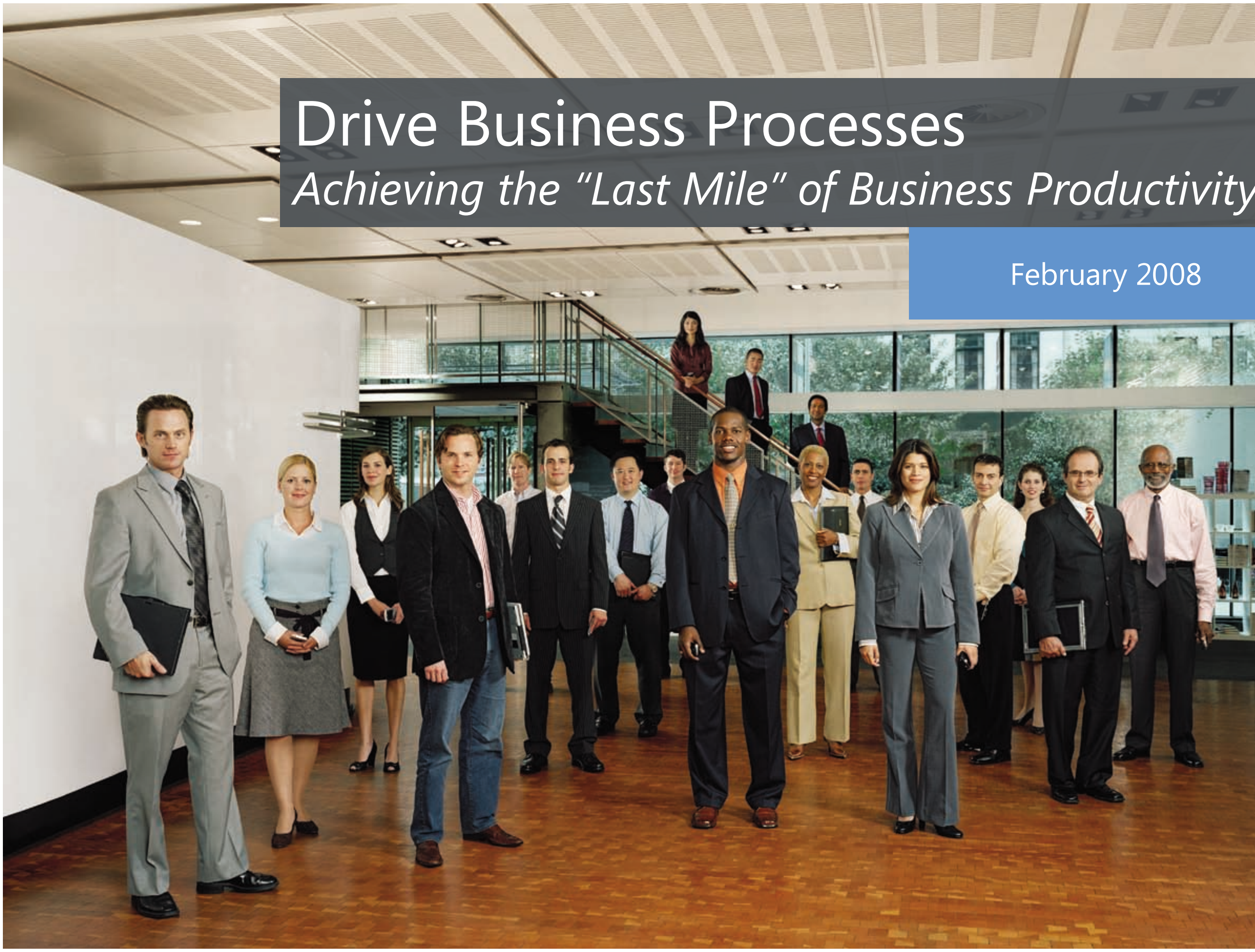
Drive Business Processes

Achieving the "Last Mile" of Business Productivity

February 2008



people ready

Breakthrough Business Productivity Designed Specifically For Your People

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Overview

Since the mid-1990s, businesses, governments and other large organizations have spent billions of dollars implementing ERP, supply chain, and CRM systems to help them "re-engineer" work processes, eliminate inefficiencies, increase productivity, and drive business change. These efforts have met with varying degrees of success. Clearly, global productivity has risen steadily, and many businesses owe their very survival to improvements that would have been impossible without radical changes to business process systems. But just as clearly, many of these promises to dramatically increase business success—rapidly, profitably, efficiently and with minimal negative impact on the business—have proven overly optimistic for many, and flat-out fantasy for some.

Why is this? Why has the diligent effort of so many resulted so often in such marginal underperformance? Are there intrinsic weaknesses in the approach we've taken? Are there important components of business process management that our current approach fails to address? And, most importantly, is there another way of looking at business processes that retains the positive aspects of large-scale system change, while minimizing its weaknesses and addressing unmet objectives?

At Microsoft, we're working to provide a better way. We believe that the key to helping businesses become more agile and productive in the global economy is to empower individual workers with a new generation of software—tools that support the unique requirements of their industry, help them work more efficiently, and focus on tasks that add the most value to the organization.

Introduction – The Way Things Are

Enterprise Resource Planning (ERP), Supply Chain Management (SCM), and Customer Relationship Management (CRM) are familiar business management systems in the business world. Broadly speaking, the promise these systems offer is substantial. By defining and automating our most important business practices, we will be able to work more efficiently, reduce overhead, increase agility, and improve insight into business drivers large and small.

To a great extent, the promise has been realized. Organizations have saved millions of dollars by replacing outdated technology and paper-based systems, and integrating previously disparate systems to eliminate duplication of effort and increase consistency of information.

Such gains have not been achieved without difficulty. These systems tend to be more expensive than had been promised and take longer (sometimes much longer) to implement. In addition, these systems often require extensive modification to address requirements of specific industries.

...according to AMR Research, organizations license only 15 percent of their employees to use their ERP systems, and 46 percent of the licensed seats go unused.[1]

Even after all the work it takes to properly implement a business critical solution, such as ERP or SCM, many of these systems still exhibit shortcomings that keep them from truly helping businesses maximize their potential. We believe these shortcomings include:

- **Low adoption rates.** Employees are reluctant to adopt new, complex systems. The more complex the new system, the more resistance.
- **Incomplete adoption.** Despite companies' best efforts to fully define and streamline processes, many employees use only the basic functions and do not take full advantage of the system.
- **Long training periods.** Complex systems often require at least two weeks to learn, and may take upwards of a year to master. Because of this difficulty factor, those few employees who learn to use the system can end up spending so much time assisting their colleagues that they may end up losing the ability to help move the business forward.
- **Low penetration.** Initial goals of extending access to everyone in the organization often evaporate in the face of the daunting level of specialization required to operate and support these systems.
- **Generic approach.** Companies frequently need to significantly modify their systems to address the unique needs of an organization, such as industry-specific business processes or regulatory requirements.

In fact, according to AMR Research, organizations license only 15 percent of their employees to use their ERP systems, and 46 percent of the licensed seats go unused.[1] How can these categories of products help transform companies when only one in 15 employees actually use them? As a result, what we've seen is that many organizations still rely on makeshift, non-integrated systems for storing the details of transactions and process changes, which makes this information difficult to find and access, lowering productivity. Given these problems, it is clear that a significant portion of the opportunity for benefit remains unrealized.

[1]AMR Research Market Analytix Report: Application Spending Series, The Enterprise Resource Planning Spending Report, 2005–2006, by Bob Locke, Jim Shepherd, and Wendy Davis

How Did We Get Here?

There are a lot of reasons why our business management systems have failed to achieve their maximum potential, but fundamentally it comes down to the traditional way these systems are designed and deployed. Typically we begin by analyzing the business process, defining the unique characteristics of that process, and designing a system that captures, streamlines and standardizes that process. Often this process resembles a management consulting engagement, where consultants interview everyone associated with the process, try to understand what they do, try to understand the workflow of the process across departments, and then report back to their engineers who attempt to reprogram their ERP platform of choice to reflect this unique, complex process. But by the time the system has been implemented, the business has moved on, and the automated processes are either obsolete or irrelevant to the way most of the employees in your company really work. The result? A unique, complex business process, translated into an unfamiliar, complex development environment, producing a uniquely complex business management system.

It's the old adage: be careful what you wish for, because you just might get it. In the case of ERP systems, we believe that what many customers get is an extended planning cycle and an extended development cycle, resulting in a difficult-to-learn, difficult-to-use system that is expensive to implement, expensive to run, and very expensive to change.

An Incomplete Solution

Up to this point we have been examining the current state of business management solutions from within the context of the solution: how has what we have created succeeded or failed? But in a very real sense, by limiting our inspection to the current system, we run the risk of missing the point.

How does the transaction process actually work? Are there parts of the process that ERP systems are failing to capture? If so, what are the costs of failing to capture the real business process? And can we change the way we design our systems to reflect the goals we have, to increase productivity and improve visibility into the real drivers of our business?

Real-World Business Processes

The process captured during the creation of traditional business management solutions is a fraction of what actually occurs. Other elements that are crucial to a successful transaction include:

Relevant Design: What is the "complete" set of work performed by your employees, encompassing not only formal business processes but also decisions, ideas, problem solving, collaboration—the complete set of work that employees in your company do every day?

Industry requirements: What information needs to be captured during a transaction to support continuous improvement, enhance customer relationships, or fulfill regulatory requirements?

Institutional knowledge: What are the best ways to bring the full power of your organization—including product development, marketing, perception in the market, key strengths, and more—to their greatest advantage in a transaction?

Individual knowledge: What do the people closest to the transaction know about the individual conditions, including past successes, key pressure points, obstacles to avoid, and quality of the relationship—in essence, the "real-world" drivers affecting this individual sale, purchase, or other transaction?

Communications: Studies have shown that every transaction in a typical business is supported by an average of five to six communications, including phone calls, e-mail, and faxes. How do you keep track of what you've communicated in order to have a fuller record of the transaction?

Collaboration: Most transactions of any complexity involve more than a simple one-to-one relationship between the agent and the customer. Several individuals and teams may be involved. How easy is it for each player to access and contribute to the process?

Change: No two transactions are exactly identical, and businesses themselves are dynamic. Shouldn't a business management solution take this condition of constant change into account and give you the flexibility to record the differences in each transaction, in addition to the standardized information?

While clearly these elements are all crucial components in real-world business processes, we believe that traditional systems, due to their underlying design philosophies, are inadequate to address them. So, most businesses still rely on as-needed, non-integrated systems for keeping the details of specific transactions and process changes. The result is a surrounding layer of inefficiency and a lack of visibility to the customer, which is exactly what businesses were trying to eliminate in the first place.

Connecting People and Systems

Empowering individuals to improve employee productivity is not a new concept in the world of business. For years, best-selling management books have touted the benefits of amplifying individual productivity through empowerment. However, we think it is a new approach to envision how industry-tailored technology can be used to improve business process productivity.

Over the past decade, software has been designed that builds bridges between disconnected islands of information and gives people powerful ways to communicate, collaborate, and access the data that's most important to them. It's time to build on current technologies and create software that helps people adapt and thrive in an ever-changing work environment, with tools and functionality that reflect their particular business needs.

Advances in pattern recognition, smart content, visualization, and simulation, in addition to innovations in hardware and wireless networks, all provide an opportunity to re-imagine how software can help people get their jobs done. This is an important goal, not only because the technology has been created to make it possible, but because the way people work is changing.

Most business processes don't exist in isolation, or on a software island, or even solely in the office. For example, an employee taking sales orders spends time creating documents and searching the Web; corresponding with customers on e-mail, voice mail, and fax; and collaborating with coworkers by using instant messaging tools and attending virtual meetings with team members who may be on the road. That same individual spends time using structured business process software to enter and view orders, print reports, and so on. No longer should individuals engaged in completing business processes be forced to work in these two different worlds of business process software and personal productivity software. Extending each world into the other until the experience is smooth is what your company needs to do to help realize its full productivity potential.

What if we built a software system that captures the complete way everyone in your company works and supports your unique industry requirements, in a way that is designed for each and every role?

Realigning Systems to Reflect the Way Your People Really Work

The business application evolution has set up, and in some ways forced, two different worlds in which employees operate. On one side is the world of business process automation software that automates processes in areas like accounting, sales, and production. On the other side is the world of personal productivity software, the tools that every one of us uses on a daily basis—word processing, e-mail, spreadsheet software and the internet.

According to Gartner, Inc., "Only those vendors that 'redefine' process beginning with the individual, combining process definition and tools that enable individuals to be flexible with the definition of their specific processes, will emerge as leaders in the 'Process of Me' category."[2]

IDC estimates that knowledge workers spend on average 48% of their time searching for and analyzing information, at a cost of more than $28,000 per employee per year.[3] The time your information workers spend tracking down information, managing and organizing documents, and making sure their teams have the data they need could be much better spent on analysis, collaboration, insight, and other work that adds value to your business.

The Right Experience

As we have noted, one of the primary barriers to high adoption of business management systems within an organization is the highly specialized processes these systems represent. Because of their very nature, these systems require a high degree of commitment, training, and constant interaction in order to become proficient in using them, and as a result, only a small fraction of specialists are ever given the time to focus their job efforts on learning and using these systems. What we've seen through our research is that an unfortunate side-effect of this high barrier to usage is that the majority of people who work in your organization, people who need the information captured by these systems or who otherwise have a tangential or "non-central" relationship to the processes managed by these systems, are forced to gather information or provide input using communication routes that exist outside these systems. As a result, a vast amount of information stays locked away from the people who need it to perform their daily duties and isolated silos of information are built and maintained by each group according to their needs. Processes that could be streamlined are instead chopped up, spread across working groups, and requiring a heavy IT investment to integrate the results, which again puts the power of these systems into the hands of a small army of specialists within your organization.

"It's the best of both worlds. It's the collaborative world and the financial software world brought together."

Bill Gates
Chairman and Chief Software Architect
Microsoft Corporation

[2]2006 Gartner, Inc., "Person-to-Process Interaction Emerges as the 'Process of Me,'" by Yvonne Genovese, Jeff Comport, and Simon Hayward
[3]"The Hidden Cost of Information Work", IDC, April 2006

Microsoft recognizes that individuals throughout your organization need tools that work the way they do: by adapting to the role of the individual within the organization and the industry-specific requirements of the organization.

In terms of roles within an organization, consider the different needs of a finance director who needs deep access to financial information, a payroll specialist who needs to process complex payroll routines, a marketing manager who primarily relies on collaborating with others, and a salesperson who needs to access customer and product availability information, as well as to record sales.

Similarly, organizations in manufacturing, distribution, retail, professional services, or government and nonprofit all have unique industry requirements that deeply affect the way people work.

It is important to have an infrastructure that can be adapted to deliver information and processes in the ways that most closely mirror people's working styles and needs. This is what we mean when we talk about delivering "the last mile of productivity" helping all your people contribute to the overall success of the organization.

Let's look at a few typical roles within your organization to get a better look at how their diverse needs require different approaches to the way they access information and perform their duties.

The Way People Work

Microsoft has conducted extensive research into the way people interact with business systems to do their work. This research into the working "personas" of the various roles within an organization has helped us more fully document the day-to-day realities these workers face, from the CEO to the shipping clerk, from the warehouse manager to the salesperson on the street.

The purpose of this research has been to help us design software and services that truly represent the ways people interact in a business, helping them to do their best work and achieve their goals.

Each role within your organization has its own special information needs and business processes they interact with. To give a few examples of how different these needs are, let's take a look at three roles: the CFO, the operations manager, and the director of marketing.

Sara – CFO

"I know at any given time where the company is and where we are going."

As CFO, Sara has a broad range of responsibilities, directing the financial operations for the entire organization. Simply put, if it impacts revenue and expenses, Sara needs to know about it. She needs to have both a broad overview of each part of the company's activities, as well as the ability to drill deeply down to the most specific details. Financial transparency is crucial to Sara's ability to report on the company's fiscal well-being, as well as to direct future planning, minimizing financial exposure while maximizing both short-and long-term profitability. The CEO looks to Sara to have a deep understanding of governance, taxation, regulatory reporting, investments, banking relationships, acquisition strategy, and a myriad of other critical details that can make the difference between merely staying in business and truly thriving.

To do her job well, Sara needs executive information systems that allow her to see in an instant how each part of the company is performing, with the ability to drill down to uncover the troubling details. If revenue, expenses or other key measurements are skewing out of acceptable ranges, she needs to be alerted before things get out of hand. Financial reporting has to be accurate, fast, and show her the specific views of the business she needs to make sure all parts are performing against goals. When questions are asked by the board and other members of the executive team, Sara needs to field those queries and deliver fully researched answers. Sara's job isn't limited to an eight-to-five workday– she needs to be able to direct the financial affairs of her company wherever she is, at any time.

Vince – Operations Manager

"There is no time like the present to address problems."

As the overall manager of operations, Vince's job is to ensure the timely and cost-effective delivery of products by managing the operations of several departments including Inventory, Engineering, Production, Plant Management, and Shipping and Receiving.

Vince's ultimate goal is to increase profitability by getting a quality product out on time with the best customer service possible. Keeping the right amount of inventory of both raw materials and finished goods on hand is where the rubber meets the road for Vince. If stock runs out, everybody suffers. If goods pile up in the warehouse, it creates a drag on profitability.

Vince spends the majority of his time talking with staff and keeping everyone aware of production issues that might affect them. He also has to work through the demand planning side of the business, understanding what sales and marketing are trying to accomplish and deciding how this will impact supply. Vince also ends up being the "go-to guy" when a customer service escalation issue arises, such as when a shipment won't meet the promised date or when a major new customer comes online and needs to be assured their order can be filled as directed. Being able to pull together information from sales, production, inventory, and customer service is crucial to Vince's ability to do his job.

Julia – VP Marketing

"Data is knowledge, knowledge is power."

Julia is responsible for the overall marketing strategy of the company. She monitors the effectiveness of marketing efforts and builds the business case for ongoing marketing activities. Julia has a broad range of responsibilities, from building the company's brand to weighing in on individual marketing campaigns. The three primary functions in Julie's world include developing effective marketing tools, measuring the impact of those marketing efforts on sales, and budgeting for future marketing efforts.

Because the impact of a company's marketing can be difficult to measure, it is doubly important to Julia that she has deep access to sales data including trend analysis, regional buying patterns, leading and lagging sales indicators and more. She needs to keep an equally sharp eye on what's happening outside the company, monitoring industry trends, economic shifts, buyer behavior and changes in the competitive landscape.

Brand extension is a crucial component of Julia's strategy to increase market breadth, and she works closely to understand how her company's products can be extended to new markets. She conducts customer focus group meetings to understand how different customer groups think, and gauge the effectiveness of industry-specific marketing campaigns.

Clearly, data is the lynchpin of Julia's job, helping her analyze where her market is trending, measure current campaign effectiveness and determine where to drive marketing messages, and dollars, tomorrow.

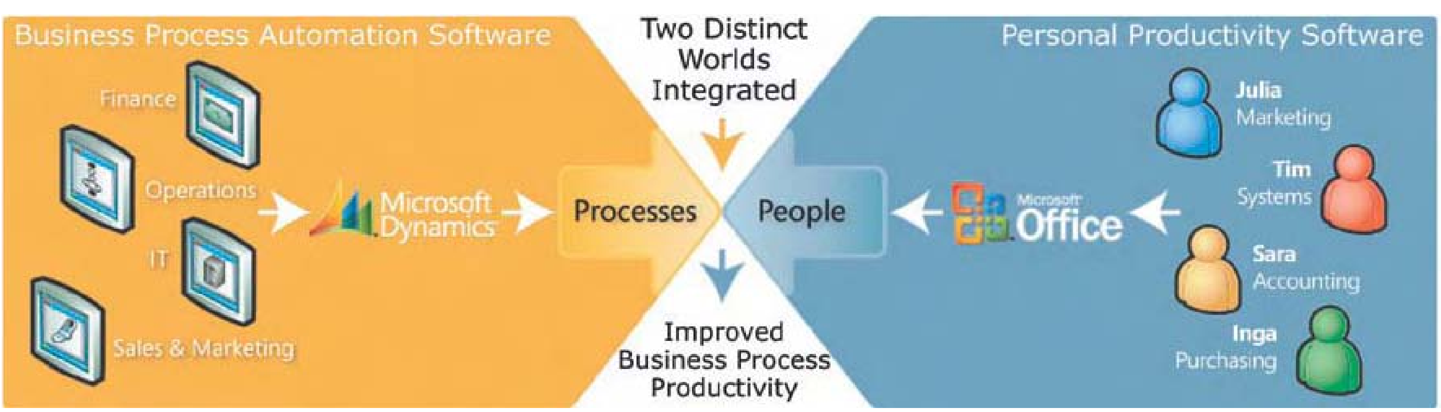
Working Together Across the Organization: Microsoft Dynamics and the Microsoft Office System

Your workers need to collaborate with people inside and outside the organization. They need to be knowledgeable about their customers and business opportunities. In order to build software that is tailored to the work done by specific people and companies, it is necessary to have an in-depth understanding of today's businesses, their employees, and the requirements specific to various industries.

To build this level of understanding Microsoft Corporation as a whole invests significantly in understanding our customers and designing and building great solutions for them. Over the course of a year, in the 43 Usability Labs on the Microsoft campuses, we conduct 1,100 usability and research studies involving 10,000 participants. We also conduct more than 1,700 site visits annually where we visit customers in their own environments, observing their real world work style and behaviors.

The result of this research is something we call the Microsoft Dynamics™ Customer Model. The Microsoft Dynamics Customer Model describes how people in departments work within and across organizations. It is the repository for all of the Microsoft Business Solutions division's information and research regarding processes and people, and is used to ensure we are focusing on the specific needs of targeted roles and their unique processes when we build Microsoft Dynamics solutions. Microsoft also works with an extensive network of industry-expert partners to understand the unique needs of manufacturing, distribution, retail, professional services, and government organizations.

From this research and understanding of business process and business productivity software, Microsoft is working to help you bring two powerful information systems in your business together more intuitively and more completely than ever before. Microsoft Dynamics and Microsoft Office have been designed to work together in new ways, helping you increase the penetration of business data throughout your organization and deliver important benefits to employee productivity, customer loyalty, and overall business efficiency.



Delivering the Last Mile of Productivity

Bringing your business management and productivity software systems together with Microsoft Dynamics™ and Microsoft® Office can help you:

- **Increase Adoption:** Microsoft Dynamics is designed to give users a consistent, familiar look and feel similar to Microsoft Office. Microsoft Dynamics CRM, for example, works within Microsoft Office Outlook®, enabling salespeople to use one system to track opportunities, appointments, communications and tasks, without having to learn a separate set of processes.

- **Extend Access:** Microsoft Dynamics works with Microsoft Office Excel® 2007, Microsoft Office Word 2007, Microsoft Office Outlook® 2007, and Microsoft Office SharePoint® Server 2007, making it easy to share the right business information with each person in your organization who needs it, helping everyone make better-informed decisions more quickly.

- **Collaborate:** All individuals and teams connected to a specific business process can easily share and receive vital business information centrally, improving the sharing of business intelligence throughout your organization.

Business Software Designed for Industry Requirements

Microsoft Dynamics adapts to support your company's unique business practices and works with Microsoft Office to improve those processes. With data and functionality from Microsoft Dynamics available through the familiar Microsoft Office applications your people use every day, your company can capture and institutionalize processes that give you a competitive edge in your industry.

- **Manufacturing:** With communication and collaboration tools in Microsoft Office, such as Web portals and presence-enabled applications, your employees can work with customers and suppliers around the world to create innovative products. And with industry- and customer-specific key performance indicators (KPIs) delivered through Microsoft Office, your people will have the information they need to improve operations and reduce costs. In the same way, you can tighten supply chain operations by providing customers and suppliers real-time manufacturing visibility through familiar desktop tools.

- **Distribution:** Tighten deliver times and schedules by integrating specific customer requests into your Microsoft Dynamics solution, then proactively manage operations through real-time reports and alerts. Further strengthen customer relationships and reduce costs through automated data collection, which provides the basis for real-time visibility into operations and can speed fulfillment.

"We are more interactive with the SharePoint Portal environment; we have streamlined paper-based processes with InfoPath, verifying data, reducing manual checks and human error; and we are communicating in real time with Microsoft Live Meeting and Instant Messaging [IM] via Office Communicator. I've got more functionality and paying less!"

Matthew Doyle, Chief Information Officer, McGrath Nicol+Partners

http://www.microsoft.com/casestudies/ casestudy.aspx?casestudyid =100000778

- **Retail:** Microsoft Dynamics provides a suite of applications that meet the multifaceted needs of small and mid-sized retailers, including point-of-sale, merchandising, and ERP systems that can be quickly set up in new stores. With a consistent platform for business management, your head office can improve operations and reduce costs with timely reports on point-of-sale, product performance, and staff performance.

- **Professional Services:** Empower your employees to do more with simplified business operations that rely on integration between your company's business management software, Microsoft Dynamics, and the applications your people use every day in Microsoft Office. Microsoft Dynamics and Microsoft Office work together to give your people access to information and one another when and where they need it, and on any device or browser, so they can quickly respond to customer requests and nurture profitable relationships.

- **Government, Social Services, and Education:** Make your case to funding sources, constituents, and other stakeholders by streamlining operations and providing improved accountability. Microsoft Dynamics brings together financials and case and program management so it is easier to align needs and requests with available budget. Simplified accounting also aids audit preparation and compliance with new and stricter regulations. And with Microsoft Office tools integrated with your systems, your people can more easily share information and perform administrative tasks.

Real-Life Examples of Last Mile of Productivity

To gain a better perspective of the specific benefits delivered by the integration of Microsoft Dynamics and Microsoft Office, let's focus on a few scenarios showing real business processes. Of course, each business and industry has its own unique business processes, and those processes will involve different teams using different pieces of the solution. But many organizations across industries will have similar processes to the ones we are outlining below.

These common processes show how Microsoft Dynamics and Microsoft Office can help to provide a unified, streamlined approach to improving business practices.

Opportunity Management – Taking an Integrated Approach

As head of sales and marketing, Julia needs to be able to put her hands on any aspect of the sales and marketing operations in her company. In addition to pipeline and sales analysis, she needs to be able to troubleshoot on deals, drive new leads, direct marketing campaigns, and see the results of the company's sales and marketing efforts.

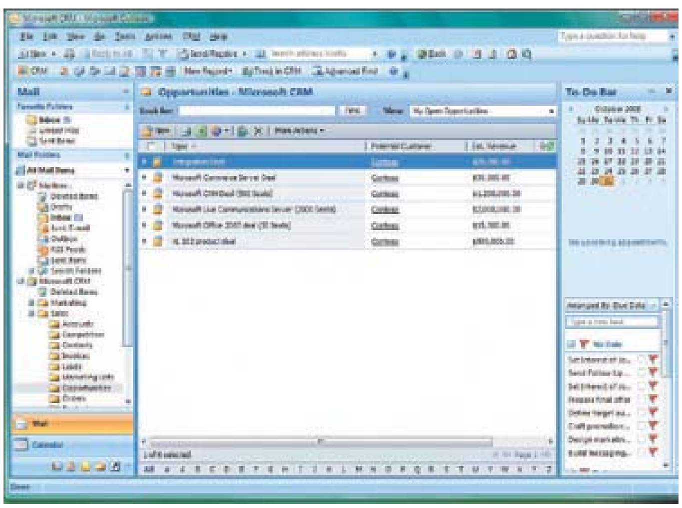
Seeing the Big Picture
At the beginning of each day, Julia can easily see the key measurements she has set up to track daily and weekly sales, as well as sales by product line, using the gadgets for Windows Vista® she has set up on her desktop.

"Microsoft CRM addresses many of the problems of early CRM solutions—they were too expensive, difficult to integrate, and poorly adopted. Microsoft CRM provides great ROI. It's built using [Microsoft] .NET connection software for scalability and interoperability, and its integration with the Microsoft Office System dramatically improves user adoption—we've had customers where user adoption exceeded 90 percent in the first month."

Anthone Withers, Global CRM Solutions Director, Avanade

http://www.microsoft.com/casestudies/casestudy.aspx?casestudyid=1000003684

Analyzing Opportunities
Because Microsoft Dynamics CRM works with Microsoft Outlook, Julia can access all the sales operations and information she needs directly from Office Outlook. Nearing the end of the month, Julia needs to keep a sharp eye on closable leads. She opens Office Outlook, and accesses her Microsoft Dynamics CRM Opportunities page. By building an advanced find to see everything closing this month, including expected close percentages for each deal in the pipeline, Julia is able to see the opportunities sorted by the expected rate to close for each opportunity. She can quickly see which opportunities have a high probability for closing this month, as well as those that may need additional attention.



Troubleshooting Opportunities
Julia opens up an opportunity in trouble, views the history, and sees that there has been no activity in the past two weeks. Using Office Outlook, she quickly schedules a follow-up call between the prospective customer and their account manager, Michael, and makes it due today.

Michael receives the notification on his Windows Mobile® device and calls the prospective customer, schedules a meeting for the next day, and completes the task. Michael changes the close rate for the opportunity to an improved 70 percent score on the forecast.

Sharing Forecasts
Julia now goes back to the opportunity list, exports it to Office Excel, and builds a fast, easy PivotTable with data visualization. Satisfied with the updated forecast, Julia uploads the document to the SharePoint site and shares it with her team.

Marketing Effectiveness – From Lead to Close

Julia has just returned from a tradeshow and needs to record the leads and opportunities she captured. She opens Office Outlook and imports her lead list from the tradeshow, and while doing so imports it into a new Microsoft Dynamics CRM marketing list. To follow up with her new contacts, Julia creates a new e-mail campaign using her marketing list from the tradeshow.

Building a Campaign
Julia adds a task to Nicole's task list to schedule a meeting, using Microsoft Office Live Meeting, with the team to create a targeted, personalized e-mail letter for each of the contacts on the lead list. Nicole, the marketing staffer, sees the new task created by Julia and schedules a live meeting with members of the marketing and creative team. Julia holds the live meeting to discuss content with her team, using Microsoft Office Groove® 2007 to capture meeting notes and content to create the campaign e-mail letter to targeted prospects. Nicole builds the e-mail campaign letter, and launches the e-mail campaign through Microsoft Dynamics CRM.

Qualifying Leads
When customers call in, the in-bound telesales department uses Microsoft Dynamics CRM to capture, track and manage customer requests, buying preferences, and purchase history to qualify the lead. The telesales team qualifies the leads in Microsoft Dynamics CRM and sends actionable leads to the appropriate account manager. Using an InfoPath form, the telesales people record detailed customer information, then the results are published in Microsoft Dynamics CRM using XML.

Closing the Deal
David, an account manager, accesses Microsoft Dynamics CRM on his Windows Mobile device and receives a task on his activity list indicating he needs to follow up with a highly qualified lead. He contacts the customer and closes the deal. David creates an order in Microsoft Dynamics CRM, which automatically creates the order in the company's business management system. With a

streamlined and automated process like this, the company saves time by avoiding duplicate entry and minimizing risks for data entry errors. The order is approved and processed the same day.

Follow Through
The business process creates a phone call activity in Microsoft Dynamics CRM for Lisa, the customer service representative in the area, asking her to follow-up with the customer in three days to ensure satisfaction of the order and delivery service. Lisa calls the customer at the appointed time to ensure proper delivery service and product satisfaction. She records the notes from her conversation to the opportunity record to ensure all information is centrally available.

Campaign Results Reporting
Julia reviews her campaign report from Microsoft Dynamics CRM at the end of the month and builds a Microsoft Office PowerPoint® 2007 presentation justifying tradeshow investments of money and resources by showing how much revenue resulted from the event.

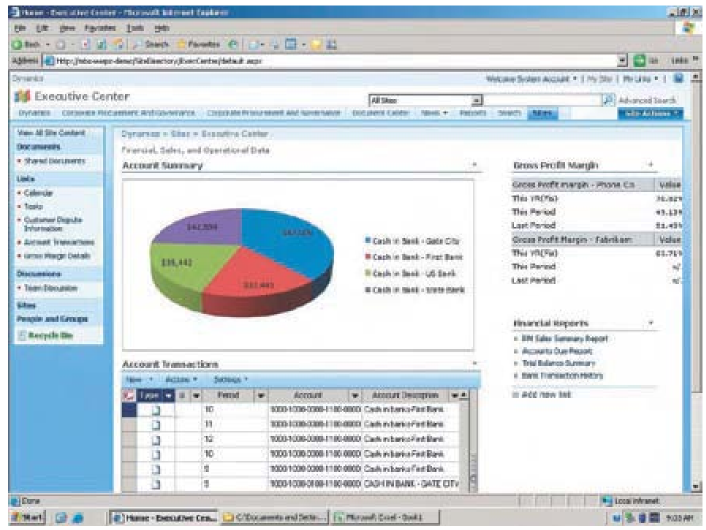
Access to Financial Data Across the Organization

As CFO, Sara develops the financial plan and goals for the company, then constantly monitors performance against them. Others rely on her to assess the financial viability of opportunities. The real-time executive dashboard gives Sara visibility into every department, providing the company data she needs to make better business decisions.

Instead of burning valuable time in meetings or wasting time creating and running endless reports, Sara uses her executive dashboard to monitor the company's key performance indicators (KPIs). She can quickly see her company's real-time financial position, cash position, expenses by period, gross profit and gross profit margin. This helps Sara quickly spot trends and current or potential problem areas and helps her make better decisions and better investments which will help grow her organization intelligently.

Sara's executive dashboard is set up the way she wants to run her company. In addition to news feeds from external services, Sara can see the financial comparisons she needs, and can drill down directly from her dashboard with confidence.

Sara prefers to see data in a graphical format. On the financials page, she can use the charts to view overall customer balances, general ledger cash account balances, and payables and receivables KPIs.



"Ready to spend time capitalizing on business opportunities and less time reconciling ledgers."

"With Microsoft Dynamics, we're providing employees with an abundance of information, right at their fingertips. With unending capabilities to integrate applications and share information through the portal, there's nothing preventing this solution from eventually evolving into the USO's intranet."

Bruce Townsend, Vice President of Finance, USO

http://www.microsoft.com/casestudies/casestudy.aspx?casestudyid=48389

It's also important for Sara to understand how the organization is performing against budget. She can easily select any account within the account list, which automatically updates the related web parts and charts based on the account balance and budgeted amounts.

Access to Financial Reports
In addition to the snapshot KPIs, Sara also has the ability to review the detailed financial statements published by her team to SharePoint, which are accessible by all executives and board members through their role-based portal pages. Everyone has access to the specific information they need to make informed, intelligent decisions.

Collecting the Details
Sara's company is working to bring expenses in line with revenue forecast, and one area that has been targeted is the new plant expansion. Sara wants to review all the relevant details, so she searches from within the portal to review the recent e-mails, best practices and process documents relating to this decision. Because she has the ability to analyze the issue from several angles all within the portal, Sara has the details she needs for her upcoming meeting with the CEO.

Managing the Budgeting Process
As CFO, a major aspect of Sara's job is the annual budgeting process. Microsoft Dynamics makes it easy to build a baseline budget by copying the current–year data into the new budget template and export it to Office Excel. After verifying users and permissions, Sara can attach the Office Excel-based budget to an e-mail and send it to each budget manager, along with instructions for completion. When each budget manager has completed their portion of the budget, they can send it back to Sara who will work with her budgeting staff and senior management to ensure all budgeting decisions are made in alignment with corporate objectives. Once complete, the approved budget can be imported from Office Excel into a Microsoft Dynamics solution, to serve as the foundation for the following year's financial measurements.

Expense Report Notification and Approval
Sara's finance team has returned from a conference and three of her direct reports have submitted their expense reports through the portal. Sara receives an e-mail notification that she has an expense report to review, and is easily able to call up each expense report, review them and approve.

Optimizing Supply Chain Performance

Understanding key metrics in the supply chain enables Vince to make operational decisions to help meet the company's key financial metrics. There are efficiencies to be made at every end of his supply network—from the day-to-day order entry and inventory management by his staff to the vendor collaboration and performance management he performs as well as the business insight he needs to ensure optimum performance.

None of us work in isolation. Take any role in any organization. It is practically a guarantee that you are interacting with others in your organization and team, or perhaps with vendors, customers and distributors. A lot of this interaction is happening in the context of business processes, such as following up on an order, following up on a change order on a particular part or responding to a customer inquiry. These are the kinds of business process exceptions that we handle on a day-to-day basis. The idea that software should support your exception handling is something that business applications have dealt with from day one. However, this is where, in fact, a lot of the productivity problems also arise.

"Generally speaking, our productivity has increased simply because the Microsoft product interface is so much easier to understand than our old system. The ability Microsoft Dynamics gives us to drill down and instantly access the information we need is invaluable. Employees in manufacturing and project management have realized the greatest increases in productivity, working up to 50 percent faster."

Robin Ash, Controller, Intelligent, Automation Corporation

http://www.microsoft.com/casestudies/casestudy.aspx?casestudyid=48389

It is not possible for us to say that we will completely automate all of these exceptions because by definition you typically need human intelligence to be able to handle them. The idea that we can take the system-to-system, system-to-person and person-to-person communication and collaborations and orchestrate them to help you manage the exceptions—which is really the reason why you have people doing productive work in the first place—is central to what Microsoft is doing with business management systems like Microsoft Dynamics.

Most business processes are not linear. The person who starts working with an order is not the same person who ends working with an order. Throughout that process we need to deal with exceptions; in doing so, we need to collaborate through person-to-person collaboration, machine-to-machine collaboration, or person-to-machine collaboration. To be able to collaborate, we need to take data out of our ERP applications, like Microsoft Dynamics, and get it into productivity applications like the Microsoft Office system. For example, consider the following scenario and see how integrated business process and productivity solutions can improve responsiveness associated with time sensitive business processes.

Using Business Insight To Improve Exception Handling
Vince is an operations manager for a mid-sized cut-flower wholesaler. They are the third largest wholesaler in Western Europe and source flowers from all over Europe and the world, and have built up a reputation of delivering quality cut flowers to their retailers in record times. Often the lead time between growers and retails is two days so that their flowers are as fresh as possible when they finally make it to the end customer.

Since he works in a mid-sized company, Vince is often involved in the day-to-day running of the business to deal with issues and resolve problems. Vince's company is in the process of importing a wild flower that grows in Northern Africa into the United Kingdom for a boutique flower arrangements company that supplies the Houses of Parliament and other Royal establishments in London. This is a new customer and a very important one because if this trial shipment goes well then they expect to get a great deal of regular repeat business form this customer year-round.

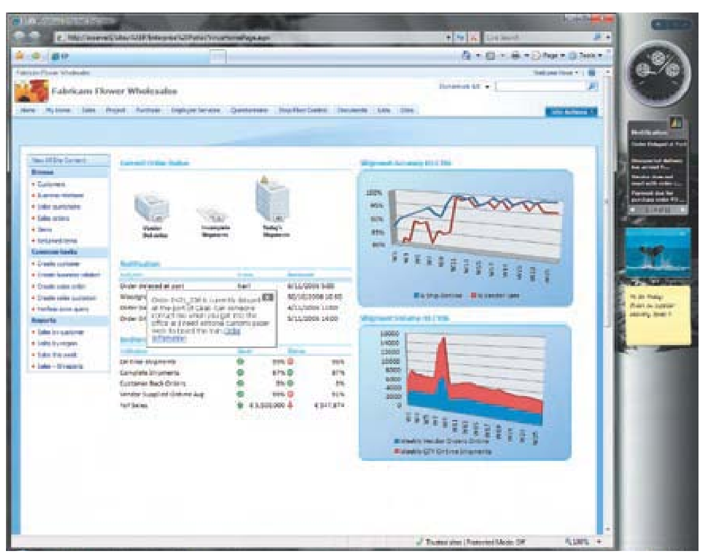
But today there is a problem. Vince has received notification that the truck is currently sitting in Calais but can't board the Chunnel train to the United Kingdom without the required U.K. Customs import paperwork—

"Ready to ship with 100% fill rate vs. handling an irate customer."

documents that should have been sent directly to the U.K. Customs before the truck arrived. This is a time-critical issue because if Vince can't get the relevant documentation to the U.K. Customs officials in time for the truck to board the train, he risks losing the new customer and potentially the inventory of fresh-cut flowers. Let's see how a solution that bridges business process software and personal productivity software can help resolve the situation.

Notification and Access to Information
Vince is coming in to work on early Monday morning and sees an e-mail notification on his desktop. Upon viewing, he can see that an order is delayed at the port, and he can see such information as the order number and where it is actually delayed. This takes him to his portal, which is generally Vince's "home page" when he is in the office. He can see issues he is tracking, such as vendor delivery (where he can see on scorecards that vendors are not supplying). For example, he might see that, based on order volume, the reliability of vendors is actually declining.

Because of the time-sensitive nature of floral delivery, Vince's company has implemented a sophisticated tracking system that uses a tablet PC connected over a satellite connection to the Internet which provides real-time ability to manage deliveries. Using Microsoft Office Communicator, Vince communicates with the stalled driver to determine the current situation. The driver responds that he is missing the proper customs paperwork



and asks whether Vince can fax the required form to the officials at the border. Vince believes they've used a form like this before, so from his portal, he uses the search capability to identify documents within Microsoft Dynamics (his company's business management system) and documents that are stored in his portal that are related to this topic. Seeing that his company has filled out this paperwork previously, Vince populates the required form using Microsoft Office Word and data from within his business management system, eliminating the need to shuffle through paper forms or manually enter the required company and shipment information. Using the Internet fax capabilities of his system, he sends the proper documentation to the customs office and has assurance that the issue has been resolved.

Later on, Vince receives an alert, generated from Microsoft Dynamics, that the shipment has been delivered and the order has been processed.

Microsoft Delivers the Last Mile of Productivity

Microsoft brings business management and productivity software into an integrated solution that helps everyone in your business work more productively. With Microsoft, you can be confident that your investment will enable you to drive your business forward immediately and accommodate changes as your business grows.

- With Microsoft technology, you can get your people up and running quickly and easily, helping reduce training and development time, so you see an immediate ROI.
- Microsoft Dynamics and Microsoft partners help your company support unique industry requirements.
- Streamlined deployment methodology makes it easy to get up and running.
- Interoperability of Microsoft technologies and solutions helps mitigate the risk of ongoing integration costs and maximizes your overall investment in Microsoft technology.

Solutions for Driving Business Process Productivity

Microsoft Dynamics™ is a line of integrated, adaptable business management solutions for automating and streamlining financial, customer relationship and supply chain processes. Designed to give users a consistent, familiar look and feel similar to the Microsoft® Office system, Microsoft Dynamics empowers your people to get up and running quickly, focus on critical business issues, and support unique industry requirements. Delivered through an extensive network of industry-expert partners, Microsoft Dynamics brings together people, processes and technologies, helping increase the productivity and effectiveness of your business, and helping you drive business success.

Microsoft Office SharePoint Server 2007
For collaboration and information sharing needs, Microsoft Office SharePoint® Server 2007 provides enterprise-scale capabilities to meet business-critical needs like managing content and business processes, simplifying how people find and share information across boundaries, and enabling better informed decisions. Used with business process software like Microsoft Dynamics to create business portals and collaborative workspaces, Office SharePoint Server 2007 puts business users in greater control of their content such as a real-time version of current business performance and metrics, while providing IT administrators with a single platform to manage intranet, extranet, and Internet applications across the organization.

http://office.microsoft.com/en-us/sharepointserver/FX100492001033.aspx

Microsoft Office Professional Plus 2007
Microsoft Office Professional Plus 2007 can help you and your organization work more efficiently and effectively with a set of powerful tools that includes electronic forms creation, presence, and instant messaging for creating, managing, analyzing, and sharing information. The newly redesigned user interface makes Office Professional Plus 2007 easier to use, and the new graphics capabilities makes creating great-looking, high-impact documents easy. The Microsoft Office system includes Microsoft Office Word, Microsoft Office Excel®, Microsoft Office Outlook®, Microsoft Office PowerPoint®, Microsoft Office Access®, Microsoft Office Communicator, Microsoft Office InfoPath®, and Microsoft Office Publisher.

"Microsoft CRM lets us track e-mail exchanges with customers in the contact file, where we can retrieve them with a single click. We are capturing 60 percent more information and communications than we used to, and it's making a huge difference in our understanding of opportunities and conducting business effectively."

Lee Green, Vice President of Marketing, VL Systems

http://www.microsoft.com/casestudies/casestudy.aspx?casestudyid=10000069 http://office.microsoft.com/en-us/suites/FX101674101033.aspx

Microsoft Office Business Applications
Office Business Applications are a new class of business applications that let your people more easily access data from and take action on data from line-of-business systems. Office Business Applications combine the Microsoft Office system with line-of-business applications and processes including Microsoft Dynamics. Microsoft offers easy-to-learn tools to help IT professionals take advantage of the Microsoft Office system as an extensible platform for application development.

http://www.microsoft.com/oba

Windows Mobile
Windows Mobile® software powers advanced, easy-to-use devices that allow you to send and receive e-mail, browse the Internet, and work on mobile versions of the Microsoft Office system. Business users can easily stay abreast of customer activity and keep up-to-date on timely information through mobile versions of key line-of-business applications such as Microsoft Dynamics CRM. How, when, and where you work is entirely up to you.

http://www.microsoft.com/windowsmobile

Microsoft BizTalk Server 2006 R2
Microsoft BizTalk® Server 2006 R2 enables companies to create effective business processes that unite separate systems into a coherent whole - connecting systems, data, processes and people. BizTalk extends Microsoft Dynamics processes beyond the application, and can increase customer ROI by enhancing/streamlining key end to end business processes, such as order to cash. In addition, BizTalk Server 2006 includes two application and technology adapters in the box for connecting to legacy systems (mainframe and mid-range) and line-of-business applications (SAP, Siebel, PeopleSoft, Oracle, and JD Edwards) to support hub and spoke scenarios. BizTalk's complete suite of adapters provides rich integration connectivity tuned for specific needs at a low price point, offering better value than "do it yourself" integration.

http://www.microsoft.com/biztalk/default.mspx

Conclusion

As you evaluate your business management solution options, think about the tools you need to provide every employee in your company so they can do their jobs more effectively. It may seem that some software applications have been developed for an ideal world, where tasks are neatly separated and people are always at their desks and connected to the network. In the real world, systems need to work together, and people need to access the latest data through different applications, even when they are away from their offices. People need to work together from different locations across the globe.

Bring the two most powerful information systems in your business—together more intuitively and more completely than ever before. Microsoft Dynamics and the Microsoft Office system work together in new ways to help workers reach the information and people they need—to be productive and deliver excellent customer service. The integration of ERP, SCM, and CRM systems across your organization combined with the capabilities of Microsoft collaboration, messaging, mobile, and server products offers a solution to inefficient business management processes—so you can give your people the tools they need to succeed in the real world.

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