

6 Ways Partners Build Sustainable Profitability with Microsoft Dynamics 365

STRATOS
Cloud Alliance





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As more organizations recognize the benefits of the cloud, the opportunities for technology partners continue to expand. Your customers are ready to build on Office 365, to take advantage of the connected systems, workflows and data insight Microsoft business solutions offer.

Microsoft Dynamics 365 offers incredible opportunities for partners to build long-term, sustainable profits through subscription revenue growth and value-added services. By starting now, you can support all of your customer's core business technology needs—whether you have Dynamics 365 consultants on staff or not.

In this eBook, we show you how to join the forward-thinking partners who are taking advantage of the Microsoft Dynamics 365 opportunity to build profits. Taking unique paths through service delivery, application development and solution specialization, partners are building high-margin cloud businesses that deliver ongoing value to customers. Read on to start your journey.

Contents

1. Deliver the cloud solutions customers want
2. Maximize resource utilization
3. Minimize capital investments
4. Achieve higher margins
5. Offer repeatable, profitable solutions
6. Determine *your* Dynamics journey now



1. Deliver the cloud solutions customers want

The cloud has finally reached the tipping point, with Gartner predicting the market size and growth of **the cloud services industry to be nearly three times greater than the growth of overall IT services**. That statistic should be a wake-up call for every partner.

Not only do customers want cloud-based business management solutions, they want modern, modular apps that work seamlessly together and with their existing systems. Microsoft Dynamics 365 is uniquely positioned, natively connected to Office 365 and supported by a rich ecosystem of specialized applications.

By representing the full range of business and data management solutions—whether you provide the supporting services or decide to partner—you can extend and strengthen your customer relationships.



DEEPEN CUSTOMER RELATIONSHIPS

At the core of the Microsoft Cloud platform, Dynamics 365 supports your customer's unique and complicated business problems. Move from IT supplier to trusted business partner.



CUSTOMER RETENTION

Working with customers in their core business management functions provides a “stickier” relationship leading to more revenue potential. Customers will look to you for advice as they grow their business.



SOLUTION SPECIALIZATION

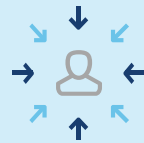
Business buyers want to work with partners who know their industry. Microsoft Dynamics 365 provides a rich foundation to create apps and services that service targeted customer groups.



2. Maximize resource utilization

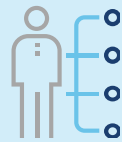
Microsoft Dynamics 365 requires a different set of skills than traditional IT implementations—requiring more business process and data analytics expertise. Hiring and training current employees with these skillsets takes time and investment.

There are multiple paths to provide supporting services for Dynamics 365 while building expertise. **Working with a current Dynamics partner, either short or long term, gives you the flexibility to assign your resources where they deliver the most value.**



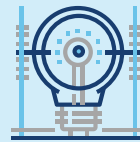
MAINTAIN CURRENT CUSTOMER BASE

Your current business is not going to change overnight. Microsoft Dynamics can be an additive product line that only some of your customers adopt. Retaining focus on your current customer base provides continuity for employees and customers—as well as revenue.



GIVE EMPLOYEES PROFESSIONAL OPTIONS

Dynamics 365 provides a way to offer more professional paths for your employees. Those employees who want to develop new skills can apply business analysis, data analytics, machine learning and AI skills to your growing Dynamics practice.



DEFINE AND BUILD SPECIALIZATION

Dynamics 365 also provides the opportunity to apply industry and functional expertise across a broader set of business operations. You can leverage the experience of your employees to develop industry or line-of-business specializations.

3. Minimize capital investments

Microsoft’s requirements for direct CSPs (Cloud Solution Providers) as well as partner certifications continue to increase, requiring significant up-front and ongoing investments.

Money on teams of support and administrative personnel divert investments from your current business operations and billable resources.

For most partners, the big upfront investment—paid back over time through subscription annuity—isn’t realistic. Working through an Indirect CSP and/or partnering allows you to take a measured approach to building your Dynamics practice. Begin now without the big investment to give your revenue time to build and justify more commitment.



BUILD REVENUE

By offering Dynamics 365 to current customers while partnering on services, you can build the recurring revenue to justify training employees and earning certifications.



GAIN EFFICIENCIES

Efficiency is critical to retain profitability when expanding your cloud services. You can leverage the expertise of an established partner to help you build best practices quickly



BALANCE GROWTH

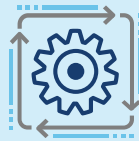
As recurring revenue streams grow, you can take on additional personnel as needed. Balance your investment in growing the Dynamics 365 practice without taking away from your current business.



4. Achieve higher margins

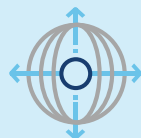
Dynamics 365 opens up a world of higher margin service lines, from business process consulting to data analytics to marketable IP. **Your organization can choose the strategy that works best for your unique set of skills and expertise to build a profitable Dynamics 365-based business.**

In addition to productivity improvements, Dynamics 365 supports new business models and revenue opportunities for your customers. By delivering these transformational business benefits to them, higher billable rates are fully justified. Working with an experienced Dynamics partner can help you prepare your team to deliver those services.



STANDARDIZE PROCESSES

To maintain profitable service delivery, you will need standardized processes that are repeatable and scalable. There are established processes for Dynamics implementations and support that will help your team develop their own best practices.



SPECIALIZE

Having a specialization, whether by industry or functional department, provides differentiation that optimizes your value and builds your competitive advantage. You can leverage your internal expertise or use other partner-developed solutions.



DEVELOP IP

Developing IP provides additional ways to increase margins and add revenue streams. Create solutions that differentiate your service offering or develop marketable solutions to sell through Microsoft's AppSource marketplace.

5. Offer repeatable, profitable solutions

To stand out in a crowded field, it's critical to differentiate your service offerings. **For many partners, this means packaging solutions with IP to demonstrate clear value to a well-defined target market.** A repeatable solution—whether you develop the IP or use ISV solutions—should solve a common customer pain with a defined set of applications and services.

Partners take multiple paths with packaged solutions. Some focus on an industry specialization, providing solutions to challenges for a defined market—like healthcare or retail. Through functional specialization, partners address a business problem that impacts many types of organizations—like accounts payable automation or project management.



INCREASE MARGINS

Packaged solutions elevate customer discussions beyond price and support higher-margin service delivery. The repeatable processes enable employees to deliver consistent results efficiently.



ADD-ON SOLUTIONS

There are a wide range of add-on or ISV solutions and accelerators that have been developed by partners. These solutions can provide the foundation for a packaged offering to accelerate entry into a market.



INTELLIGENT TECHNOLOGY

The growing interest in AI and IoT provides opportunity with embedded intelligent technology for products and services. You can leverage Microsoft's Azure services to help customers use data as a strategic asset.



6. Determine *your* Dynamics journey now

You don't have to go it alone. Since Dynamics requires a broader range of skillsets than the traditional IT partner possesses, it is important to work with partners with deep solution experience. You may need assistance as you build expertise or to deliver services that don't fit with your current business model. The key to success is to define what you want your practice to look like in the future and then choose the path and partner who can help support you in achieving your revenue and business goals.

Each partner organization embarks on this Microsoft Cloud journey from a different starting point. Determine what you need to grow your Microsoft Cloud business so that you can offer these solutions "now" and start building your revenue today.

There are several common partner scenarios. Determine where you fit.



NO INTEREST IN BUSINESS APPLICATIONS

- No plans to build your own Dynamics 365 practice, but have customers interested
- Aim to increase cloud revenue without having to add additional headcount and resources



NO BUSINESS APPLICATIONS EXPERTISE; EVALUATING INTEREST

- Have existing base of clients
- Increased customer interest in Business Applications
- Interested in leveraging partner programs to assist in closing sales now while skilling up



ALL-IN WITH BUSINESS APPLICATIONS

- Ready to build a Microsoft Business Applications practice
- Need to leverage partner enablement programs to ramp up
- Capacity to quickly increase annual CSP profitability by consolidating licensing

A partner you can trust to help build your Dynamics 365 practice

Stratos Cloud Alliance (SCA) provides all the services a partner needs to build a profitable cloud solutions business with Microsoft Dynamics 365. SCA facilitates a seamless transition for partners with little upfront cost, offering infrastructure, training, sales enablement and e-commerce resources to Dynamics software and services providers.

Your business, your pace, your opportunity

Whether you're already a Dynamics VAR, a Managed Service/IT Provider, an Accountant or sell non-Microsoft ERP or CRM systems, we're here as a trusted advisor to support your digital transformation and help you capitalize on the exploding market for Microsoft Cloud Business Solutions.

SCA was created specifically to enable you to expand your cloud services at the pace and investment level that is right for you. SCA can handle the platform, bidding, licensing, contracts, selling and customer support or any portion you need to take advantage of the cloud opportunity.

The SCA program is built and managed by Velosio, one of the largest Microsoft partners in North America. Supporting the entire Microsoft Dynamics portfolio, Office 365 family and Azure services, Velosio is perennially recognized as Top 1% of Microsoft partners worldwide. With 30 years' experience, the company serves 4,000 customers, evidenced by a 95% customer retention rate.

No matter your path, we are ready to partner with you in building a profitable cloud practice with Microsoft Dynamics 365. Contact us today to learn how to get started.



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Stratos Cloud by the numbers



4
partner growth
models



+30
years experience



Only 1
CSP specializing
in Dynamics 365