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Enterprise reality check: Extending the value of Microsoft Dynamics CRM

How IT and sales organizations can reduce the complexity and costs of data integration

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Pragmatism surges – and so does Microsoft Dynamics CRM

With revenues of $8.39 billion,[1] Salesforce is by far the biggest of the "Big Four" of customer relationship management (CRM) software, which also includes SAP, Oracle, and Microsoft. But as SAP and Oracle both face declining market shares with their CRM offerings,[2] Salesforce now finds itself in the crosshairs of a perhaps surprising, and ascendant, competitor: Microsoft.

Microsoft, with a five-percent share of the CRM market in 2015, compared to Salesforce at 21 percent,[3] is on a drive to revitalize its Dynamics CRM franchise. The company grabbed headlines in June 2016 with its $26 billion acquisition of LinkedIn, gaining critical "social selling" credibility,[4] but more quietly, Microsoft has steadily won new customers by offering key capabilities that Salesforce doesn't:

- **Multiple deployment options:** Microsoft offers private hosting, multi-tenant hosting (SaaS), cloud, and on-premises. Salesforce offers only one method of deployment – its on-demand, multi-tenant hosting solution.[5]

- **Lower cost than Salesforce:** Salesforce Enterprise Edition costs nearly twice as much per seat as Microsoft Dynamics CRM Professional, a comparable product.[6]

- **More clarity and simplicity to product roadmap:** As Salesforce's corporate ambitions have expanded and fragmented so have the footprint and complexity of its flagship product, leaving some enterprise customers concerned about committing to an uncertain future with the CRM giant.

Data integration without application integration

Although cloud revenues for the cloud-based Microsoft Dynamics 365 family[7] continue to grow (for example, up 74 percent in Q4 FY2017),[8] its on-premises CRM business remains strong and stable. However, this enthusiastic installed base faces an immediate challenge: how to extend the value of this core application, right now, by integrating it with others beyond the Microsoft enterprise stack, without cumbersome connectors and manual integration.

The SnapLogic Enterprise Integration Cloud allows all Microsoft CRM instances – deployed either on-premises or in the cloud – to quickly and cost-effectively gain the benefits of data integration without the expense and complexity of application integration. With more than 400 intelligent pre-built connectors called Snaps, SnapLogic enables bidirectional connectivity between Microsoft Dynamics CRM/365 and multiple other application endpoints – including numerous ERP systems from SAP, Oracle, and more. In doing so, SnapLogic breaks down the data silos that inhibit business growth and process improvement in the modern enterprise.

This white paper explains how SnapLogic brings together and aggregates customer data for analytics, connecting business processes faster – across on-premises and cloud applications in today's hybrid enterprise.

CLOUD: By using SnapLogic Snaps with Dynamics 365 Sales, enterprises can share data with all manner of cloud and on-premises enterprise applications, quickly and easily.

ON-PREMISES: For Dynamics CRM users, SnapLogic delivers the benefits of data integration without the time and cost to build and maintain traditional connectors. Importantly, superior data connectivity allows migration to cloud-based Dynamics 365 Sales to be deferred, while improving key data and process flows.

Overview: The Microsoft Dynamics CRM family

First released in 2005, the Microsoft Dynamics CRM product line has evolved to include:

- **Microsoft Dynamics CRM:** On-premises software that is hosted by the customer within the enterprise.[9]

- **Microsoft Dynamics 365 Sales:** Cloud-based, multi-tenant hosted (SaaS) CRM software that the customer accesses online.

Reality check: Microsoft's on-premises appeal

Microsoft's on-premises Dynamics CRM offering has a large and loyal installed base because:

- It is a robust, mature product that delivers powerful functionality and performance. Unlike other on-premises products that are left to languish while new versions are architected for the cloud, Microsoft has continued to invest in both its on-premises and cloud CRM products.

- As a result, existing Dynamics CRM implementations do not require immediate "forklift" migration to Dynamics 365 Sales in the cloud; they can continue to deliver performance and value. As IT organizations weigh and prioritize their myriad upcoming investments, many take the pragmatic choice to keep Dynamics CRM on-premises, at least for now.

- Dynamics CRM offers tight integration, and synergy, with the other Microsoft applications that enterprises rely on: Office, SharePoint, and Dynamics AX enterprise resource planning (ERP). Replacing the on-premises version with Microsoft Dynamics 365 Sales thus incurs significant additional overhead in the form of application integration.

- On-premises Dynamics CRM offers additional flexibility in integrating with legacy systems and security options, allowing data to be retained locally.

Quote-to-cash: Extending the value of Dynamics CRM

Quote-to-cash is one of the most important business processes in selling, encompassing multiple steps from creating offers to collecting payment. Along with lead-to-close, it is one of the top processes that sales organizations strive to automate. With the CRM system as the application centerpiece, an integrated quote-to-cash process can help:

- Quote items to be accurately configured by sales reps

- Price lists and discounting to be managed effectively

- Quotes to be reviewed efficiently, for faster delivery to prospects

- Proposals to be transformed into orders

- Invoicing and revenue recognition to be accurate and timely

An integrated quote-to-cash system can streamline and automate processes to solve these and additional challenges, affording better visibility from initial quote to final payment.

Broad, bidirectional data connectivity

Quote-to-cash connects the full spectrum of the sales cycle – from intent to buy with revenue generation – it requires data exchange between numerous systems: CRM, back-end ERP, configuration engine, general ledger, and, as appropriate, manufacturing, order management, fulfillment, and others. With Dynamics CRM as the hub

SnapLogic accelerates the quote-to-cash process

1	Configuration	🔧
	Pricing	2
3	Quoting	💬
	Contract Creation	4
5	Contract Negotiation	🤝
	Contract Execution	6
7	Order Fulfillment	📅
	Billing	8
9	Revenue Recognition	📊
	Renewal	10

of quote-to-cash, bidirectional data exchange between this system and the others it connects with is essential to ensure accuracy at every step of the sales cycle.

A fast path to quote-to-cash

SnapLogic can help Dynamics CRM enterprises to implement the 10 steps of a classic quote-to-cash process, spanning the opportunity stage through revenue recognition.

1. CONFIGURATION: Determining the right combination of goods and services to offer a customer is an essential first step in winning a deal. By presenting the ideal recommendation to all sales reps, sales organizations can ensure a consistent foundation that helps all reps to sell like top performers.

2. PRICING: Maximizing deal size requires a complex interplay between pricing, discounts, incentives, promotions, and bundles. An integrated, automated quote-to-cash process helps to reveal successful pricing and promotion strategies that can be used to increase win rate and maximize deal size.

3. QUOTING: When a quote is generated, approved, and sent to the customer, it's essential that it be accurate and delivered quickly. If not, the quote will create a negative impression that can directly result in a lost opportunity. A quote-to-cash process that integrates necessary data from across the enterprise makes it easy for sales reps to quickly present an error-free quote.

4. CONTRACT CREATION: Closing a deal requires an agreement that includes terms and conditions – and inherent risk. To protect revenue streams, details are important and proper review is essential. Automated workflow through a quote-to-cash process ensures visibility into built-in clauses, such as renewal and termination, to ensure security.

5. CONTRACT NEGOTIATION: Presenting contract terms to a customer is just the beginning of a negotiation process. Once negotiation begins, it's imperative to have granular visibility into contract changes, which may go through multiple iterations. Incorporating legal review into contract changes, again through automated workflow, reduces the potential for costly errors that require legal action to remediate.

6. CONTRACT EXECUTION: Once an approved contract is signed and the deal finalized, an e-signature tool can dramatically speed contract execution. It can also provide visibility into any final roadblocks and/or parties that still need to sign, to complete the sales cycle.
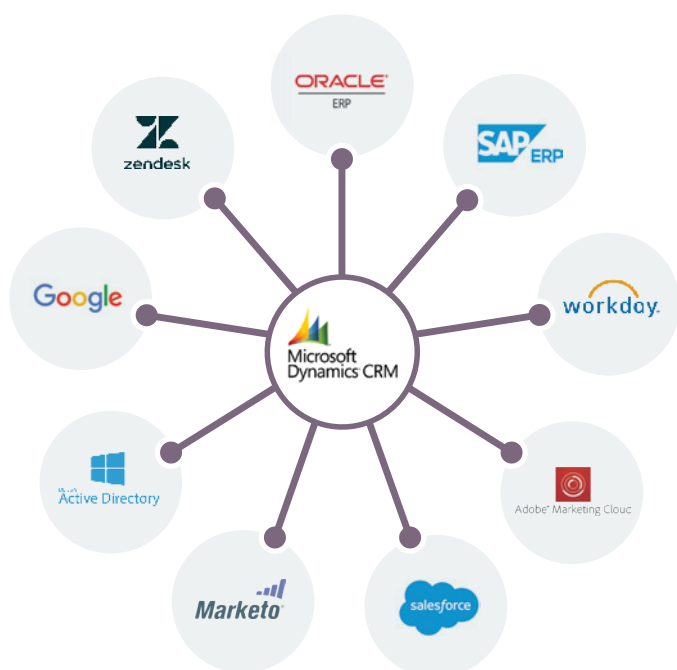
7. ORDER FULFILLMENT: After the contract has been signed, it's time to deliver the right products and services to the right customer. Quotes, pricing, and contracting terms will be communicated to the necessary parties, and connected to the enterprise ERP system. A fully integrated quote-to-cash process will get, and keep, the operational side of the business in sync with sales, helping to ensure that changes to the order and requirements are reflected in the final product.

Bidirectional data access for Microsoft Dynamics

8. BILLING: Accurate billing determines cash flow, forecasting, and revenue recognition. With an integrated quote-to-cash process, everything captured in the quote (i.e., discounts, promotions, and payment terms) and the contract is automatically passed through to finance, guaranteeing accurate billing and renewal information.

9. REVENUE RECOGNITION: Improper revenue recognition carries significant business risk. When contract terms are made available to finance through an integrated quote-to-cash process, organizations are more likely to recognize revenue correctly.

10. RENEWAL: For certain companies such as software-as-a-service (SaaS) providers, long-term success depends on customer retention and contract renewals. A quote-to-cash process simplifies identification of expiring contracts, and up-sell/cross-sell opportunities, helping to reduce churn.[10]

Reducing complexity with a new approach to integration

The bidirectional data exchange required for an effective quote-to-cash process adds further complexity to the challenge of building and maintaining multiple connectors at the application level. Traditionally, this tight level of connectivity (i.e., bidirectional and real-time) is achieved by application integration using bespoke or heavily customized standard connectors.

Quickly executed with SnapLogic Snaps, enterprises can supersede application integration, achieving bidirectional data integration with just a few clicks instead of the months of development time application connectors require. In this way, enterprises can quickly extend the value of their Microsoft Dynamics CRM investment, replacing manually driven, inefficient sales cycles with an integrated quote-to-cash process that drives faster sales velocity and higher close rates.

The old way: Writing and maintaining code

Building and maintaining application connectors is a tedious, labor-intensive process. Developers must write either C# or Java code, integrating with each application's programming interface (API) and authentication mechanisms.

This time-consuming process is also error-prone, two realities that are magnified during the connectors' maintenance stage. As with any other software project, code decays over time and must be updated. If the developer who wrote the code leaves the company, the IT organization's ability to understand the connector at the code level also vanishes.

The new way: Drag-and-drop data integration

The SnapLogic Enterprise Integration Cloud is a self-service integration platform, built for the cloud, that makes it fast and easy for IT and business professionals alike to connect data, applications, and devices. The building blocks of the Enterprise Integration Cloud, SnapLogic Snaps, abstract APIs graphically, allowing business users to quickly integrate data and processes using pre-built patterns. Instead of time-consuming, costly fixed integrations between applications, SnapLogic allows users to choose data from across enterprise systems and easily integrate it with Dynamics CRM, and beyond.

With drag-and-drop simplicity, SnapLogic provides a data integration canvas that enables instant bidirectional data connectivity and forward compatibility. In this way, SnapLogic can help sales organizations to become more data- and process-driven, fueling the function's transformation while allowing it to maintain the agility that real-time insight affords.

The Microsoft Dynamics CRM Snap Pack

SnapLogic's Microsoft Dynamics CRM Snap Pack abstracts the complexities of moving data in and out of this core sales system with easy to use, pre-built, intelligent Snaps. The Snap Pack delivers key capabilities, including fast bulk data movement, for connectivity between Dynamics CRM and a multitude of enterprise applications:

- **Create:** Creates records per object type

- **Read:** Reads all records per object type

- **Update:** Updates a record

- **Delete:** Deletes a record based on account ID

- **Search:** Searches with various filter options

- **Upsert:** Updates existing records or inserts new records

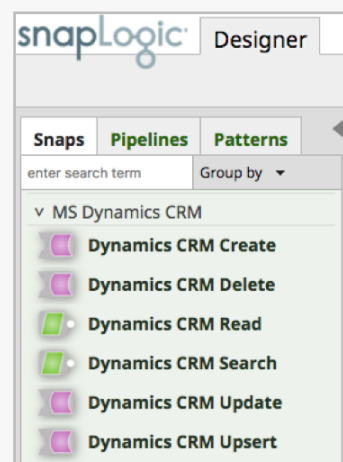**FIGURE 1:** The Microsoft Dynamics 365 CRM Snap Pack

Figure 1 illustrates the Snap Pack's six Microsoft Dynamics 365 CRM Snaps, as seen from the SnapLogic Designer. These Snaps can be used to build a wide range of business use cases including quote-to-cash, tracking a sales lead to closure (lead-to-close), or migrating data from Salesforce to Microsoft Dynamics CRM. The SnapLogic Snap Pack can be used with either Microsoft Dynamics CRM on-premises or cloud-based Dynamics 365 CRM.

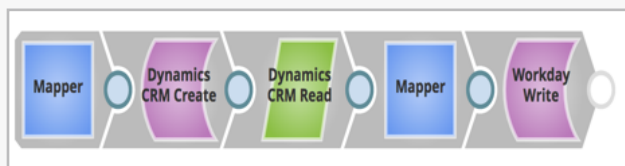**FIGURE 2:** Building a pipeline to deliver quote-to-cash

Figure 2 shows how a user can build a pipeline to deliver a quote-to-cash process. Here, an invoice is created in Microsoft Dynamics CRM when the sale occurs and is imported into Workday as part of Revenue Management tracking.

These examples capture the stark difference between manual application integration – which typically produces 200 to 300 lines of code – and drag-and-drop data integration using SnapLogic Snaps.

Beyond data integration: data security

Figures 1 and 2 represent the first step of building the sales process flow; securing this data (revenue forecast) is the next step, and can be readily accomplished using Field Encrypt and Decrypt Snaps, which are part of the separate SnapLogic Transform Snap Pack. These Snaps provide granular field-level security and can be used to encrypt specific fields or the entire document; key store and passphrase-based keys are supported as part of the Account configuration. Downstream systems can use the Decrypt Snap to derive the actual data, so users with appropriate access rights can view sensitive information.

Focus on business, not maintaining code

With more than 400 Snaps that enable broad, secure data connectivity, the SnapLogic Enterprise Integration Cloud allows IT organizations to focus on meeting business needs instead of maintaining code. From quote-to-cash to lead-to-close, sales and IT organizations in the Microsoft Dynamics CRM enterprise both benefit:

- More business users can readily access the benefits of data integration, to gain more insight, faster, and make better decisions.

- IT organizations are empowered to serve demanding users faster and more effectively, focusing resources on critical value-add projects instead of connector development and maintenance.

Summary

As pressure rises on IT budgets, pragmatism has regained center stage across individual enterprises and entire industries. It's inevitable that more applications and data move to cloud, but increasingly, IT organizations are looking to avoid "forklift" migrations to the cloud, preferring to keep high-performance software such as Microsoft Dynamics CRM on-premises – at least for now.

Herein lies the "reality check" that all forward-looking IT teams must face: how to extend the value of Microsoft Dynamics CRM by breaking down persistent data silos, to enable key processes such as quote-to-cash and lead-to-close. With more than 400 Snaps for application and data integration, the SnapLogic Enterprise Integration Cloud allows enterprises to enhance their on-premises Dynamics CRM environments; SnapLogic enables instant, fluid data exchange between this core sales application and others, both on-premises and in the cloud. In this way, SnapLogic data integration allows companies to get all the benefits of data integration without application integration, a significant savings of time and resources.

Next steps

For more information on how your Microsoft Dynamics CRM enterprise can tap the power of SnapLogic data integration to extend the value of your customer relationship management investment, contact SnapLogic.

Contact SnapLogic today >

[1] Salesforce Fiscal Year ending February 28, 2017.

[2] "CRM Market Share Report 2017," Chuck Schaeffer.

[3] Ibid. Market share figures derived from Gartner annual market share releases.

[4] "Microsoft makes some moves to life Dynamics CRM marketshare," Ron Miller, TechCrunch, June 15, 2016.

[5] Destination CRM 2015 Market Leaders Report, as cited in "7 Big Reasons Why Microsoft Dynamics CRM Beat Out Salesforce as the Enterprise CRM Suite of Choice," GreenBeacon.

[6] Ibid. The report notes, "Salesforce's Professional Edition, which starts at $65 per user per month, is very lightweight. Most organizations that are looking for robust features and functionality will find themselves being upsold to the Enterprise Edition, which starts at $125 per user per month. Compare that to Microsoft, which offers a complete CRM solution starting at $65 per user per month with far more features than the Salesforce Professional Edition."

[7] Microsoft's built-for-the-cloud CRM and enterprise resource planning applications.

[8] Year over year. "Earnings Release FY17 Q4," Microsoft Corporation, July 20, 2017.

[9] Also available privately hosted by Microsoft.

[10] Reference: "The Quote-to-Cash Process in 10 Steps," Patrick Wolf, November 4, 2016.

About SnapLogic

SnapLogic is the global leader in self-service integration. The company's Enterprise Integration Cloud makes it fast and easy to connect applications, data, and devices with no coding. Hundreds of customers across the Global 2000 - including Adobe, AstraZeneca, Box, GameStop, Verizon, and Wendy's - rely on SnapLogic to automate business processes, accelerate analytics and drive digital transformation. SnapLogic was founded by data industry veteran Gaurav Dhillon and is backed by blue-chip investors including Andreessen Horowitz, Capital One, Ignition Partners, Microsoft, Triangle Peak Partners, and Vitruvian Partners.

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