ERPFOCUS

DYNAMICS 365 FINANCE EXTENDED PROFILE

Microsoft Dynamics 365

OVERVIEW

Microsoft Dynamics 365 Finance (formerly Dynamics AX) is a robust ERP and CRM SaaS solution designed to meet the

needs of mid-sized and large enterprises.

Integrating the core functionalities of Dynamics AX and Dynamics CRM, this suite offers specialized modules for Finance and Operations, Sales Enterprise, Marketing, Customer Service, Field Service, and Project Service Automation.

It seamlessly connects with Office 365 and Power BI for enhanced data accessibility, collaboration, and business intelligence, making it a comprehensive solution for managing complex enterprise processes across various industries, including:

- Financial services
- Manufacturing
- Retail and other service sectors

PRODUCT EVOLUTION TIMELINE

You'd be forgiven for not keeping up with Dynamics 365 Finance's journey from its early origins as IBM Axapta in 1998 to its latest format.

Here is a timeline of key milestones:

1. **IBM Axapta (1998):** Originally developed through a partnership between IBM and Damgaard Data, Axapta was a digital accounting solution for small businesses, laying the foundation for what would become an advanced ERP system.
2. **Axapta 2.5 (2000)**: After the merger of Damgaard and Navision Software, Axapta 2.5 introduced new features like an updated Project Module and new Banking Module.
3. **Microsoft Axapta 3.0 (2002):** Microsoft acquired NavisionDamgaard, rebranding Axapta as Microsoft Dynamics AX. This release brought support for 17 countries, enhanced security, and an updated licensing model, expanding its functionality and reach.
4. **Microsoft Dynamics AX 4.0 (2006):** Under the Microsoft Dynamics suite, AX 4.0 added a Service Management module, a responsive user interface, and Active Directory (AD) authentication, positioning it as a comprehensive ERP solution for enterprises.
5. **Microsoft Dynamics AX 2009 (2008):** This update focused on reducing operational costs, improving data-driven decision-making, and adding global location support for managing international operations.
6. **Microsoft Dynamics AX 2012 (2011):** Released in over 30 countries and supporting 25 languages, AX 2012 was tailored for medium and large businesses with options for cloud and on-premises deployments.
7. **Microsoft Dynamics 365 AX7 (2016):** With a browser-based user interface and flexible cloud deployment, AX7 set a new standard, initially rebranded as Dynamics 365 for Operations and later renamed Dynamics 365 for Finance and Operations.
8. **Microsoft Dynamics 365 for Finance and Operations (2017):** Integrated into the Dynamics 365 suite, this version offered ERP and CRM functionality in a single platform with cloud, on-premises, and hybrid deployment options, supported by AI, business intelligence, and financial intelligence.
9. **Microsoft Dynamics 365 Finance and Supply Chain Management (2020):** The most recent rebranding split the product into Dynamics 365 Finance (financial management) and Dynamics 365 Supply Chain Management (operational logistics), allowing businesses to adopt targeted ERP solutions.

INTEGRATION WITH THE MICROSOFT ECOSYSTEM

As a central component of the Dynamics 365 suite, Dynamics 365 Finance integrates with Office 365 and Power BI for a unified experience, allowing real-time data analytics, productivity tools, and reporting within the Microsoft ecosystem.

Additionally, it connects with Power Apps and Power Automate to support workflow automation and custom applications.

LICENSING AND DEPLOYMENT OPTIONS

Dynamics 365 Finance offers flexible licensing, distinguishing between ‘full’ and ‘light’ users based on their access needs, allowing organizations to tailor user roles and pricing. Companies can implement Dynamics 365 Finance as a standalone app or as part of a customized Dynamics 365 plan, with **rapid deployment options** (5–10 days) available depending on data migration requirements.

FAQS

WHAT IS MICROSOFT DYNAMICS 365 FINANCE USED FOR?

Microsoft Dynamics 365 Finance aids businesses in financial management through invoicing, payments, and financial statement preparation. It helps project and monitor cash flow, predict customer payments, and create accurate budgets.

Additionally, it provides analytics for decision-making, manages inventory and supply chain, handles tax compliance, and supports global business scaling while reducing operational costs.

WHAT IS THE DIFFERENCE BETWEEN DYNAMICS 365 FINANCE AND AX?

Dynamics 365 Finance is an evolution of Microsoft Dynamics AX with enhanced cloud deployment, a modular structure, integration with Office 365, and features like AI-powered analytics.

WHAT IS D365 F&O CALLED NOW?

Since 2020, Dynamics 365 for Finance and Operations has been split into two distinct applications: Dynamics 365 Finance and Dynamics 365 Supply Chain Management.

This separation allows for more specialized solutions tailored to finance and operations to operate independently.

IS DYNAMICS 365 FINANCE THE SAME AS BUSINESS CENTRAL?

No, Dynamics 365 Finance and Dynamics 365 Business Central are distinct solutions within the Dynamics suite.

D365 Finance is tailored for larger enterprises needing comprehensive financial and operational capabilities, whereas Business Central is designed for small to medium-sized businesses, offering a more simplified ERP solution that covers essential business needs without the extensive customization options of Dynamics 365 Finance.

Microsoft Dynamics® 365

SOFTWARE SPECIFICATION

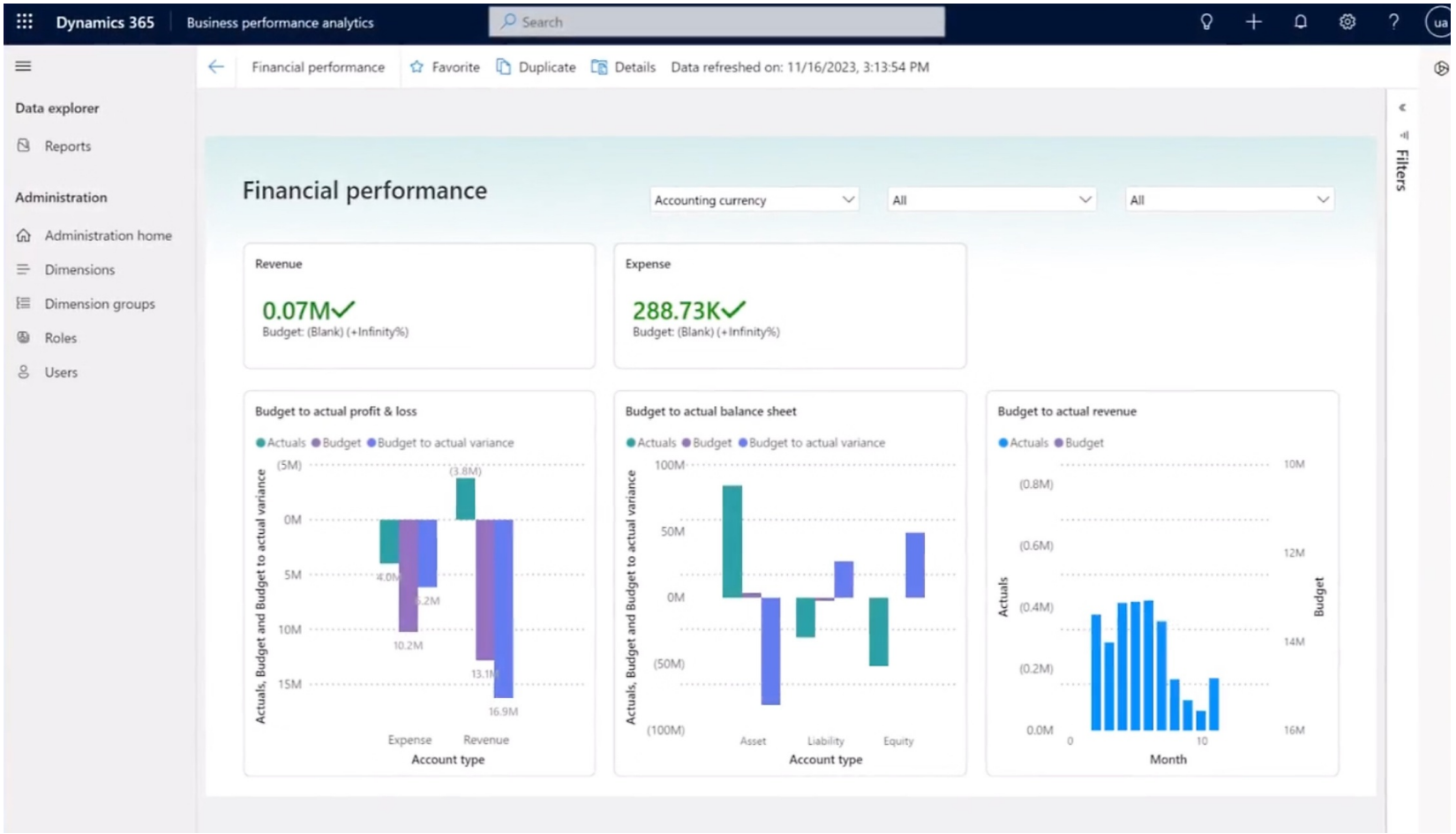
OVERVIEW	
PRODUCT NAME	Dynamics 365 Finance
BUSINESS SECTORS	
DISTRIBUTION	✓
GOVERNMENT & NPO	✗
MANUFACTURING	✓
RETAIL	✓
SERVICES	✓
INDUSTRY	
AEROSPACE & DEFENSE	✓
AUTOMOTIVE	✓
CHEMICAL	✓
CONSTRUCTION	✓
COSMETICS	✓
ELECTRONICS	✓
ENERGY/POWER/UTILITIES	✗
ENGINEERING	✓
FASHION	✓
FINANCIAL SERVICES	✗
FOOD & BEVERAGE	✓

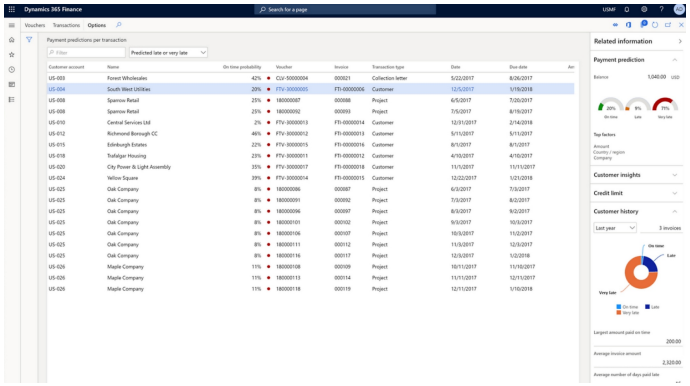
LOCAL GOVERNMENT	✓
MEDIA	✓
MEDICAL & HEALTHCARE	✓
METALWORKING	✓
OILFIELD	✓
PACKAGING	✓
PAINT & ADHESIVES	✓
PHARMACEUTICAL	✓
PLASTICS & RUBBER	✓
PRINT & DESIGN	✓
RENTAL	✓
TELECOMMUNICATIONS	✓
WOODWORKING	✓
CANNABIS	✗
EDUCATION	✗
NONPROFIT	✗
ERP SOFTWARE FEATURES	
BILLING	✓
BUSINESS INTELLIGENCE/ANALYTICS	✓
COSTING	✓
CRM	✗
CUSTOMER SERVICE	✗
PRODUCT DESIGN	✗
FINANCIALS & ACCOUNTING	✓
HR	✓

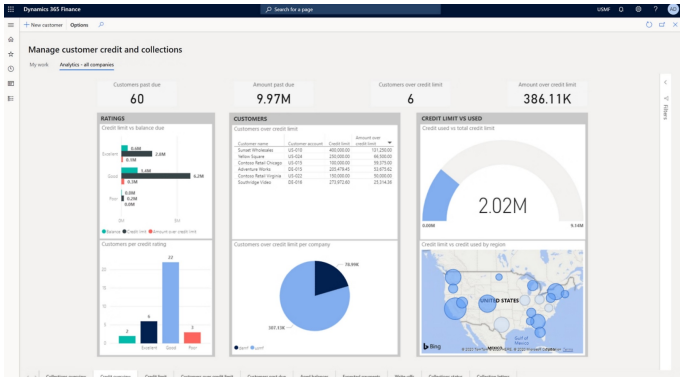
INVENTORY MANAGEMENT	✓
ORDER MANAGEMENT	✓
PLANNING & SCHEDULING	✓
PROJECT MANAGEMENT	✓
PURCHASING	✓
QUALITY CONTROL	✓
SALES	✓
SHIPPING & DISTRIBUTION	✓
SUPPLY CHAIN MANAGEMENT	✓
WAREHOUSE MANAGEMENT	✓
ASSET MANAGEMENT	✓
DOCUMENT MANAGEMENT	✗
CUSTOMER SUITABILITY	
ENTERPRISE (1000+ EMPLOYEES)	✗
MEDIUM SIZE (251-1000 EMPLOYEES)	✓
SMALL BUSINESS (1-250 EMPLOYEES)	✓
ADDITIONAL PRODUCT INFO	
MULTI LANGUAGE	✓
MULTI CURRENCY	✓
CUSTOMIZABLE	✓
SYSTEM HOSTING	
CLOUD	✓
INSTALLED ON PREMISE	✓
FURTHER INFORMATION	

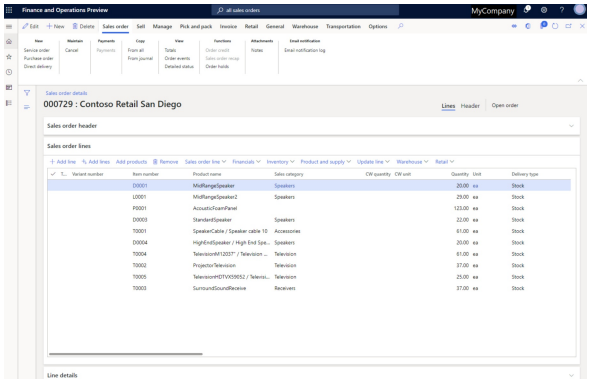
Microsoft Dynamics® 365

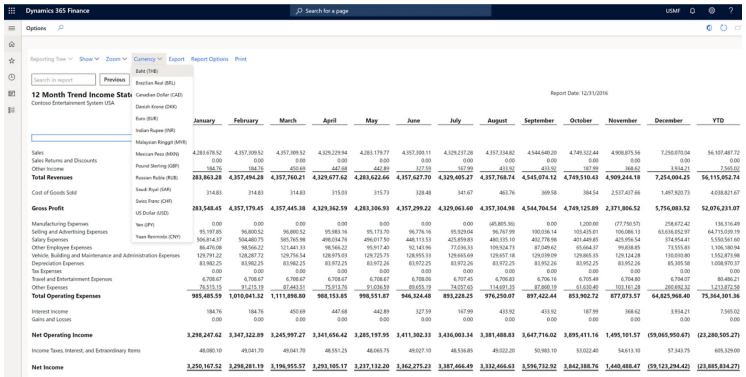
SOFTWARE SCREENSHOTS











	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Sales	4,283,678.52	4,357,309.52	4,357,309.52	4,329,229.94	4,283,179.77	4,357,310.11	4,329,237.28	4,357,334.82	4,544,640.20	4,749,322.44	4,908,875.56	7,250,070.04	56,107,467.72
Sales Returns and Discounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Income	184.76	184.76	450.69	447.68	442.89	327.59	167.99	433.92	433.92	187.99	368.62	3,934.21	7,565.02
Total Revenues	**4,283,863.28**	**4,357,494.28**	**4,357,760.21**	**4,329,677.62**	**4,283,622.66**	**4,357,637.70**	**4,329,405.27**	**4,357,768.74**	**4,545,074.12**	**4,749,510.43**	**4,909,244.18**	**7,254,004.25**	**56,115,032.74**
Cost of Goods Sold	314.83	314.83	314.83	315.03	315.73	328.48	341.67	463.76	369.58	384.54	2,537,437.66	1,497,920.73	4,038,821.67
Gross Profit	**283,548.45**	**4,357,179.45**	**4,357,445.38**	**4,329,362.59**	**4,283,306.93**	**4,357,299.22**	**4,329,063.60**	**4,357,304.98**	**4,544,704.54**	**4,749,125.89**	**2,371,806.52**	**5,756,083.52**	**52,076,231.07**
Manufacturing Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(45,805.36)	0.00	1,200.00	(77,750.57)	258,672.42	136,316.49
Selling and Advertising Expenses	95,197.85	96,800.52	96,800.52	95,983.16	95,173.70	96,778.16	95,929.04	96,767.99	100,036.14	103,435.01	106,086.13	63,616,052.97	64,715,039.19
Salary Expenses	506,814.37	534,480.75	585,765.98	498,034.76	496,017.50	448,113.53	425,859.83	480,335.10	402,778.98	401,449.85	425,956.54	374,954.41	5,550,561.60
Other Employee Expenses	86,476.08	98,566.22	121,441.33	98,566.22	95,917.40	92,143.96	77,036.33	109,924.73	87,049.62	65,664.37	99,838.85	73,555.83	1,106,180.94
Vehicle, Building and Maintenance and Administration Expenses	129,791.22	128,287.72	129,756.54	128,975.03	129,725.75	128,955.33	128,665.69	129,657.18	129,039.09	129,865.35	129,124.28	130,030.80	1,552,873.98
Depreciation Expenses	83,982.25	83,982.25	83,982.25	83,972.25	83,972.25	83,972.25	83,972.25	83,972.25	83,952.25	83,952.25	83,952.25	85,305.58	1,008,970.37
Tax Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Travel and Entertainment Expenses	6,708.67	6,708.67	6,708.67	6,708.67	6,708.67	6,708.66	6,707.45	6,706.83	6,706.16	6,705.49	6,704.80	6,704.07	80,486.21
Other Expenses	76,515.15	91,215.19	87,440.51	75,913.76	91,036.59	89,655.19	74,057.65	114,691.35	87,860.19	61,630.40	103,161.28	260,692.32	1,213,872.56
Total Operating Expenses	**985,485.59**	**1,010,041.32**	**1,111,890.80**	**988,153.85**	**998,551.87**	**946,324.48**	**893,228.25**	**976,250.07**	**897,422.44**	**853,902.72**	**877,073.57**	**64,825,968.40**	**75,364,301.36**
Interest Income	184.76	184.76	450.69	447.68	442.89	327.59	167.99	433.92	433.92	187.99	368.62	3,934.21	7,565.02
Gains and Losses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Operating Income	**3,298,247.62**	**3,347,322.89**	**3,245,997.27**	**3,341,656.42**	**3,285,197.95**	**3,411,302.33**	**3,436,003.34**	**3,381,488.83**	**3,647,716.02**	**3,895,411.16**	**1,495,101.57**	**(59,065,950.67)**	**(23,280,505.27)**
Income Taxes, Interest, and Extraordinary Items	48,080.10	49,041.70	49,041.70	48,551.25	48,065.75	49,027.10	48,536.85	49,022.20	50,983.10	53,022.40	54,613.10	57,343.75	605,329.00
Net Income	**3,250,167.52**	**3,298,281.19**	**3,196,955.57**	**3,293,105.17**	**3,237,132.20**	**3,362,275.23**	**3,387,466.49**	**3,332,466.63**	**3,596,732.92**	**3,842,388.76**	**1,440,488.47**	**(59,123,294.42)**	**(23,885,834.27)**