dynamics Great Plains offering may meet financial executives' needs, but moving forward with its successor product may not be the best choice leaders can make to address their current challenges and future needs. It takes a more robust solution to achieve a continuous close, for example.

Finance departments should also be wary of the low start-up costs (and incentives) they're offered to move to the cloud by implementing Microsoft Dynamics 365 Business Central as a successor to Microsoft Dynamics Great Plains.

"It's low cost, but when customers really start to look into what it's going to take — like what modules they need to buy — all of the sudden it's more and more expensive," Freedman says about 365 Business Central. "And then when they start looking into implementation costs, there may be hidden but very large costs associated with it. Then they start looking at some of the limited functionality of it. And all of the sudden they realize that it sounded like a great idea at first and really cheap, but it's really just not going to work, or the total cost of ownership is such that they need to start shopping around for something that's been in the cloud longer and is more robust."

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Conclusion

Ultimately, digital transformation has placed new pressures on finance departments and CFOs while at the same time helped increase their strategic significance to the business. Now, as financial executives prepare to meet the future needs of their organizations with a solution that isn't Microsoft Dynamics Great Plains, they're wise to broaden their search to consider a new, robust solution.

"It is a very, very smart time to look into a new solution because you're not rushed. You're not desperate," says Freedman. "Your product [Microsoft Dynamics Great Plains] is still working, but you can take the time you need to figure out what your needs are and talk to people who can help you along the way to make a good, informed decision. Your vendor has given you the impetus to change, and if you're ready to move to the cloud you can take advantage of what a robust solution has to offer."

Moving to the cloud requires the right partner. And in times of transition, technology decisions shouldn't be driven by short-term incentives but rather a long-term approach to working with the solution that can best meet your organization's future needs.

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