



Why choose Dynamics 365 for Retail?





Retail is changing.

We live in an era of digital disruption, one that is transforming our behaviours and how we interact with the world around us. It's changing the way we discover, research and purchase goods; and as a result, it's now changing the way products are developed, manufactured, marketed and delivered across the global retail sector.

As retailers seek to digitally transform their businesses, they are left to decipher evolving industry trends and a plethora of retail technology solutions, and create a strategy that will give them the resources they need to succeed today and build the foundation for the future.

In this white paper, we outline some of the key issues currently facing the retail industry, explore how ERP technology is evolving to address these challenges and discuss how Microsoft Dynamics 365 for Retail is uniquely positioned to help retailers meet these demands head-on.

Challenges facing the retail industry

In a global marketplace characterised by constant change and fierce competition for share of wallet, retailers around the world are facing mounting pressure to find solutions to address their evolving needs.

Increasing volumes of data, advancements in data analytics and intelligence, and the ubiquity of cloud computing have shifted what customers expect, as well as how companies can meet those expectations and re-invent the value they offer. Across the board, retailers are grappling with how to equip employees with the information they need to best serve customers. And as older people come to occupy a larger percentage of the labour market, retailers must plan for a multi-generational salesforce.

Executive summary

Modern retailers must invest in ERP solutions to help them deliver upon ever-increasing customer demands. Microsoft Dynamics 365 for Retail is uniquely positioned to provide retailers with the specific capabilities, resources, flexibility and security they need to create success today and into the future.

10 reasons to choose Dynamics 365 for Retail

- Flexibility
- Efficiency
- Value
- Intelligence
- Security
- Integrations
- Partners
- Ease of use
- Innovation
- Future-proofing

These challenges are impacting retailers of all sizes and at every scale. Whether physical or online, retail businesses must compete aggressively to develop stronger customer relationships, improve operations and increase sales.

Transparency and access have raised customer expectations

Empowered by information and options, today's consumers expect more than ever from the retailers they use on a regular basis. With a vast array of established and emerging shopping avenues – among them social-media selling, voice-first conversational shopping and IoT-enabled home shopping – the average consumer now expects multiple ways to research, purchase and receive products. With anytime, anywhere access to the Internet through smartphones, customers often know more about products, prices, stock availability and the overall marketplace than store associates – putting retailers at a disadvantage. And increasingly, consumers also expect a personalised shopping experience, one where they are known and recognised as individuals, regardless of how or where the interaction occurs.

Digital disruption forces retailers to re-envision business models

As e-commerce continues to grow at the expense of bricks-and-mortar retail, stores are becoming less productive, and in many cases unprofitable. Many retailers are closing a percentage of stores and looking to re-invest in core business efficiencies to survive, while also pursuing new digital technologies and business models for growth. Such new digital business models include mobile channels, cross-channel fulfilment like 'Buy Online, Pick Up in Store' (BOPUS), IoT-enabled home shopping, direct-to-consumer offerings and

service-based solutions, bridging the gap between in-store and digital experiences with a unified commerce strategy.

Inventory optimisation poses many difficulties

Inventory optimisation remains one of the most significant challenges for retailers of every size and speciality. Issues such as high inventory carrying costs, inefficient fulfilment processes, considerable margin loss on markdowns and lack of visibility into inventory levels across different sales channels can make or break a company. Unfortunately, the majority of tools designed to address these problems aren't integrated with either the supply chain or ERP, limiting their effectiveness and exacerbating the challenge.

Retailers must arm employees with the right information at the right time

Customer-facing staff, management and marketing roles are critical to improving the customer experience, but unless they have on-the-floor or readily available access to a company's technology systems – including performance dashboards, inventory, productivity tools, customer information and custom applications – the value that they can contribute is limited.

Retailers plan for a multi-generational workforce

According to a report by the Federal Reserve Bank of St. Louis, 35.5 million people over the age of 55 are actively employed today, accounting for 23.1% of the American workforce; by the year 2027, this number will climb to roughly 40 million. As this demographic shift occurs, retail employers will need to strike a balance between accommodating new and seasoned employees with easy-to-use tools and development opportunities, as well as with the use of mobile, social and cloud technologies.

There are many factors retailers should consider when evaluating and selecting an ERP solution, such as implementation time, user experience and security.

The Past and Future of Enterprise Resource Planning

The challenges facing the retail sector are steep. To tackle them, companies often turn to Enterprise Resource Planning (ERP) systems – also known as enterprise application suites – to optimise the purchase process across multiple channels, manage their supply chain and inventory, gain insights into consumer behaviour, and more.

In their early days, ERP solutions were almost always software-based, on-premises systems. While such systems gave companies a high degree of control and security over their data, they also posed a number of disadvantages. The first generation of ERP systems typically came with steep price tags; suffered from long implementation times; were difficult to customise, scale-up and integrate with other systems; came with high overhead costs associated with owning and operating servers; and were expensive to replace or upgrade as they grew obsolete.

In parallel with the broader movement towards cloud and edge computing, developers began producing cloud-based enterprise application suites around the turn of the millennium. Today, there are a plethora of cloud-based options on the market – with both the familiar giants of the ERP world and boutique offerings from scrappy young startups. The benefits of cloud offerings are compelling. The total cost of ownership is lower, as data can be hosted off-site rather than on proprietary servers. Implementation times are faster than with previous generations of ERP systems. Furthermore, because these new systems are typically offered on a subscription basis, it's both easier and less expensive for companies to scale up or down, upgrade or even switch services as new products enter the market.

Implemented correctly, modern enterprise application suites have the potential to transform how companies across a broad spectrum of industries operate. In the retail sector specifically, enterprise tools can help companies streamline business processes and gain end-to-end visibility into their supply chain. Mobile-friendly, role-based management tools can help global workforces – including remote workers – to collaborate with colleagues in other regions and access the expertise and resources needed to make better business and customer service decisions. Advanced analytics and machine learning can help retailers make faster and more informed decisions. Together, these tools help companies to pursue a unified commerce strategy that bridges the gap between in-store and digital experiences, engaging and delighting customers across all touchpoints.

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Despite the many potential benefits of a cloud-based ERP, not all enterprise application suites are created equal, and it's worth noting that no one solution is perfect, out-of-the-box, for every retailer, every time. As such, there are many factors retailers should consider when evaluating and selecting an ERP solution, such as implementation time, user experience, cost and security. Although the implementation times

of cloud-based ERPs are generally faster than in previous generations, it can still take weeks to customise a new system and to integrate all of the data streams necessary to get a proper overview of a company's operations and health. While web-based logins simplify the process of giving employees access to enterprise application suites, team members may require significant time to learn the ins and outs of a new system. And chillingly, high-profile data breaches at prominent retailers underline the potential hazards of storing sensitive customer data.

From the macro-level trends of rising customer expectations and an evolving global workforce to the headache of system upgrades and data security, these are precisely the challenges we set out to address when we created our suite of Dynamics 365 applications. Dynamics 365 for Retail helps companies to achieve the level of digital transformation necessary to thrive in an increasingly competitive retail environment, without compromising on the issues that matter to C-suite executives: security, reliability, flexibility and cost-effectiveness.



10 reasons to choose Dynamics 365 for Retail:

1. Flexibility

Lean and nimble

Dynamics 365 gives retailers the flexibility to deploy and operate on their own terms: in the cloud, on-premises, at the edge or a hybrid approach. Leveraging extensions through AppSource and our growing Partner network, customisations are faster and easier than ever. Our sealed deployment model means that the base product essentially operates in its own bubble; retailers can add extensions and customisations without impacting the core functioning of the product. It also means that you can add functions and features iteratively across the entire network – or selectively to specific stores, regions or as needed with the click of a button.

2. Efficiency

Fast implementation and updates

With cloud deployment, ERP implementation is easier than ever; retailers can even copy an existing company as a template, making it easier and faster to set up new companies and expand to new regions. Businesses can get new users up and running in a matter of hours and deploy upgrades simultaneously across all seats, ensuring employees always have access to the latest features and security patches.

3. Value

Great ROI with low costs

Faster implementation time means faster time-to-value, and easy updates ensure your users always have access to the latest features and functionality so that you can get the most from your investment. Our cloud-based subscription model reduces overhead investment – no need for expensive server stacks or costly in-advance investment in software – and enables businesses to

scale up or down to meet fluctuating demands. Once deployed, customers frequently see a lower overall cost of ownership over time compared with competing products.

4. Intelligence

Cutting-edge intelligence

With Dynamics 365 for Retail, businesses can leverage cutting-edge artificial intelligence and data visualisation tools. These tools give retailers better visibility into their business so they can make more informed decisions, generate data-driven inventory forecasts and build intelligent automated systems to help create operational efficiencies and boost performance. Advanced analytics bring the power of machine learning to retail challenges, enabling predictive, optimised and personalised insights that lead to growth and profitability. And thanks to machine learning, companies can begin to anticipate customers' requests and desires, positioning themselves to build a stronger relationship by tailoring offers and interactions to each specific customer.

5. Security

A robust system backed by industry-leading security

Cloud deployments with Dynamics 365 make it easier to keep teams updated with the most recent software. Not only does this mean that they always have the latest features, but also that they have all of the latest security updates. Furthermore, the NIST (National Institute of Standards and Technology) vulnerabilities database has recognised SQL Server as the most secure database for six years running. Our enterprise-grade security safeguards store and protect data against breaches. Efficiently manage mobile devices through the cloud, with continuous protection, security and compliance – or outsource the management to a Microsoft partner located virtually anywhere.

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6. Integrations

Fully integrated with the world's most widely used productivity suite

When you deploy Dynamics 365, you're not just getting the benefits of a single, stand-alone product; you're getting the benefits of the Microsoft ecosystem. Dynamics 365 for Retail integrates with other Dynamics 365 applications – including Finance and Operations, Sales, Marketing and Customer Service – as well as other well-known Microsoft productivity tools – such as Office 365, Azure, and Power BI. These integrations enable retail employees to be more productive and collaborative using the tools they already know and love.

7. Partners

Benefit from Microsoft's implementation partners and solutions

Our industry-leading network of Microsoft partners offers expert guidance and support in buying, implementing and optimising Dynamics 365 for Retail. And with Microsoft's AppSource, you can customise Dynamics 365 for Retail to do exactly what you need. Choose from thousands of business apps, add-ins and extensions designed to integrate with Office, Azure, Cortana Intelligence and the Dynamics 365 suite of products. Benefit from an ecosystem of products designed to work together without the need for custom-built APIs.

8. Ease of use

Easy to learn and effortless to use

Dynamics 365 for Retail allows retailers to deliver role and region-specific tools where they're needed, giving employees the information they need at their fingertips. And with more than a billion users worldwide, it's likely that your employees are already familiar with Microsoft products, making the training process for Dynamics 365 for Retail far easier than with competing products. Not only does it feature a familiar, intuitive user interface, but through integrations with other

Microsoft tools, complex tasks like inventory forecasting and billing reconciliation can be completed in Excel and automatically synced to Dynamics 365 for Retail, obviating the need to learn a new tool.

9. Innovation

Experience cutting-edge technology and business intelligence at your fingertips

Microsoft has been built on innovation, and we continue to pursue cutting-edge technologies across our business that can help empower our customers. Paired with innovative technologies such as Power BI, Cortana Analytics, HoloLens and Azure IoT Suite, Dynamics 365 helps enterprises apply advanced technologies to business challenges that were once deemed too costly or complex to solve. Microsoft IoT capabilities enable retailers to ingest and combine data from any source – such as proprietary, structured data like a loyalty programme; unstructured data like customer reviews or social media posts; in-store monitoring of customer behaviour; and external factors like weather – apply machine learning models and data visualisation, and then integrate those results into collaboration and work process solutions.

10. Future-proofing

Plan for today and tomorrow

When you invest in Dynamics 365, you have the peace of mind that comes from knowing that you're not making a long-shot bet on a new-to-market product that will be obsolete in five years. You are investing in a forward-looking company that is innovating and building for the future. Our technologies empower our customers today, and our investment in innovation will continue to create the breakthroughs that will propel our customers into the future.



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Conclusion

Still need convincing? With so much on the line, making a large-scale investment in an enterprise application suite can seem daunting. Ultimately, you don't just want a feature set. You want a partner who is in your corner and invested in your success. You want a partner you can trust to deliver and keep you safe. You want a partner who is innovative and forward-thinking.

Microsoft is exactly the type of partner you want to have in your corner.

Microsoft is exactly the type of partner you want to have in your corner – a tried and true collaborator with a 40+ year track record, an industry leader in security who can help protect you from threats and an innovator with a keen eye on the future. While there are many ERP providers on the market, we don't believe that there is another provider with the credentials, stability, flexibility, performance, strength and innovation of Microsoft, and we don't believe there is another provider who cares as much as we do about the success of our customers.

Find out for yourself how Dynamics 365 for Retail can transform your business and give you the intelligence you need to stay ahead of the curve. Begin your [free trial](#) today or contact one of our [Dynamics 365 partners](#) to learn more.

FREE TRIAL >

PARTNERS >





How can you get Dynamics 365?

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Options for one or many products

Choices for any type of user

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GET STARTED >



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