

Digital Transformation @work

Empowering
Together



Digital Transformation work

Empowering Together

Building and Growing your Dynamics 365 Business

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Agenda

- Why Dynamics 365?
- Market Opportunity
- Dynamics Business SKU
- Call to Action

Why Dynamics 365 for HMSP Partners

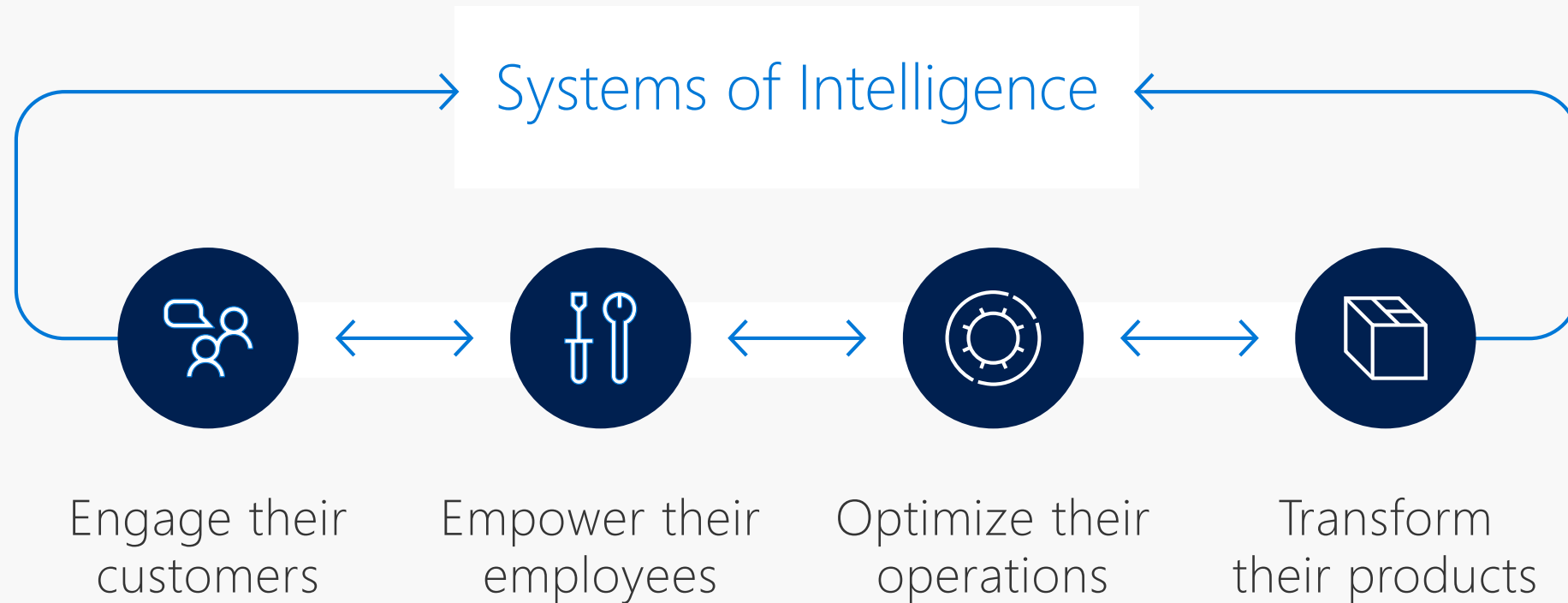
Opportunity to expand solution footprint and strategic importance to customers

Ability to cross-sell, upsell Dynamics solutions to existing customers

Increase profitability, with revenue-per-seat totals that are >4X over O365, Azure

Low cost of entry with the availability of “white label” services providers

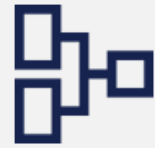
Partner Opportunity – Enable Customers to Achieve Digital Transformation



Next generation intelligent business applications



Next generation intelligent business applications



Project Service
Automation



Sales



Customer Service

Microsoft
Dynamics 365



Field Service



Marketing



Operations

Dynamics 365

Accelerates and supports the partner evolution

Microsoft AppSource

 Office 365

Microsoft Dynamics 365, Business edition


Financials


Sales


Marketing


Customer Service

 Power BI

Cortana Intelligence
Suite

Azure IoT
Suite

PowerApps, Flow, Common Data Service

Opportunity for Cloud Business Applications

| | 1 to 9 Employees | 10 to 249 Employees | > 250 Employees |
|-----------------------------------|---|--|---|
| ERP | \$1,209m | \$3,557m | \$3,136m |
| CRM | \$1,439m | \$4,267m | \$6,474m |
| Total | \$2,648m | \$7,824m | \$9,610m |
| Microsoft Solution Offering | Office Business Premium Invoicing OCM Connections Bookings | Dynamics 365 Business edition Financials Sales Marketing Customer Service | Dynamics 365 Enterprise edition Operations Sales Project Service Customer Service Field Service |

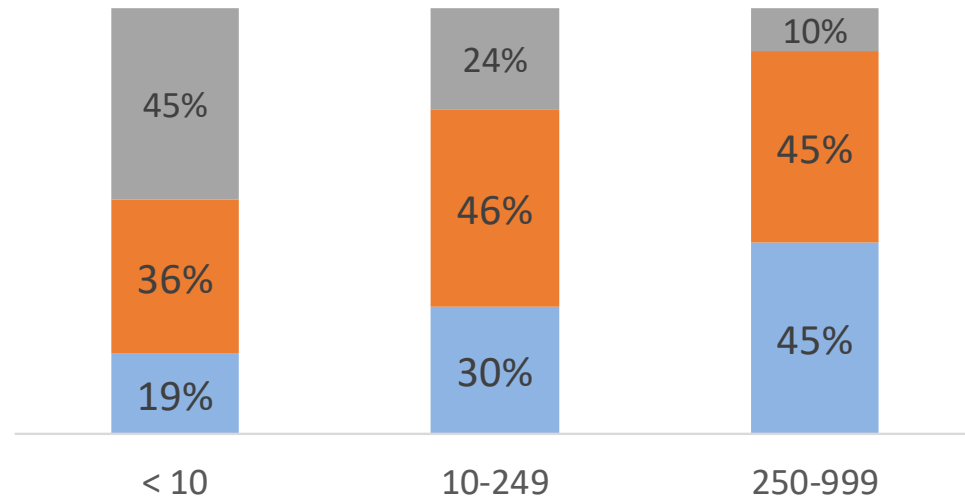
- >15% CAGR
- Growth led by 10 – 99 SMB segment

WW – 2019 - AMI

Customers Are Sold on Cloud Business Applications

Current & Planned CRM/ERP Penetration

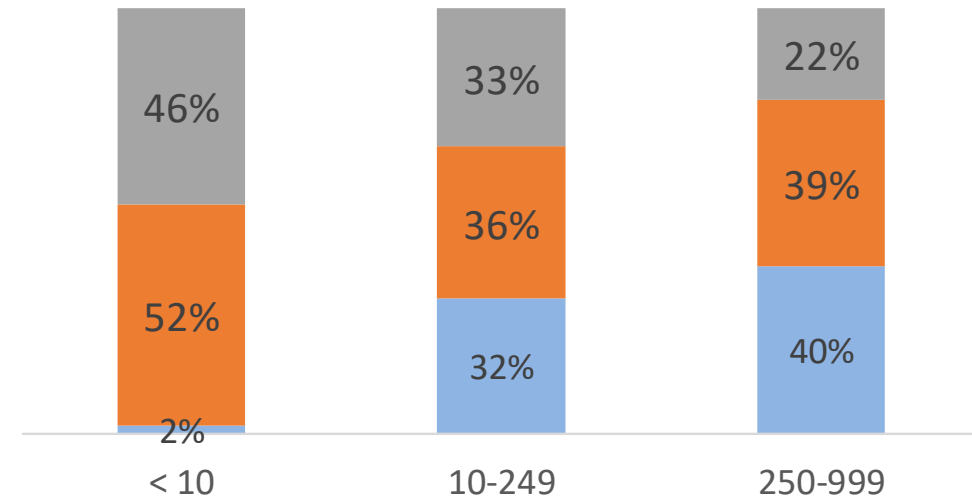
Current & Planned Cloud CRM Usage



■ Currently used ■ Planning to use ■ Not using, not planning to use

| CRM User Licenses | < 10 | 10-249 | 250-999 |
|--------------------------|------|--------|---------|
| Currently used | 4.1 | 10.4 | 82.4 |
| Planning to add | 1.7 | 5.1 | 15.5 |

Current & Planned Cloud ERP Usage

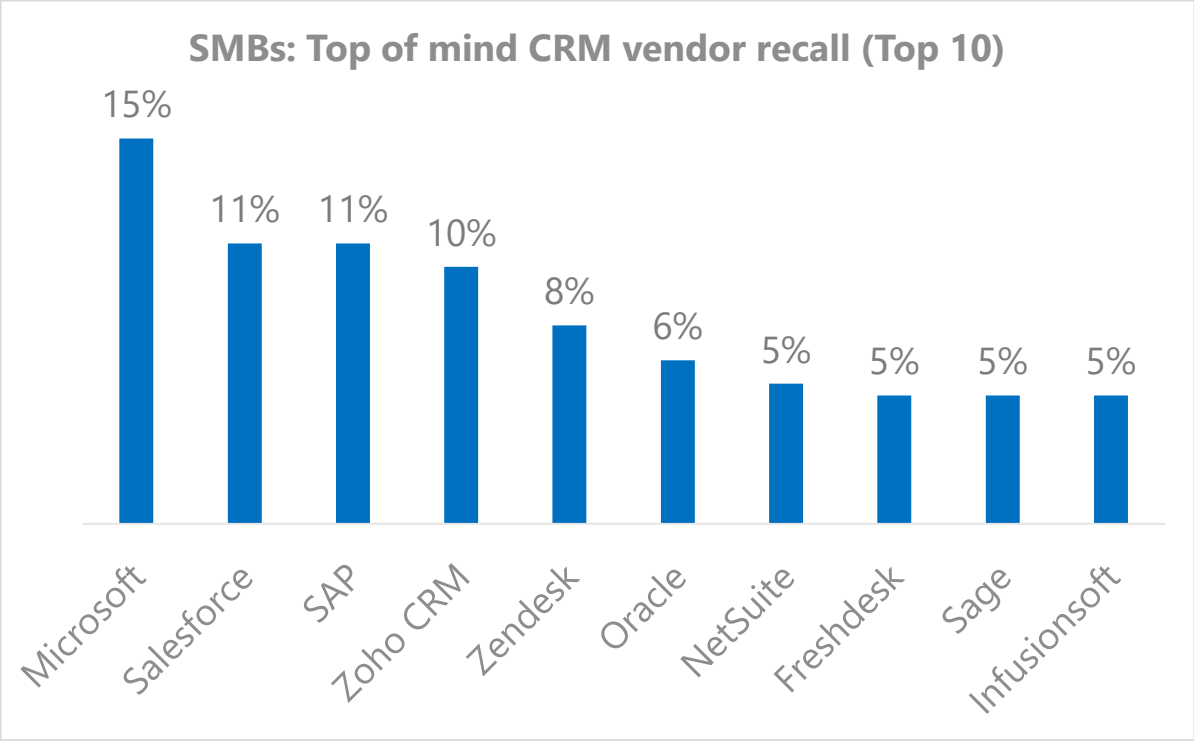
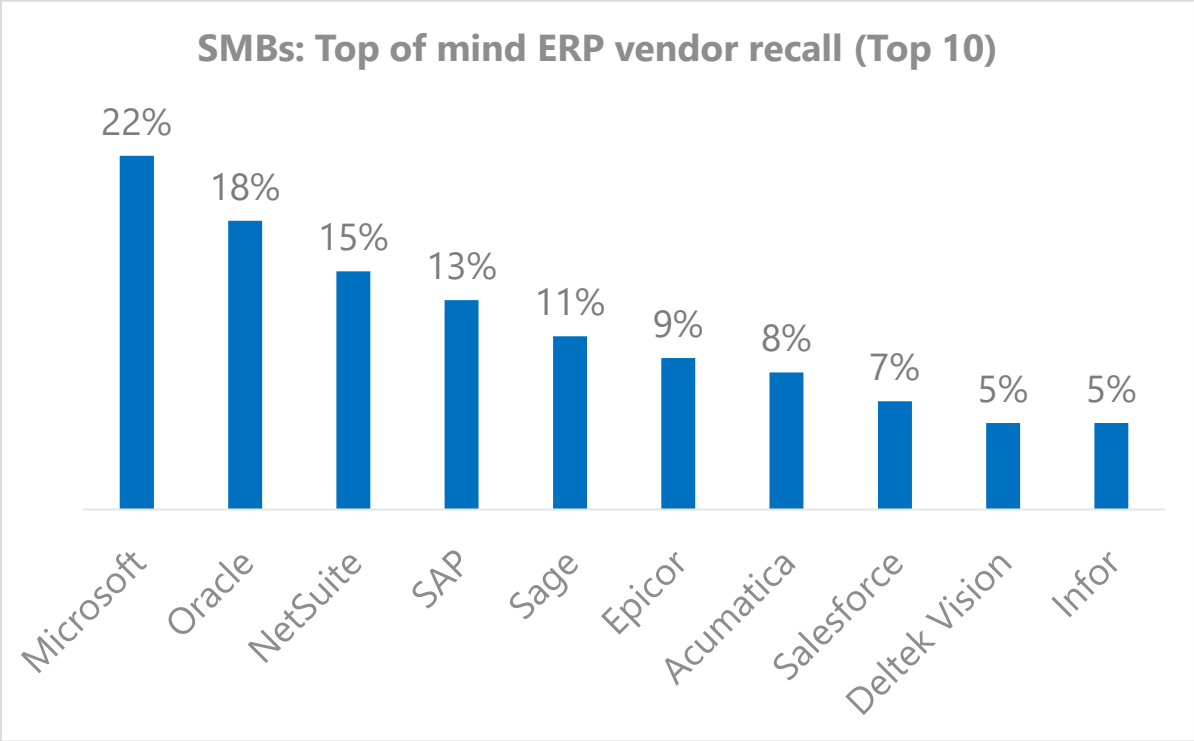


■ Currently used ■ Planning to use ■ Not using, not planning to use

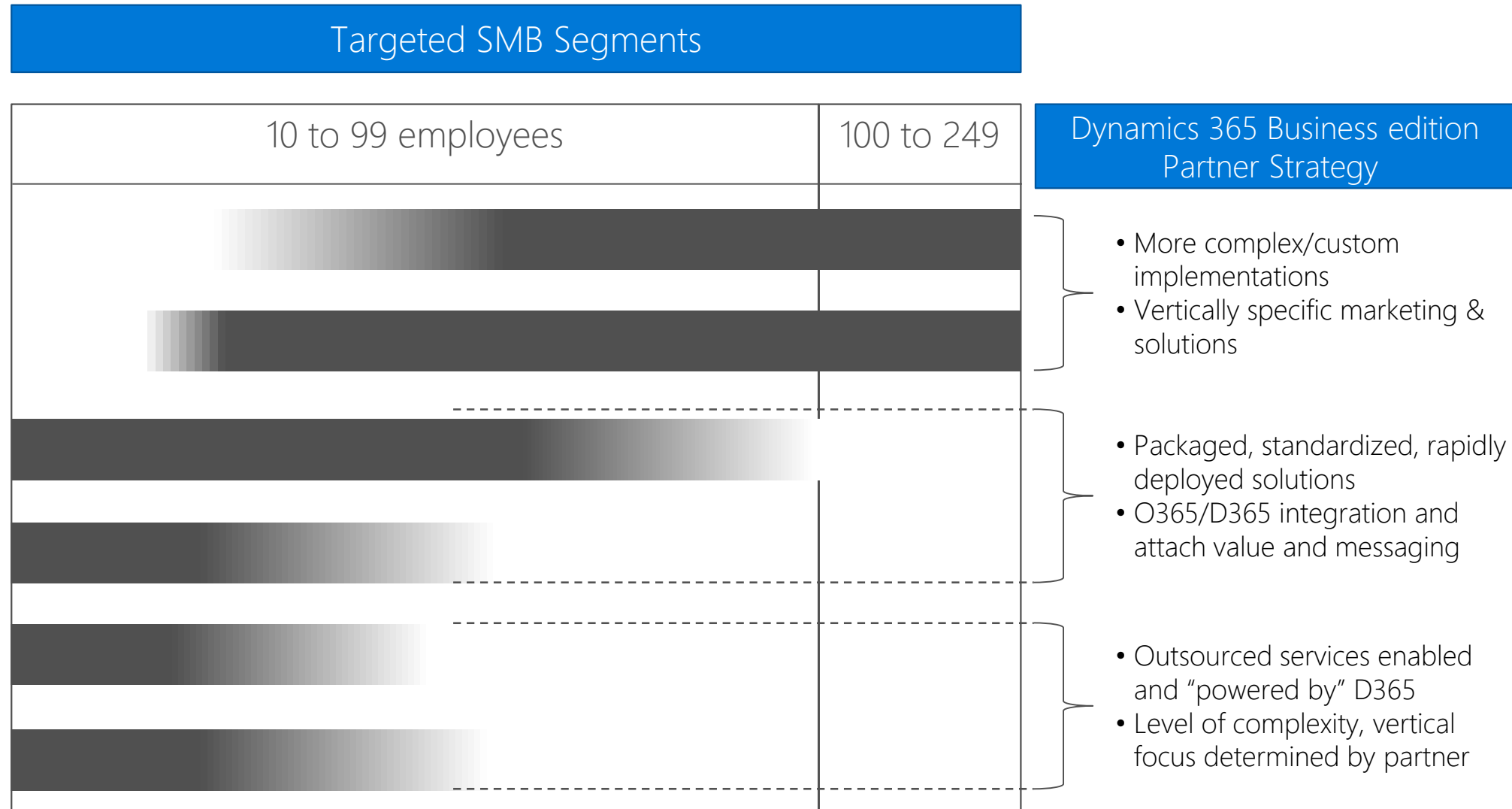
| ERP User Licenses | < 10 | 10-249 | 250-999 |
|--------------------------|------|--------|---------|
| Currently used | 2.3 | 6.2 | 23.0 |
| Planning to add | 2.5 | 2.8 | 5.4 |

- Survey date shows that the cloud CRM and ERP penetration is likely to jump substantially within the next one year
- It is also clear that SMBs “start small” then expand usage based on their experience, usefulness for their business and incremental pricing

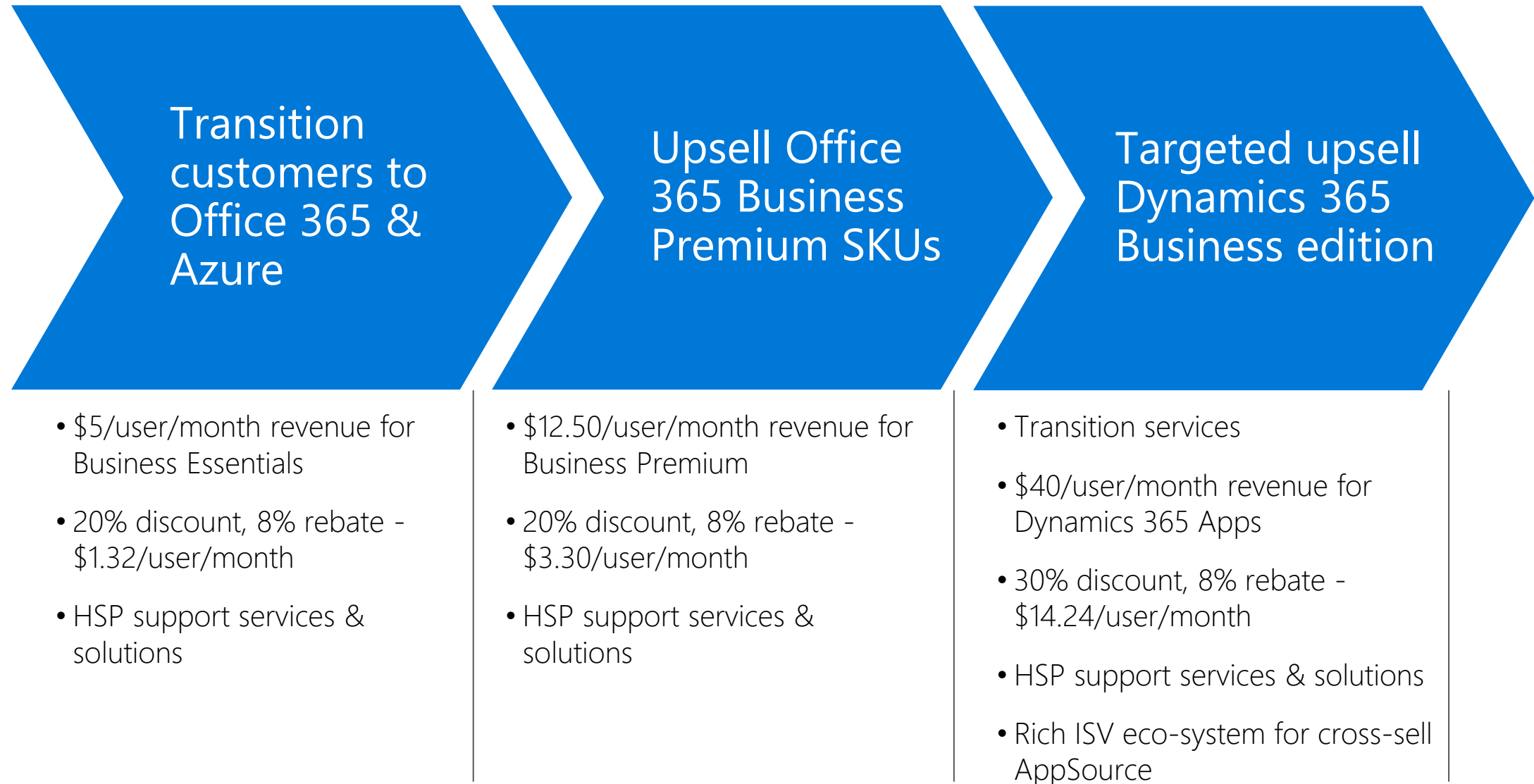
Microsoft is an Established ERP/CRM Brand



Broad Go to Market



Building a Dynamics 365 Business for Scale HMSPs

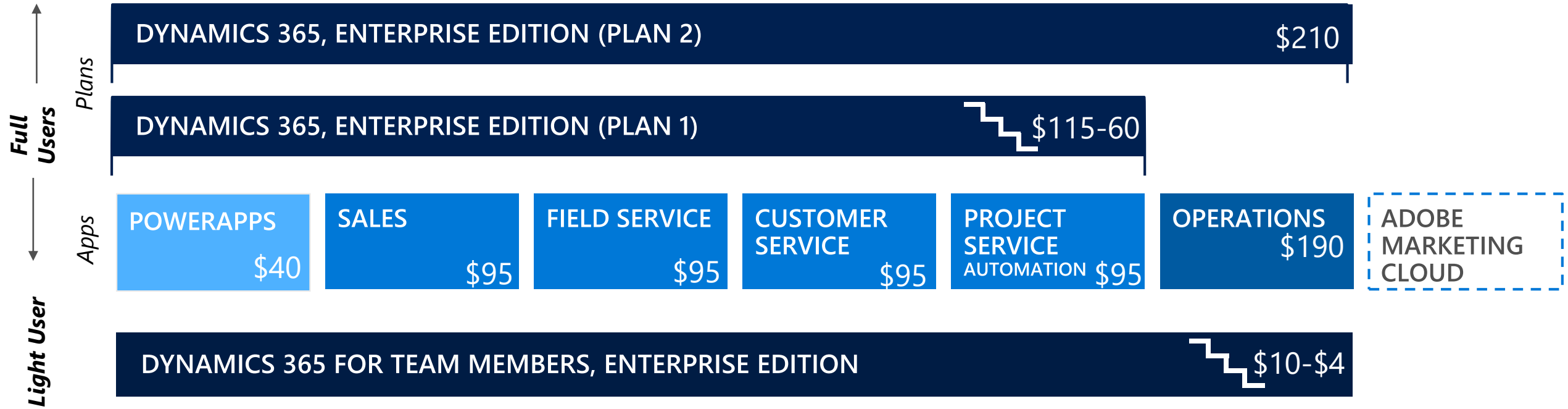


Dynamics 365, Business Edition Packaging



- Financials available in US and Canada now, UK before the end of Summer. Germany, The Netherlands and Denmark to be added later in the year
- Sales/Marketing available across 10+ countries this year (may be a formal preview program, specific product availability dates to be finalized)

Dynamics 365, Enterprise edition Packaging & Pricing



• All Products Available Today

Two Dynamics Practice Launch Options

| Model | Resources | Investment |
|-------------------------|--|--|
| Direct Investment | <ul style="list-style-type: none">• Pre-Sales resources• Deployment/Support resources• Marketing content/execution | \$400K – Shared resources \$600K+ Dedicated resources |
| Outsource (White Label) | <ul style="list-style-type: none">• Partnership management• Support process integration | \$100K – Shared resource Revenue share |

Partner incentives for CSP

CSP incentives for Dynamics 365 are consistent with AX and CRM Online incentives

| | | Azure | Office 365 | Dynamics 365 Enterprise edition | | Dynamics 365 Business edition |
|-------------------|-----------------|-----------|------------|---------------------------------|-------------------------|-------------------------------|
| CSP | Incentive | | | Plan 2 & Operations | Plan 1 & All Other Apps | Financials App |
| Direct | Discount Rebate | 15% 8% | 20% 8% | 30% 8% | 25% 8% | 30% 8% |
| Indirect Reseller | Discount Rebate | * 8% | * 8% | * 8% | * 8% | * 8% |

Discount paid annually, creating a valuable stream of annuity revenue

*Discount provided by the Indirect Distributor

Call to Action

- Identify the Dynamics opportunity in your market
- Get ready for Business SKU -
<https://partner.microsoft.com/en-us/solutions/microsoft-dynamics>
- Explore partnerships and/or investment requirements

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