

A Forrester Total Economic Impact™
Study Commissioned By Microsoft
January 2020

The Total Economic Impact™ Of Microsoft Dynamics 365 Sales

Business Benefits And Cost Savings
Enabled By Dynamics 365 Sales

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Sellers closed **three more deals** per year



Sellers saved **83 hours** per year



Sales managers saved **127 hours** per year

“[Dynamics 365] is providing efficiency, productivity gains, and helping us provide a better service for our clients — **it helps us fulfill our promises.**”

*CRM manager,
real estate*

Executive Summary

Microsoft Dynamics 365 Sales is a CRM solution that aims to help sellers build stronger relationships with customers, improve productivity, and win more deals. Microsoft commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Dynamics 365 Sales. This study provides a framework for readers to evaluate the potential financial impact of Dynamics 365 Sales on their organizations.

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed eight Dynamics 365 customers who replaced a range of homegrown and vendor solutions deployed on-premises, hosted in the cloud, or delivered as a service. These customers previously faced excessive labor, hardware, and licensing costs while also struggling with limited features, poor user experiences, a lack of data, and risky privacy and security safeguards.

Interviewed customers turned to Dynamics 365 Sales to improve the user experience, capture more data, eliminate excessive labor, integrate with key technologies, enable flexibility and scalability, and meet stringent security and privacy requirements. As a result of these investments, interviewed companies experienced increased productivity for sellers and sales managers, increased sales volume, and avoided legacy CRM costs.

Forrester developed a composite organization and aggregate three-year financial analysis based on customer interview data to model the Total Economic Impact of Microsoft Dynamics 365 Sales for readers. The composite organization is a global enterprise based in North America that replaces its homegrown CRM system with Dynamics 365 Sales for a sales channel that drives 180,000 opportunities, 45,000 deals, and \$450 million in revenue each year across 900 full-time sellers and 100 sales managers. All calculated values in the TEI financial analysis are reported in risk-adjusted, three-year present values (PV) unless otherwise indicated.

Key Findings

Quantified benefits. Forrester modeled total benefits of \$10.7 million over three years for the composite organization, including:

- › **Increased sales volume of \$2.9 million in additional profits.** Dynamics 365 enabled sellers to work 2% more opportunities and increase deal close rates by 3%. As a result, they closed 6% more deals per year with \$2,002 in additional annual profits per seller.
- › **Improved seller productivity worth \$2.5 million in recaptured labor.** Dynamics 365 increased communications and scheduling productivity by 3%, asset reusability by 8%, mobile productivity by 8%, and data task productivity by 10%. Sellers therefore save up to 83 hours per year, delivering additional business value worth \$1,494 per seller.
- › **Accelerated seller onboarding worth \$695,000 in recaptured labor.** New hires could be ramped up two weeks faster with Dynamics 365, equating to recaptured labor savings of \$1,520 per new hire.
- › **Improved sales manager productivity worth \$675,000 in recaptured labor.** Dynamics 365 increased data task productivity by 30%, mobile productivity by 8%, and annual planning productivity by 10%. Sales managers therefore save 127 hours per year, delivering additional business value of \$3,315 per manager.



Benefits PV
\$10.7 million



NPV
\$4.0 million

“Within three months, we had a 99% accurate pipeline in forecast. We used [Dynamics 365] to put numbers at the center of conversations to understand how to fill gaps and build our book of business.”

*CRM manager,
retail*



“[Dynamics 365] has helped us become a market leader. Our competitors try to recruit our [sellers], but our value proposition is that our sellers are the most productive in the industry because they have the right technology.”

*Chief information officer,
real estate*



- › **Avoided legacy CRM costs of almost \$4 million.** Companies replaced the cost of their legacy homegrown or alternate vendor solutions hosted on-premises, in the cloud, or delivered as software-as-a-service (SaaS) driving savings in administrative labor, development, hardware, data center operations, and vendor licensing. The composite organization avoids legacy costs of \$3 million in labor and \$915,000 in data center savings over three years.

Unquantified benefits. Interviewed customers also found that Dynamics 365 increased user satisfaction, driving adoption and regular usage. Organizations collected more data with better detail and accuracy, helping to generate new insights, enhance decision making, and improve business outcomes. Dynamics 365 also strengthened security and helped organizations achieve and prove compliance with key regulations, especially the California Consumer Privacy Act (CCPA) and the General Data Protection Regulation (GDPR). Finally, Dynamics 365 helped reduce risks of downtime, excess upgrade costs, and lost or inaccurate data.

Flexibility. Customers gained future opportunities to quickly scale the CRM for additional users and regions, along with adding and integrating other Dynamics 365 capabilities such as LinkedIn Sales Navigator or AI along with business application modules such as Customer Service and Finance. Customers also looked to Microsoft’s full slate of solutions such as Office 365, Power Platform, Microsoft Teams, and Azure for additional opportunities to integrate and enhance their environments.

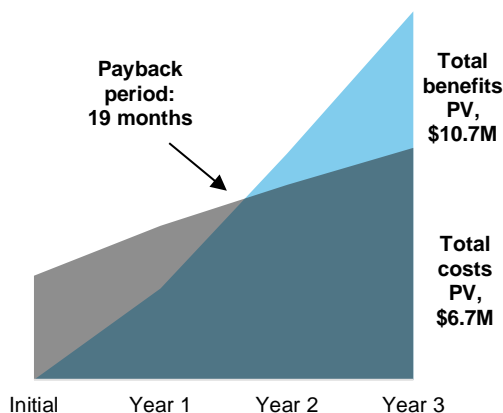
Costs. Forrester modeled total costs of \$6.7 million over three years for the composite organization, including:

- › **Subscription costs of \$3.3 million.** Subscription costs are incurred per user, per month for 1,000 users plus development and test environments at Microsoft’s undiscounted list pricing.
- › **Professional services costs of \$2.2 million.** A third-party partner leads CRM design and deployment over one year and provides additional ongoing managed services for updates and partner customizations.
- › **Internal labor hours valued at \$989,000.** Organizations dedicate labor from a CRM project manager along with developers, business analysts, IT administrators, executive sponsors, sellers, and sales managers to design, build, deploy, populate, test, and drive adoption of the CRM.
- › **User training labor hours valued at \$200,000.** Sellers receive four hours of training while sales managers receive eight hours of training.

Risks. Forrester evaluated risks for each benefit and cost calculation as detailed within this study. Broadly, all interviewees emphasized that a new CRM is not just something you can buy and turn on. Careful process design and commitment from IT, leadership, and sellers is paramount. The retail company’s CRM manager explained: “Sales success requires more than any tool. You have to fuel the engine, light the fire, and map out a clear outcome to drive to. You need the right business processes and the right leadership, and you need to embrace organizational change to get the value you’re seeking. You have to do it right.”

Results. Forrester’s interviews with eight existing customers and subsequent financial analysis found that a composite organization investing in Dynamics 365 Sales experiences benefits of \$10.7 million versus costs of \$6.7 million over three years, adding up to a net present value (NPV) of \$4 million, a 19-month payback period, and an ROI of 60%.

Financial Summary



The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

TEI Framework And Methodology

From the information provided in the interviews, Forrester has constructed a Total Economic Impact™ (TEI) framework for those organizations considering implementing Microsoft Dynamics 365 Sales.

The objective of the framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact that Microsoft Dynamics 365 Sales can have on an organization:



DUE DILIGENCE

Interviewed Microsoft stakeholders and Forrester analysts to gather data relative to Dynamics 365 Sales.



CUSTOMER INTERVIEWS

Interviewed eight organizations using Dynamics 365 Sales to obtain data with respect to costs, benefits, and risks.



COMPOSITE ORGANIZATION

Designed a composite organization based on characteristics of the interviewed organizations.



FINANCIAL MODEL FRAMEWORK

Constructed a financial model representative of the interviews using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewed organizations.



CASE STUDY

Employed four fundamental elements of TEI in modeling Microsoft Dynamics 365 Sales' impact: benefits, costs, flexibility, and risks. Given the increasing sophistication that enterprises have regarding ROI analyses related to IT investments, Forrester's TEI methodology serves to provide a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by Microsoft and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.

Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the report to determine the appropriateness of an investment in Microsoft Dynamics 365 Sales.

Microsoft reviewed and provided feedback to Forrester, but Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning of the study.

Microsoft provided six of the eight customer names for the interviews but did not participate in the interviews. Forrester sourced the other two of the eight customer interviews via an independent panel not affiliated with Microsoft.

The Dynamics 365 Sales Customer Journey

BEFORE AND AFTER THE DYNAMICS 365 SALES INVESTMENT

Interviewed Organizations

Forrester interviewed eight Microsoft Dynamics 365 Sales customers for this study, including the following:

INDUSTRY	REGION	SIZE	INTERVIEWEE
Financial services	Global	1,500 employees 700 users	Director of sales operations
Professional services	North America	20,000 employees 3,400 users	Global marketing programs manager
Real estate	North America	2,500 employees 1,200 users	Chief information officer
Retail	Global	100,000 employees 1,000 users	CRM manager
Manufacturing	Europe	15,000 employees 1,000 users	Head of market to order applications
Manufacturing	Australia	10,000 employees 750 users	Executive vice president of information technology
Real estate	North America	15,000 employees 500 users	CRM manager
Educational services	North America	2,000 employees 500 users	Director of information technology

Organizations struggled with legacy CRM systems that could not meet their current business needs for user experience, capabilities, data collection, security, privacy, and scalability in the following ways:

- › **Homegrown solutions were behind the times and expensive to maintain.** Development and IT teams could not keep up with technical debt, let alone update their homegrown CRMs to meet modern business needs. Costs rose while users suffered, and business leaders knew they needed to make changes or face major business risks.
- › **Vendor solutions lacked desired capabilities and incurred excessive licensing costs.** Organizations faced functionality challenges such as lacking integrations and poor user experience with legacy vendor CRMs, and some struggled with overly expensive solutions. These companies needed to make changes to improve user experiences and data management, while also getting costs in control.

These companies therefore searched for a solution that could:

- › Provide a more intuitive user experience with additional capabilities.
- › Eliminate excessive labor from developers, IT administrators, and business analysts to manage, maintain, and update the CRM.
- › Enable capturing of higher data volume and quality.
- › Integrate with key business software such as email, calendars, file management, internal communications, and reporting.
- › Provide flexibility to add further capabilities and integrations, and scalability to adapt to the changing size and needs of the business.

“When we chose Microsoft, we summarized our needs as ‘M.I.C.E.’ — the solution had to be mobile responsive, integrable, configurable, and offer powerful enhancements.”

*Chief information officer,
real estate*



“One reason we went to Dynamics 365 was that we are moving towards becoming a Microsoft shop. All of our applications are Microsoft applications, and having our Office suite — like email — connected to Dynamics works better for our sales objectives.”

*CRM manager,
real estate*



- › Ensure strong security and meet stringent privacy requirements for regulations such as CCPA and GDPR.

Interviewees found that Dynamics 365 Sales met these requirements with competitive pricing. For companies heavily invested in Microsoft solutions such as Office 365, the Power Platform, and Azure, Dynamics 365 was a clear choice for ease of deployment and integration.

Composite Organization

Methodology. To model the TEI of Microsoft Dynamics 365 Sales, Forrester aggregated findings from the eight customer interviews to design a composite organization and an associated ROI analysis.

- › The composite organization is representative of the eight interviewed customers and is used to present the aggregate financial analysis.
- › Costs, benefits, risks, and flexibility are modeled based on the typical, average experiences of the interviewed customers.
- › Subscription pricing and related costs are based on publicly available, undiscounted list pricing for Dynamics 365 from Microsoft and are corroborated by the interviewed customers.
- › The role and cost of third-party professional services in deploying Dynamics 365 are further informed by a recent Forrester Total Economic Impact analysis, titled "[The Partner Business Opportunity For Microsoft Business Applications](#)."¹
- › Salary assumptions are based on PayScale data at time of publishing.²

Description of the composite organization. The composite organization is a global enterprise based in North America that:

- › Employs 900 fulltime sellers along with 100 sales managers.
- › Sources 180,000 sales opportunities per year across this sales channel, for an average of 200 worked opportunities per seller.
- › Wins 40,000 deals per year across this channel (25% average deal close rate), with an average of 50 deals won per seller.
- › Earns an average of \$10,000 in revenue per closed deal, driving \$500,000 in annual revenue per seller and \$450 million across the entire sales channel of 900 sellers.
- › Earns profits after costs of goods sold (COGS) and overhead at an industry-agnostic standard operating profit margin of 8.9%.³

Deployment characteristics. The composite organization replaces a homegrown, on-premises CRM with Microsoft Dynamics 365 Sales as deployed in the cloud. The composite organization:

- › Leverages a third-party system integrator (SI) to analyze its internal processes, design and customize the Dynamics 365 implementation, and lead the implementation and rollout.
- › Deploys Dynamics 365 over the course of one year, including: three months of design, six months of implementation, and three months of testing and rollout.
- › Continues customization, training, change management, and rollout over the first year of usage to achieve full adoption. Benefits are only partially realized in the first year as the composite organization works through the typical challenges of a major CRM replacement.

"Our former CRM was homegrown, self-supported, very old, and just didn't meet the needs of today. We couldn't integrate it. We're becoming a Microsoft shop, and after looking at other avenues, we felt that Dynamics 365 was the best course for us. This was a natural journey, and Microsoft made it very attractive and offered a lot of help."

*Director of information technology,
educational services*



Composite organization

- Dynamics 365 replaces a homegrown CRM
- 900 sellers and 100 sales managers
- \$450 million in revenue from the sales channel
- 8.9% operating profit margin for deals



Seller metrics

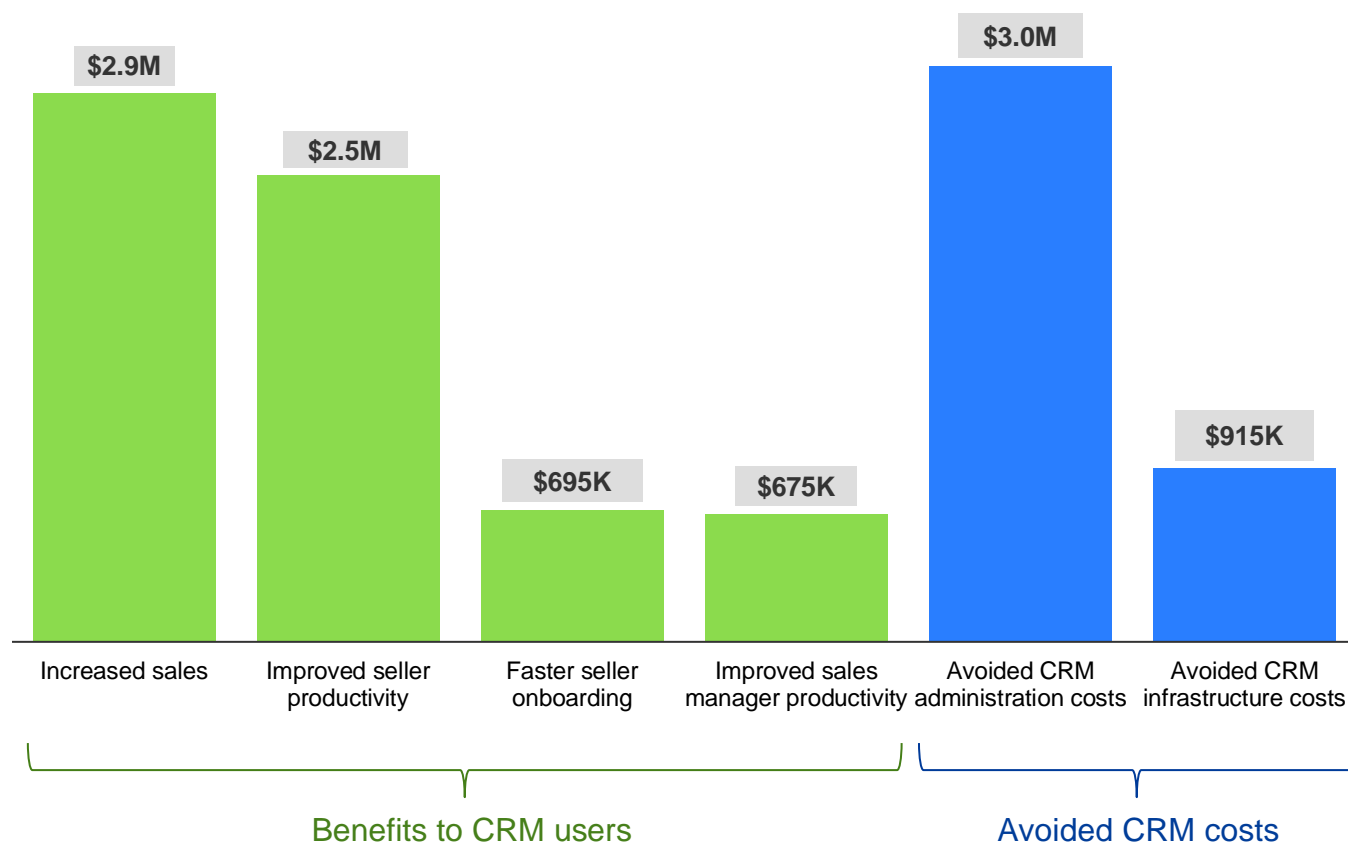
- 200 opportunities per seller, per year
- 50 closed deals per seller, per year
- \$10,000 average deal size in revenue

Analysis Of Benefits

QUANTIFIED BENEFIT DATA FOR THE COMPOSITE ORGANIZATION

Total Benefits						
REF.	BENEFIT	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Atr	Improved seller productivity	\$567,000	\$1,134,000	\$1,344,600	\$3,045,600	\$2,462,863
Btr	Increased sales	\$600,750	\$1,201,500	\$1,802,250	\$3,604,500	\$2,893,169
Ctr	Faster seller onboarding	\$171,000	\$342,000	\$342,000	\$855,000	\$695,049
Dtr	Improved sales manager productivity	\$167,040	\$331,470	\$331,470	\$829,980	\$674,835
Etr	Avoided CRM administration costs	\$747,150	\$1,494,300	\$1,494,300	\$3,735,750	\$3,036,876
Ftr	Avoided CRM infrastructure costs	\$629,978	\$216,878	\$216,878	\$1,063,733	\$914,888
Total benefits (risk-adjusted)		\$2,882,918	\$4,720,148	\$5,531,498	\$13,134,563	\$10,677,680

Benefits (Three-Year)



The table above shows the total of all benefits across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total benefits to be a PV of almost \$10.7 million.

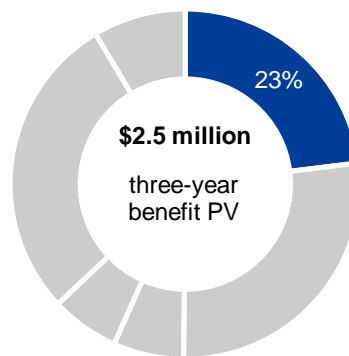
Seller Productivity

Dynamics 365 significantly improved productivity for sellers across several categories. Integrations with Outlook emails and calendars, Microsoft Teams communications, SharePoint files, and Power BI reporting all helped sellers communicate more efficiently, schedule more effectively, and log more accurate data with less time. Mobile access allowed them to capture and review data while on the go significantly easier. As historical data and files accumulated, sellers further enjoyed increased reusability of previous proposals and meeting content. Further, automated reminders and dashboards helped sellers be better stewards of customer relationships and prioritize their workloads more effectively. Finally, sellers enjoyed the Dynamics 365 user interface on PC and on mobile finding it to be intuitive, clear, and familiar to their knowledge of other Microsoft products. Specific examples include:

- › The retailer ran an internal business case across a variety of improvements in its sellers' productivity, finding a multimillion-dollar net benefit from productivity alone that allowed it to handle the same sales volume with a several-percent decrease in workforce size.
- › "Working faster is a huge benefit of the cloud," described the head of market to order applications at the manufacturing company. He continued: "We've become more global in all ways, and we need central hubs with the power of seamless communication flow about opportunities together with using Outlook, storing customer information, and reusing content in a central place instead of with each department. They all had lots of information before, but they kept it within their own silos."
- › The real estate CRM manager explained how mobile streamlined field sales: "If [our sellers] are out and drop by a potential client, with the mobile app, they can do a quick search to see, 'Do we know anybody at this company?'" Integrations also led to significant savings, as they continued: "Now, [sellers] can get CRM data without ever leaving Outlook. Vice versa, they can see all the email interactions in CRM cards instead of tracking them down. It's all there and visible because of the connectivity with [Office 365]."
- › The educational services director of information technology confirmed, "There is no way Dynamics 365 did not make [sellers] more efficient."

Forrester modeled the financial benefit for the composite organization based on the following estimates:

- › Sellers spend half their time actively communicating and scheduling with prospects. Dynamics 365 increases communications and scheduling productivity by 3%, saving 31 hours per seller, per year.
- › Sellers spend 15% of their time preparing for meetings and creating proposals. As more resources are linked and documented in Dynamics 365, reusability increases by 2% in Year 1, 4% in Year 2, and 8% in Year 3 — saving 25 hours per seller, per year by Year 3.
- › Sellers spend 10% of their time working while mobile after hours or while traveling. Dynamics 365 increases mobile productivity by 8%, saving 17 hours per seller, per year.
- › Sellers spend 5% of their time entering and validating data in the CRM. Dynamics 365 increases data entry and validation productivity by 10%, saving 10 hours per seller, per year.



**Seller productivity:
23% of total benefits**



**Up to 83 hours
saved per seller,
per year by Year 3**

"Dynamics has enabled us to adopt the mindset of sharing experiences and reusing information. We don't need to reinvent the wheel for every new engagement."

Head of market to order applications, manufacturing



"We're trying to make our sales team as tech-enabled as possible. We are leveraging [Dynamics 365] to reduce the number of decisions sellers have to make and the number of tasks they have to do."

Director of sales operations, financial services



- › The composite organization employs 900 sellers, earning an average fully burdened salary of \$40 per hour.
- › Feature adoption and driving seller usage may require longer than the three-month rollout period; to ensure conservatism, only 50% of time savings are realized in the first year of the analysis.
- › Some time savings may be wasted rather than reinvested in the business; to ensure conservatism, only 50% of hours saved are recaptured by the business for added value.

“There is no way Dynamics 365 did not make [sellers] more efficient.”

Director of information technology, educational services



Forrester uncovered moderate risks that may impact the financial impact of this benefit. Many factors impact seller productivity such as industry, selling motions, and the redesign of workloads or functionality with the new CRM. Further, it is difficult to quantify the discrete changes to workforce behavior as it may vary widely by employee.

Impact risk is the risk that the business or technology needs of the organization may not be met by the investment, resulting in lower overall total benefits. The greater the uncertainty, the wider the potential range of outcomes for benefit estimates.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted cumulative total of \$3,384,000 and a PV of \$2,462,863 for the composite organization. This equates to a three-year PV of \$2,737 per seller, with yearly savings by Year 3 (once benefits are fully realized) of \$1,494 per seller.

Seller Productivity: Calculation Table

REF.	METRIC	CALCULATION	YEAR 1	YEAR 2	YEAR 3
A1	Annual hours spent on comms and scheduling	50% of workload	1,040	1,040	1,040
A2	Comms and scheduling productivity increase	Interview data	1.5%	3%	3%
A3	Hours saved for communications and scheduling per seller, per year	A1*A2	16	31	31
A4	Annual hours to prepare meetings and proposals	15% of workload	312	312	312
A5	Percent increase in re-usability	Interview data	2%	4%	8%
A6	Hours saved for meeting preparation and proposals per seller, per year	A4*A5	6	12	25
A7	Annual hours spent working while mobile	10% of workload	208	208	208
A8	Mobile productivity increase	Interview data	4%	8%	8%
A9	Hours saved while mobile per seller, per year	A7*A8	8	17	17
A10	Annual hours spent on data entry and validation	5% of workload	104	104	104
A11	Data entry productivity increase	Interview data	5%	10%	10%
A12	Hours saved for data entry and validation per seller, per year	A10*A11	5	10	10
A13	Total hours saved per seller, per year	A3+A6+A9+A12	35	70	83
A14	Number of sellers	J1	900	900	900
A15	Total hours saved by sales force	A13*A14	31,500	63,000	74,700
A16	Seller hourly salary	J3	\$40	\$40	\$40
A17	Percent of time saved recaptured for business value	TEI assumption	50%	50%	50%
At	Seller productivity	A15*A16*A17	\$630,000	\$1,260,000	\$1,494,000
	Risk adjustment	↓10%			
Atr	Seller productivity (risk-adjusted)		\$567,000	\$1,134,000	\$1,344,600

Increased Sales

Dynamics 365 made sellers at the interviewed companies more productive, more efficient, and more effective:

- › Sellers gained productivity as integrations, mobile access procedures, and workload automation reduced the burden of manual tasks such as data entry and validation.
- › Sellers became more efficient with more accurate historical data, content reusability, mobile access, software integrations, and reminders that helped to prioritize and complete tasks more quickly.
- › Sellers became more effective as Dynamics 365 helped them identify key contacts, follow up more consistently, provide more personalized service, leverage data to refine pitches and approaches, become better stewards of their customer and prospect relationships, and provide smoother handoffs between sellers when needed.

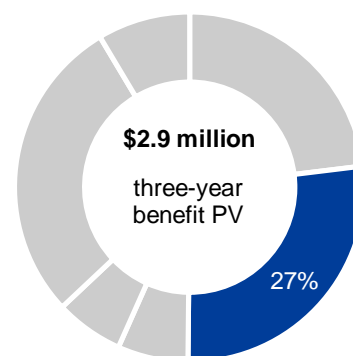
Sellers ultimately can drive greater sales as a result of these Dynamics 365-driven productivity, efficiency, and effectiveness improvements by:

- › Sourcing and working more opportunities.
- › Increasing close rates by strengthening relationships with prospects and customers, following up more consistently, providing more personalized service, and offering better data-backed proposals.
- › Improving deal sizes, retention, and enrichment through stronger customer relationships, more consistent follow-up, personalized service, and better data-backed decision making.
- › Reduce the risk of churn or lost opportunities that arise from errors, forgetfulness, or poorly managed tradeoffs to new sellers.

Demonstrating the impact of any CRM on topline revenue is near impossible, given the vast range of market wide, company, product, marketing, and sales factors that influence overall sales. This challenge was true for the interviewed companies, as none could clearly correlate their CRM deployment with overall business revenue.

However, by examining sales effectiveness on a per-seller basis can provide a route for businesses to quantify the impact of a new CRM on sales. For most interviewed organizations, Dynamics 365 allowed sellers to work more opportunities and increase deal close rates, boosting sales per seller. Interviewed customers provided the following examples:

- › Dynamics 365 helped the retailer's salespeople dedicate more time to opportunities, prioritize work, better serve customers, and smoothly hand off accounts when needed for vacations or employee turnover without disrupting customer experience. The CRM manager said: "Dynamics 365 is helping our [sellers] become more mature in their roles, building books of business, showing account ownership, identifying points of value, and leaning in deep to drive business." As a result, they increased the number of transactions per seller. The CRM manager added: "Dynamics 365 helps sellers prioritize accounts to contact, understand who is in the book of business, identify key contacts, and follow through. Having the information at their fingertips to make the right decision, get it to the right person, and serve the right need leverages automation and productivity to sell solutions." The investment coincided with double digit topline revenue growth; however, the interviewee emphasized many factors beyond the CRM have influenced the total topline growth.



Increased sales:
27% of total benefits



Microsoft Dynamics 365 helps sellers:

- Work **2%** more opportunities
- Increase deal close rates by **3%**
- Sell **6%** more deals per year worth **\$2K** in additional profit

"Dynamics 365 is helping our [sellers] become more mature in their role, building books of business, showing account ownership, identifying points of value, and leaning in deep to drive business."

*CRM manager,
retail*



- › The educational services company made its sellers more efficient, helping them complete more work and follow up more consistently. As the director of information technology explained: “It’s a hard thing to quantify [the impact on sales]. I feel it has improved because I can see that the salespeople are performing more efficiently. They get more stuff done and they’re able to follow up on a more consistent basis. So, to me, that translates to more closes.” Although the organization lacked clear data, the capability to close certainly improved. The IT director said, “Our ability to close on opportunities went way up.”
- › One manufacturing company found it was losing deals due to lack of data. The executive vice president of information technology explained: “We were missing opportunities, but didn’t know if we lost on price, capability, relationship, or our diligence in following up. Business decisions and selling approaches have all been emotional without the data to back it up, and it’s left us with a low hit rate of 20%.”
- › Dynamics 365 helped one real estate company deliver better customer experience. The CRM manager described: “[Dynamics 365] is providing efficiency, productivity gains, and helping us provide a better service for our clients. It helps us fulfill our promises.”
- › For the professional services company, the global marketing programs manager explained that getting a better understanding of prospects was essential to driving sales: “Our goal is to create a 360-degree view of the client. We want to understand what interactions we’re having with [prospects] and clients, and what their sentiment is towards us. We need to create a more personalized and rich experience organically — creating moments that matter — and help [sellers] interact with clients in a more natural and meaningful way.”
- › The financial services company saw increased data volume and quality leading to better cross-team coordination on sales opportunities. As the director of sales operations explained: “[Dynamics 365] has far more impact because the information in it is better and is getting disseminated more broadly across teams to break down siloes.”
- › Another real estate company found that Dynamics 365 helped sellers stay on top of opportunities and strengthen relationships, which was essential to long-term sales success. The chief information officer said: “We can’t incentivize [the type of products we sell]. Instead, we have to stay top-of-mind and established for our customers.”

Forrester modeled the financial benefit for the composite organization based on the following estimates:

- › Sellers at the composite organization historically work an average of 200 opportunities per year with a 25% deal close rate, closing 50 deals per year at an average deal size of \$10,000 in revenue. Each seller therefore drives an average of \$500,000 in revenue per year.
- › Dynamics 365 increases seller productivity as modeled in Table A of this study, saving a total of 35 hours, 70 hours, and 83 hours per year in Years 1, 2, and 3, respectively. Fifty percent of time saved is recaptured, increasing seller workload capacity by 0.8%, 1.7%, and 2.0% in Years 1 through 3. Each seller therefore works an additional two opportunities in Year 1, three in Year 2, and four in Year 3.
- › Dynamics 365 also increases deal close rates by 1.5% in Year 1 and 3% in Year 2 and Year 3. Therefore, the deal close rate rises from 25% to 25.4% in Year 1 and to 25.8% in Year 2 and Year 3 — a 0.8 percentage point increase in deal close rate overall.

“Our ability to close on opportunities went way up.”
*Director of information technology,
 educational services*



“[Dynamics 365] is providing efficiency, productivity gains, and helping us provide a better service for our clients. It helps us fulfill our promises.”
*CRM manager,
 real estate*



“We need to create a more personalized and rich experience organically — creating moments that matter — and help [sellers] interact with clients in a more natural and meaningful way.”
*Global marketing programs
 manager, professional services*



“We can’t incentivize [the type of products we sell]. Instead, we have to stay top-of-mind and established for our customers.”
*Chief information officer,
 real estate*



- › As sellers work more opportunities and close deals at a higher rate, they therefore increase sales — one more deal per seller in Year 1, two more in Year 2, and three more in Year 3, increasing annual revenue per seller by \$10,000 to \$30,000 from Year 1 to Year 3.
- › The composite organization earns profits at a generic profit margin of 8.9% to accommodate costs of sales, costs of goods sold, and other overhead, based on industry-agnostic data from the Stern School of Business at New York University as of January 2019.⁴

There are many complex factors that will affect sales volume beyond CRM, making evaluation of financial impact subject to very high variability and unknowns. These factors include:

- › Complex macro sales factors including market trends, pricing, product offerings and changes, competitive landscape, corporate strategy, marketing investments, the role of sellers, and sales motions.
- › Uncontrollable micro sales factors such as budgets, contact shakeup, or changing business needs for customers and prospects.
- › Variable average deal size, close rates, profit margins, retention, acquisition costs, and opportunity volume depending on the specific sales motion and business model.
- › Level of Dynamics 365 adoption, integration, and customization by the organization, with stronger results from following best practices.

To account for these unknowns, Forrester adjusted this benefit downward by 25%, yielding a three-year risk-adjusted cumulative total of \$3,604,500 and a PV of \$2,893,169 for the composite organization. This equates to a three-year PV of \$3,215 per seller, with yearly increased profits by Year 3 (once benefits are fully realized) of \$2,002 per seller.

“Dynamics 365 helps sellers prioritize accounts to contact, understand who is in the book of business, identify key contacts, and follow through. Having the information at their fingertips to make the right decision, get it to the right person, and serve the right need leverages automation and productivity to sell solutions.”

*CRM manager,
retail*



Increased Sales: Calculation Table

REF.	METRIC	CALCULATION	YEAR 1	YEAR 2	YEAR 3
B1	Baseline number of opportunities per seller	TEI assumption	200	200	200
B2	Baseline average deal close rate	TEI assumption	25%	25%	25%
B3	Baseline deals per seller, per year	B1*B2	50	50	50
B4	Increased number of opportunities worked	A13*A17/2,080	0.8%	1.7%	2.0%
B5	Achieved number of opportunities per seller	B1*(1+B4)	202	203	204
B6	Percent increase in deal close rate	Interview data	1.50%	3.00%	3.00%
B7	Achieved average deal close rate	B2*(1+B6)	25.4%	25.8%	25.8%
B8	Achieved annual deals per seller	B5*B7	51	52	53
B9	Increased number of deals per seller	B8-B3	1	2	3
B10	Average revenue per deal	TEI assumption	\$10,000	\$10,000	\$10,000
B11	Operating profit margin	Stern at NYU, 2019	8.9%	8.9%	8.9%
B12	Increased annual profit per seller	B9*B10*B11	\$890	\$1,780	\$2,670
B13	Number of sellers	J1	900	900	900
Bt	Increased sales	B12*B13	\$801,000	\$1,602,000	\$2,403,000
	Risk adjustment	↓25%			
Btr	Increased sales (risk-adjusted)		\$600,750	\$1,201,500	\$1,802,250

Faster Seller Onboarding

Dynamics 365 increased the amount and accuracy of data recorded. One factor was that sellers enjoyed the more modern interface, new features, seamless integrations, and mobile capabilities with Dynamics 365 — driving heightened seller adoption and continued use of the CRM. Sellers also added more data and accessed the CRM more frequently while on the go thanks to the mobile interface. Another factor was that synchronized integrations with Outlook and other technologies collected more interaction data with minimal effort. Finally, some companies could now unify regional teams under Dynamics 365 as a global CRM.

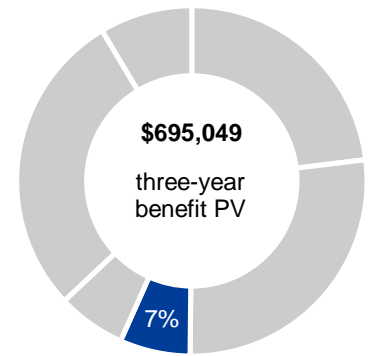
New hires directly benefited from the increased volume and accuracy of data. When they joined, they could instantly access a wealth of information to learn their accounts, ramp up, and begin selling more quickly — with one company shaving months of time previously dedicated to creating custom lists. The retail company's CRM manager explained: "When account managers leave the business, we can now transition their entire book of business to a new employee without hurting the customer experience. The files, contacts, previous opportunities, purchases, and brainstorming for future solutions is all there."

New hires also benefited from intuitive user interface, which was also familiar to hires with experience in other Microsoft offerings — helping them learn to use the software and follow appropriate business processes more quickly. Interviewees explained that:

- › Dynamics 365 hit the mark for financial services sellers. The director of sales operations said, "Users really like the new interface."
- › Educational services sellers received Dynamics 365 very well. The director of information said: "The user feedback that I got from sellers was that [Dynamics 365] is very intuitive. They found it very easy to learn. It's so smooth and the interfaces are very familiar to users."
- › Dynamics 365 enabled real estate sellers to start work immediately. The CRM manager explained: "It's a way better [user experience] than what we had on-premises. Today, we can get a new employee trained with access to our CRM data to make calls right away."

Forrester modeled the financial benefit for the composite organization based on the following estimates:

- › Newly hired sellers could be ramped up two weeks faster using Dynamics 365 than with the legacy CRM. Less time is needed for product training because of the intuitive user experience, familiar Microsoft interface, increased functionality, and productivity-enhancing integrations, while sellers also benefit from accessing more complete historical data, contact information, communication records, and previously created materials when taking on a new account.
- › Feature adoption and driving seller usage to build up reference data may require longer than the three-month rollout period to ensure conservatism, and new sellers hired in the first year only benefit from one week of accelerated onboarding rather than two weeks.
- › Some time savings may be wasted rather than reinvested in the business. To ensure conservatism, only 50% of hours saved are recaptured by the business for added value.
- › The composite organization employs 900 sellers with a 25% annual turnover rate, earning a fully burdened salary of \$40 per hour.



**Faster seller onboarding:
7% of total benefits**



**Newly hired sellers
are onboarded
two weeks faster**

"When account managers leave the business, we can now transition their entire book of business to a new employee without hurting the customer experience. The files, contacts, previous opportunities, purchases, and brainstorming for future solutions are all there."

*CRM manager,
retail*



Forrester uncovered low risks that may impact the financial impact of this benefit including:

- › Many factors impact seller productivity such as industry, selling motions, and design of workloads or functionality.
- › Any customizations to the user experience of Dynamics 365 itself may affect the potential for accelerating training.
- › The level of integrations with other productivity software (i.e., Outlook, SharePoint, Power BI, Microsoft Teams) will affect the potential for time savings.
- › The degree to which sellers are encouraged or forced to continually input high-quality data by leadership will affect the state of account data available to a new hire. Should the information be lacking, the new hire may not achieve the desired onboarding acceleration.
- › The size of the workforce, average salary, and level of turnover experienced will affect the potential labor hours recaptured.
- › Further, it is difficult to quantify the discrete changes to workforce behavior as it may vary widely by employee.

To account for these risks, Forrester adjusted this benefit downward by 5%, yielding a three-year risk-adjusted cumulative total of \$855,000 and a PV of \$695,049 for the composite organization. This equates to labor savings of \$1,520 per hire by Year 2 (once benefits are fully realized).

“The user feedback that I got from sellers was that [Dynamics 365] is very intuitive. They found it very easy to learn. It’s so smooth and the interfaces are very familiar to users.”

Director of information technology, educational services



Faster Seller Onboarding: Calculation Table

REF.	METRIC	CALCULATION	YEAR 1	YEAR 2	YEAR 3
C1	Number of sellers	J1	900	900	900
C2	Percent annual turnover	TEI assumption	25%	25%	25%
C3	Number of sellers onboarded	C1*C2	225	225	225
C4	Hours saved for onboarding per new seller	Interview data	40	80	80
C5	Hours saved for seller onboarding	C3*C4	9,000	18,000	18,000
C6	Seller hourly salary	J3	\$40	\$40	\$40
C7	Percent of time saved recaptured for business value	TEI assumption	50%	50%	50%
Ct	Faster seller onboarding	C5*C6*C7	\$180,000	\$360,000	\$360,000
	Risk adjustment	↓5%			
Ctr	Faster seller onboarding (risk-adjusted)		\$171,000	\$342,000	\$342,000

Improved Sales Manager Productivity

Dynamics 365 drove enhanced productivity for sales managers as well, who could now more quickly evaluate sales performance, pipeline, and trends and generate reporting links or dashboards to communicate results with leadership. They can work more efficiently while mobile and keep tabs on sales performance at the click of a button. With more data and reporting, they can make more accurate predictions and forecasting — with one interviewed retailer improving its forecasting to a 99% accuracy within three months of deployment. The financial services director of sales operations explained: “Dynamics 365 has increased the transparency into what salespeople are doing. We are far more metrics-driven now, and CRM is at the core to provide better intelligence.”

“We’ve transitioned from making business decisions and sales approaches based on what our gut says to what the data tells us.”

CRM manager, retail

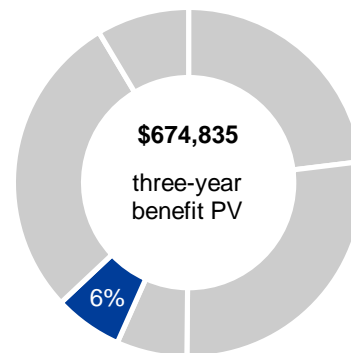


Forrester modeled the financial benefit for the composite organization based on the following estimates:

- › Sales managers previously spent two weeks per quarter gathering, analyzing, and reporting on sales data. Dynamics 365 increases data task productivity by 30%, saving 96 hours per sales manager, per year.
- › Sales managers previously spent two days per month working while mobile after hours or traveling. Dynamics 365 increases mobile productivity by 8%, saving 15 hours per sales manager, per year.
- › Sales managers previously spent four weeks per year on annual planning. Dynamics 365 increases planning productivity by 10%, saving 16 hours per sales manager, per year.
- › The composite organization employs 100 sales managers, earning an average fully burdened salary of \$58 per hour.
- › To ensure conservatism, only 50% of time savings are realized in the first year of the analysis and only 50% of hours saved are recaptured by the business for added value.

Forrester uncovered moderate risks that savings may vary depending upon the previous CRM, business process redesign, sales motions, organizational structure, and typical salaries.

To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year risk-adjusted cumulative total of \$829,980 and a PV of \$674,835 for the composite organization. This equates to a three-year PV of \$6,748 per sales manager, with yearly savings by Year 2 (once benefits are fully realized) of \$3,315 per sales manager.



Improved sales manager productivity: 6% of total benefits



127 hours saved per sales manager, per year by Year 2

Improved Sales Manager Productivity: Calculation Table

REF.	METRIC	CALCULATION	YEAR 1	YEAR 2	YEAR 3
D1	Annual hours worked per manager for gathering, analyzing, and reporting on sales data	Two weeks/quarter	320	320	320
D2	Data tasks productivity increase	Interview data	15%	30%	30%
D3	Hours saved for data tasks per manager, per year	D1*D2	48	96	96
D4	Annual hours per manager spent working while mobile	Two days/month	192	192	192
D5	Mobile productivity increase	Interview data	4%	8%	8%
D6	Hours saved while mobile per manager, per year	D4*D5	8	15	15
D7	Annual hours worked per manager for annual planning	Four weeks/year	160	160	160
D8	Planning productivity increase	Interview data	5%	10%	10%
D9	Hours saved for annual planning per manager, per year	D7*D8	8	16	16
D10	Total hours saved per manager, per year	D3+D6+D9	64	127	127
D11	Number of sales managers	J4	100	100	100
D12	Total hours saved by managers	D10*D11	6,400	12,700	12,700
D13	Sales manager hourly salary	J6	\$58	\$58	\$58
D14	Percent of time saved recaptured for business value	TEI assumption	50%	50%	50%
Dt	Improved sales manager productivity	D12*D13*D14	\$185,600	\$368,300	\$368,300
	Risk adjustment	↓10%			
Dtr	Improved sales manager productivity (risk-adjusted)		\$167,040	\$331,470	\$331,470

Avoided Legacy CRM Costs

No matter the former CRM solution, whether on-premises or online, homegrown or from a vendor, switching to the new CRM system will eliminate significant costs from the former of internal labor, licensing, subscriptions, cloud storage and processing, hardware, or data center operations costs. From the eight interviewed organizations:

- › Three companies replaced a homegrown on-premises CRM.
- › Two companies replaced an alternative vendor's on-premises CRM.
- › One company replaced a homegrown CRM it hosted in public cloud.
- › One company replaced an alternative vendor's SaaS CRM solution.
- › One company deployed Dynamics 365 Sales as its first CRM.

Ultimately, interviewees identified that significant costs were eliminated and replaced by deploying Microsoft Dynamics 365 Sales:

- › The financial services company slashed licensing costs from its former SaaS CRM by 55% by switching to Dynamics 365 Sales, saving almost \$500,000 in subscription costs per year across its 700 users. Other companies evaluating alternative SaaS CRM systems alongside Microsoft Dynamics 365 Sales found Microsoft's solution to be particularly cost-effective.
- › The educational services company found it prohibitively expensive to simply "keep the lights on" for its homegrown CRM, let alone modernize or adapt it for the new decade. By adopting Dynamics 365, the company reallocated 12 developers and several administrators and eliminated \$75,000 in cloud hosting costs for its homegrown solution. The director of information technology explained: "My internal development costs are substantially less because I don't have to support a CRM anymore. We always had a backlog that could've taken us a year to complete, and there were a lot of things the business wanted that we just couldn't do." The educational services company also cut down on support requests from users. The director of information technology explained: "Once the dust settled, we saw easily a 30% drop in support request volume after deploying Dynamics 365. That's thousands of tickets per year."

While Forrester uncovered significant variability in the types of legacy CRM systems that Microsoft Dynamics 365 Sales replaces and those systems' associated costs and potential for cost elimination, such as homegrown versus vendor-offered and on-premises versus hosted online versus SaaS. In all cases, legacy costs could be eliminated but may be recognized as a varying mix of hardware, data center operations, labor, licensing, and subscription savings.

Forrester modeled the cost savings for the composite organization based on switching from a homegrown CRM system deployed on-premises, as it was the most frequently identified by interviewees. The following two sections illustrate the cost savings as quantified in labor savings and hardware savings for the composite organization.

Interviewees also expressed low risks that they might have needed to maintain the legacy systems beyond a one-year period if other technical systems could not be adapted or if seller adoption did not proceed quickly, potentially reducing expected labor and cost savings.



Interviewees avoided labor, infrastructure, and licensing costs by replacing homegrown and vendor CRMs deployed on-premises, hosted in the cloud, or delivered as SaaS.

"The cost to continue developing on [our legacy CRM] and maintain it going forward was just too much. We wanted a system where marketing, operations, and sales could do the things they need to do without involving development. Most of their requests used to require developers and systems to get it done and do a deploy. In Dynamics 365, we can just push a button and it's done."

*Director of information technology,
educational services*



CRM Replacement Savings: Avoided CRM Administration Costs

By adopting Dynamics 365 Sales in a SaaS model (via the public cloud), organizations eliminated substantial maintenance, support, development, and data management labor previously required to keep their homegrown on-premises CRM systems running. This labor could be reallocated to more valuable tasks across the organization. Major factors that drove administrative savings include:

- › Significantly reduced labor for developer, administrator, and business analyst for ongoing maintenance, support, and enhancement.
- › Significantly reduced custom development and reporting needs with usage of out-of-the-box capabilities and “citizen development.”
- › Significantly reduced data reentry and verification with a unified environment and seamless Office 365 integrations.
- › Faster data analysis and reporting with better data capture, improved visibility, and enhanced reporting — especially for compliance.
- › Eliminated data center and hardware management including server redundancy and software for disaster recovery.

With Dynamics 365, interviewees found that updating or creating new forms, fields, or workflows could now often be completed by a nontechnical resource or business administrator — rather than it being a time-consuming process of making a request, gathering requirements, and having a highly paid developer make updates and go through a review process to ensure it matches the businessperson’s need. The real estate CRM manager explained: “Now we can assign someone with an administrative CRM knowledge to add a field, whereas in the past, we would need a developer. Developers cost more per hour, so now they’re working on more complex customizations and building applications instead of simple tasks like adding a field.”

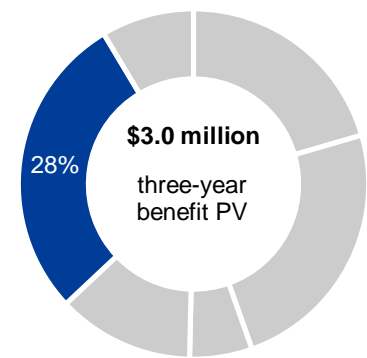
Based on the workforce reallocation interviewees reported across these key areas, Forrester modeled that the composite organization is able to reallocate the following employees for CRM administration:

- › Four IT administrators at a fully burdened salary of \$120,000 per year.
- › Six CRM developers at a fully burdened salary of \$135,000 per year.
- › Two business analysts at a fully burdened salary of \$90,000 per year.
- › Four CRM specialists at a fully burdened salary of \$72,000 per year.

For each set of reallocated employees, Forrester modeled that only half were reallocated in Year 1 with the other half reallocated in Year 2. This reflects risks that the business may still need to maintain some legacy CRM capabilities or require additional support the new CRM system is widely adopted and trusted with no need for the legacy system.

Labor savings will vary depending on organizational structure, environment size and complexity, customization, industry, and regional salaries. Forrester’s salary assumptions are based on PayScale salary data at the time of publishing.⁵ For some organizations, these savings may be overstated if leadership chooses to hold on to legacy processes with the new environment.

To account for the high degree of variability and low risks, Forrester adjusted this benefit downward by 15%, yielding a three-year risk-adjusted cumulative total of \$3,735,750 and a PV of \$3,036,876 for the composite organization.



Avoided CRM administration costs: 28% of total benefits

“Our reports used to be manual. We tried to automate it, but development and IT admins would have to get involved to create reports and run jobs — we had literally hundreds of jobs running every night getting numbers together.”

Director of information technology, educational services



“Now we can assign [business administrators] to add a field, whereas in the past, we would need a developer. Developers cost more per hour, so now they’re working on more complex customizations and building applications instead of simple tasks.”

CRM manager, real estate



Avoided CRM Administration Costs: Calculation Table

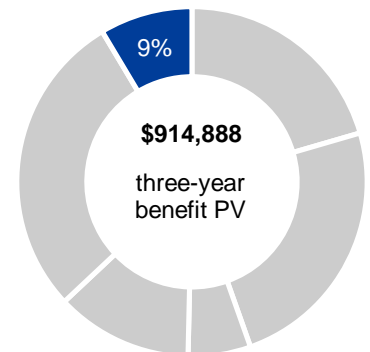
REF.	METRIC	CALCULATION	YEAR 1	YEAR 2	YEAR 3
E1	Number of reallocated IT admins	Customer interviews	2	4	4
E2	IT administrator annual salary	I12	\$120,000	\$120,000	\$120,000
E3	Number of reallocated developers	Customer interviews	3	6	6
E4	Developer annual salary	I6	\$135,000	\$135,000	\$135,000
E5	Number of reallocated business analysts	Customer interviews	1	2	2
E6	Business analyst annual salary	I9	\$90,000	\$90,000	\$90,000
E7	Number of reallocated CRM specialists	Customer interviews	2	4	4
E8	CRM specialist annual salary	PayScale salary data	\$72,000	\$72,000	\$72,000
Et	Avoided CRM administration costs	$E1 * E2 + E3 * E4 + E5 * E6 + E7 * E8$	\$879,000	\$1,758,000	\$1,758,000
	Risk adjustment	↓15%			
Etr	Avoided CRM administration costs (risk-adjusted)		\$747,150	\$1,494,300	\$1,494,300

CRM Replacement Savings: Avoided Legacy CRM Costs

Eliminating the homegrown on-premises CRM allowed organizations to retire or repurpose existing hardware that previously supported their legacy CRMs. The interviewed organizations avoided additional hardware refresh purchases and related upfront costs for when servers reached end of life along with the various ongoing costs such as electricity, heating, cooling, and software support associated with running hardware in the data center.

Using a combination of customer interview data and Forrester market data, Forrester modeled the avoided data center costs for the composite organization using the following assumptions:⁶

- › The legacy environment required nine servers spread across three sites (three servers per site) to support its major markets.
- › Servers had reached end of life since being deployed for the homegrown CRM. The composite organization therefore avoids investing in nine replacement servers with the following costs per server:
 - \$20,000 in server hardware.
 - \$4,000 in network equipment.
 - \$15,000 in storage costs.
 - \$2,500 in operating system licenses.
 - \$15,000 in licenses for the operating system, management, security, and disaster recovery.
- › The organization also avoids the following annual costs per server for these nine servers:
 - \$9,750 in maintenance costs.
 - \$15,600 in power, cooling, and facilities costs.
 - \$3,000 in maintenance costs for server software.



Avoided legacy CRM costs:
9% of total benefits

Initial and ongoing data center costs will vary by company depending on its deployment size, global presence, the specific hardware and software selected, and regional costs for space, heating, cooling, and electricity. Should recommended replacements have been delayed if Dynamics 365 was not deployed, then replacement costs would not have been incurred — meaning the costs would not actually have been avoided.

To account for the high degree of variability and low risks, Forrester adjusted this benefit downward by 15%, yielding a three-year risk-adjusted cumulative total of \$1,063,733 and a PV of \$914,888 for the composite organization.

Avoided Legacy CRM Costs: Calculation Table

REF.	METRIC	CALCULATION	YEAR 1	YEAR 2	YEAR 3
F1	Server replacements avoided	Customer interviews	9		
F2	Hardware cost per server	Forrester estimate	\$20,000		
F3	Network equipment cost per server	Forrester estimate	\$4,000		
F4	Storage costs per server	Forrester estimate	\$15,000		
F5	Hardware costs per new server	F2+F3+F4	\$39,000		
F6	Avoided server hardware	F1*F5	\$351,000		
F7	Operating system cost per server	Forrester estimate	\$2,500		
F8	Core server software license cost per server (management, security, and disaster recovery)	Forrester estimate	\$12,500		
F9	Software costs per new server	F7+F8	\$15,000		
F10	Avoided server licenses	F1*F9	\$135,000		
F11	Number of servers decommissioned	F1, annualized	9	9	9
F12	Server/network hardware maintenance costs per server	F5*25%	\$9,750	\$9,750	\$9,750
F13	Power, cooling, and facilities costs per server	F5*40%	\$15,600	\$15,600	\$15,600
F14	Non-CRM third-party software maintenance costs per server	F9*20%	\$3,000	\$3,000	\$3,000
F15	Ongoing costs per server	F12+F13+F14	\$28,350	\$28,350	\$28,350
F16	Avoided ongoing server costs	F11*F15	\$255,150	\$255,150	\$255,150
Ft	Avoided legacy CRM costs	F6+F10+F16	\$741,150	\$255,150	\$255,150
	Risk adjustment	↓15%			
Ftr	Avoided legacy CRM costs (risk-adjusted)		\$629,978	\$216,878	\$216,878

Unquantified Benefits

Interviewees also identified a range of other benefits that could not be financially quantified, but were important to their businesses:

- › **Improved user experience and satisfaction.** Users found Dynamics 365 to have an intuitive, easy-to-use interface. They valued the breadth of features, flexibility, and mobile access. They also valued the design familiarity with other Microsoft solutions and the blurring of lines between CRM and productivity software. As a result, the real estate company saw “complaints become happiness.” As the CRM manager explained: “I’m getting positive feedback from our users without even asking them. I used to get mostly complaints.”
- › **Generated new business insights and enhanced decision making by consolidating data and leveraging Power BI.** Organizations could better understand their customers, launch new offerings, and become more efficient by leveraging this consolidated data. The retailer was able to achieve a 99% accurate pipeline forecast in only three months, while the professional services company gained insight into how sellers were interacting with customers to inform business planning. Increased data volume was core. As the educational services company’s director of information technology explained, “Looking at how many [CRM] records are produced in a given time, I saw that spike way up by at least 10% when we went to Dynamics 365.”
- › **Achieved compliance with key regulations, especially CCPA and GDPR.** Meeting regulatory requirements with legacy CRM had become extraordinarily expensive, if not impossible. But by adopting Dynamics 365, achieving CCPA and GDPR compliance was surprisingly simple. The professional services global marketing programs manager explained: “Without Dynamics, we’d be completely non-GDPR-compliant. Having a system like Dynamics in place is hugely beneficial because we have a shared system and practices. There aren’t spreadsheets floating around or that kind of thing, so it’s a huge benefit from a financial risk standpoint. Had we not had Dynamics up and running, we would have been scrambling — it would have been bad — to get GDPR-compliant in time.” The educational services company’s director of information technology echoed this value: “It’s much easier for us to comply with CCPA and GDPR with Microsoft than before. It reduces the risk of fines, and it saves us from a lot of work. It lets us still do valuable things with the data and be able to manage it correctly, rather than just blanket anonymizing it all since we couldn’t protect it or handle individual requests adequately otherwise.”
- › **Strengthened security.** Compared especially to homegrown technologies, interviewees felt their security risks were much lower with using Dynamics 365 delivered as a service from Microsoft.
- › **Reduced risks of downtime or excess upgrade costs.** With a less customized environment and without the need to maintain the code themselves, interviewees found lower risk of costs being incurred from outages, downtime, or major upgrades.
- › **Reduced risk of lost or inaccurate data.** Improved data collection, scraping, and syncing prevented duplicates and outdated information and ensured everything was captured. This reduced the risk of situations with poor customer experiences, missing paper trails, and excess rework.

“I’m getting positive feedback from our users without even asking them. I used to get mostly complaints.”

*CRM manager,
real estate*



“Without Dynamics, we’d be completely non-GDPR-compliant. Having a system like Dynamics in place is hugely beneficial because we have a shared system and practices.”

*Global marketing programs
manager, professional services*



“It’s much easier for us to comply with CCPA and GDPR with Microsoft than before. It reduces the risk of fines, and it saves us from a lot of work. It lets us still do valuable things with the data and be able to manage it correctly, rather than just blanket anonymizing it all since we couldn’t protect it or handle individual requests adequately otherwise.”

*Director of information technology,
educational services*



Flexibility

The value of flexibility is clearly unique to each customer, and the measure of its value varies from organization to organization. There are multiple scenarios in which a customer might choose to implement Microsoft Dynamics 365 Sales and later realize additional uses and business opportunities, including:

- › Quickly scaling to additional users and regions.
- › Deploying Dynamics 365 AI capabilities such as prescriptive workflows, recommended actions, and next steps.
- › Deploying additional CRM capabilities in Dynamics 365 such as LinkedIn Sales Navigator, Dynamics 365 Customer Service, and Dynamics 365 Marketing.
- › Quickly and easily adopting other Dynamics 365 applications such as Field Service, Finance, Supply Chain Management, and Retail.
- › Adopting other Microsoft offerings to enhance the capabilities and data within Dynamics 365 such as Dynamics 365 Sales Insights, Power BI, and PowerApps.
- › Leveraging AI and machine learning along with the vast troves of cloud data not available to on-premises implementations to enhance decision making and achieve better business outcomes.
- › Integrating with Office 365 offerings such as Outlook, SharePoint, OneDrive, and Teams.
- › Deploying Microsoft's newest Dynamics 365 features as they go live.
- › Utilizing Microsoft AppSource to browse an array of prepackaged applications from independent software vendors to quickly and easily enhance the Dynamics 365 environment.

One interviewed real estate company is acting on this flexibility by building a one-stop application for its sellers leveraging AI and natural language processing built on Dynamics 365, Office 365, Azure Active Directory, Azure Search, Bot Framework, Bing Speech, Azure Services, and a .NET core. With this application, the company aims to drastically increase the amount of data captured at a company level, save time and allow sellers to work more opportunities, and help its sellers build stronger relationships with their end customers. The company's chief information officer explained: "Our costs [to deploy the AI-powered application] haven't even approached a million dollars. It's because of how our data and systems are structured and we went all in on the Microsoft stack. It would be much more expensive for our competitors to do anything like this now."

The interviewed educational services company is also taking action on this flexibility. As its director of information technology explained: "We're working on bringing a new offering to market for our former customers. We now have a data scientist and Power BI specialist working on coupling Azure Machine Learning with Power BI to combine our internal data in the CRM with LinkedIn to develop and take this new product to market. Using Dynamics 365 and LinkedIn together will help us grow the business, not just keep doing what we were doing."

Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in Appendix A).

"One of the nice things about [Dynamics] is that it's scalable. There are many different things you can light up."

Global marketing programs manager, professional services



"Integrating the features of Office 365, SharePoint, and Power BI with Dynamics 365 will be a big game changer for the organization."

Head of market to order applications, manufacturing



"As we're building our new AI-powered mobile app, we don't have to think about how to knit our systems together because it's all in the Microsoft stack."

Chief information officer, real estate



"Using Dynamics 365 and LinkedIn together will help us grow the business, not just keep doing what we were doing."

Director of information technology, educational services



Flexibility, as defined by TEI, represents an investment in additional capacity or capability that could be turned into business benefit for a future additional investment. This provides an organization with the "right" or the ability to engage in future initiatives but not the obligation to do so.

Analysis Of Costs

QUANTIFIED COST DATA FOR THE COMPOSITE ORGANIZATION

Total Costs							
REF.	COST	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Gtr	Subscription	\$320,250	\$1,218,000	\$1,218,000	\$1,218,000	\$3,974,250	\$3,349,236
Htr	Professional services	\$1,760,000	\$158,400	\$158,400	\$158,400	\$2,235,200	\$2,153,917
Itr	Internal labor	\$707,344	\$202,618	\$61,875	\$61,875	\$1,033,712	\$989,166
Jtr	User training	\$199,920	\$0	\$0	\$0	\$199,920	\$199,920
Total costs (risk-adjusted)		\$2,987,514	\$1,579,018	\$1,438,275	\$1,438,275	\$7,443,082	\$6,692,239

The table above shows the total of all costs across the areas listed below, as well as present values (PVs) discounted at 10%. Over three years, the composite organization expects risk-adjusted total costs to be a PV of more than \$6.7 million.

Subscription

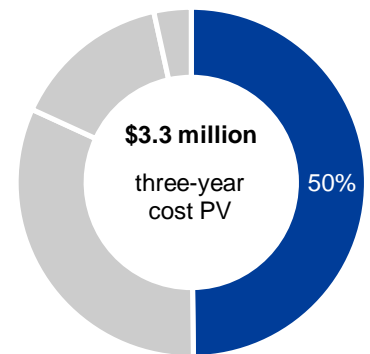
Microsoft Dynamics 365 Sales is provided via a per-user, per-month cloud subscription model. Forrester modeled the financial investment for the composite organization based on the following estimates:

- › Subscription costs are incurred at list pricing of \$95 per user, per month. This list pricing is available publicly on Microsoft’s website, and is validated to be the maximum, undiscounted potential subscription cost by interviewed customers.
- › Subscriptions are activated three months before official launch, as it is rolled out across the user base.
- › Additional subscription costs of \$20,000 are incurred annually for additional development and testing environments.

Forrester uncovered low risks that may impact the magnitude of this investment’s cost including:

- › Desired additional Dynamics 365 modules such as Customer Service, Finance, and Field Service, among others.
- › Other Microsoft solutions bundled under Enterprise Agreements such as Office 365, Power Platform, and Azure, among others.
- › Number of licensed users and their roles, including potential needs for basic access from non-sales users.
- › Potential subscription needs for additional third-party-integrated software based on specialized industry requirements.

To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year risk-adjusted cumulative total of \$3,974,250 and a PV of \$3,349,236 for the composite organization.



**Subscription:
50% of total costs**

Implementation risk is the risk that a proposed investment may deviate from the original or expected requirements, resulting in higher costs than anticipated. The greater the uncertainty, the wider the potential range of outcomes for cost estimates.

Subscription: Calculation Table

REF.	METRIC	CALCULATION	INITIAL	YEAR 1	YEAR 2	YEAR 3
G1	Dynamics 365 Sales users	J1+J4	1,000	1,000	1,000	1,000
G2	Monthly per-user subscription cost	List pricing	\$95	\$95	\$95	\$95
G3	Number of months		3	12	12	12
G4	Development and test environment subscription costs	Customer interviews	\$20,000	\$20,000	\$20,000	\$20,000
Gt	Subscription	$G1 * G2 * G3 + G4$	\$305,000	\$1,160,000	\$1,160,000	\$1,160,000
	Risk adjustment	↑5%				
Gtr	Subscription (risk-adjusted)		\$320,250	\$1,218,000	\$1,218,000	\$1,218,000

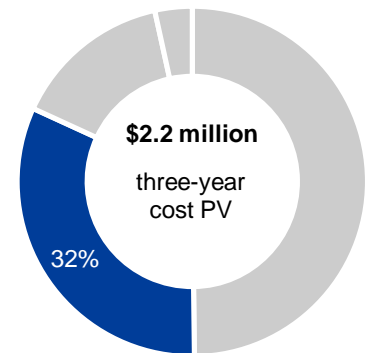
Professional Services

Interviewed customers consistently turned to third-party partners to assist in the design, customization, integration, deployment, training, and support of their Dynamics 365 Sales implementations. Interviewees found partner professional services costs for design and deployment were typically 1.5x larger than one year of subscriptions costs, ranging between 1x to 2x in relative size. Forrester's analysis of system integrators working with Microsoft business applications backed these results, and illustrated the following average professional services costs:

- › CRM visioning ranged from several-week, workshop-based engagements with average costs of \$50,000 to three-month, deep engagements including major process analysis and redesign (especially notable for large companies moving from homegrown solutions) that reached costs of \$500,000.⁷
- › Partner-led CRM implementations cost an average of \$550,000 for 500-seat organizations, with deal sizes often breaking into the millions for larger enterprises with more complex needs.⁸
- › Approximately half of CRM adopters incurred ongoing managed services at three typical tiers: bronze packages at \$6,000 per month, silver packages at \$8,000 per month, and gold packages at \$12,000 per month, all based on 500 licensed users.⁹

Forrester modeled the financial investment for the composite organization based on the following estimates:

- › Three months of visioning including analysis of existing processes, business and technical requirements gathering, and CRM design and approval at a cost of \$500,000. This reflects the cost of a major process analysis and redesign for companies replacing a legacy, homegrown, on-premises CRM as found in the partner study.
- › Six months of building and implementation plus three months of testing, user deployment, and training at a partner cost of \$1.1 million. This is twice the average cost as found in the partner study (see above), to reflect that the number of seats is twice as large.
- › Ongoing managed services costs of \$144,000 per year for general support of partner-created customizations and assistance with Dynamics 365 updates. This is important, as several organizations



Professional services:
32% of total costs



12 months
Total design and
deployment time

struggled to implement biannual updates, facing high costs, difficulty, and business disruption — for some companies with significant customization, but also one company with a near-stock deployment of Dynamics 365. This cost is modeled at 2x the bronze package (\$6,000/month x2) from the partner study as the composite has twice as many seats as that price was estimated for.

Forrester uncovered moderate risks that may impact the magnitude of this cost including:

- › Whether the prior state CRM was homegrown or from a vendor, and whether it was hosted on-premises or in the cloud. Transitioning from homegrown CRM on-premises is likely to require the greatest effort and cost, which is modeled here for conservatism in cost estimates.
- › Level of complexity, customization, documentation, integrations, technical dependencies, and business dependencies for the legacy CRM and associated business processes and workloads.
- › The choice of third-party professional services and that partner's degree of industry knowledge and ability to follow best practices.
- › Amount and format of historical data being added.
- › The level of top-down support, incentives, messaging, or requirements to use the CRM from executives and sales leaders.
- › The level of bottom-up support from sellers and their willingness to adopt Dynamics 365, change processes, and enter the data.
- › If the CRM is implemented alongside other major business changes.
- › Existing usage of other Microsoft products including other Dynamics 365 products (Finance, Supply Chain Management, Customer Service, etc.), Office 365, Power Platform, and Azure. Companies utilizing these other offerings may experience lower adoption barriers for integration and product/UX training for users.

Two out of the eight interviewees faced unexpected challenges due to some of these risks, which caused significant cost overages and months of delays. Although neither Microsoft nor the Dynamics 365 technology were at fault in either scenario, such challenges are not uncommon for any CRM implementation and such risks must be considered.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year risk-adjusted cumulative total of \$2,235,200 and a PV of \$2,153,917 for the composite organization.



Professional services cost for the composite organization:

- **\$500K** visioning
- **\$1.1M** implementation
- **\$144K** managed services

Professional Services: Calculation Table

REF.	METRIC	CALCULATION	INITIAL	YEAR 1	YEAR 2	YEAR 3
H1	Partner costs for design		\$500,000	\$0	\$0	\$0
H2	Partner costs for implementation		\$1,100,000	\$0	\$0	\$0
H3	Partner costs for managed services		\$0	\$144,000	\$144,000	\$144,000
Ht	Professional services	H1+H2+H3	\$1,600,000	\$144,000	\$144,000	\$144,000
	Risk adjustment	↑10%	□			
Htr	Professional services (risk-adjusted)		\$1,760,000	\$158,400	\$158,400	\$158,400

Internal Labor

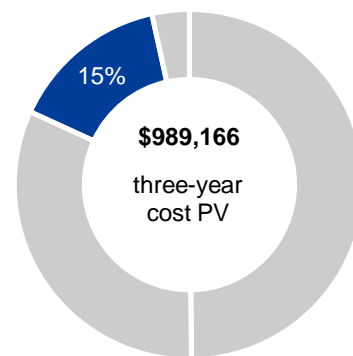
CRM is the core of the organization, and therefore, no CRM launch can be done without significant work to analyze existing processes, assemble technical requirements, design workloads, set up and test integrations, input data, and drive adoption — without disrupting the business itself.

Forrester modeled the financial investment for the composite organization assuming a one-year deployment (three months design, six months build and implementation, and three months testing and adoption) followed by moderate additional work in the first year to manage edits and drive adoption. The model includes the following estimates:

- › One CRM project manager dedicates a full year to implementation and 25% of their time to ongoing management over the following three years at a fully burdened salary of \$105,000 per year.
- › Three developers dedicate 25% of their workloads during the one-year implementation period at a fully burdened salary of \$135,000 per year. One developer continues to support deployment with 25% of their time during the first year of usage to manage any needed changes or edits.
- › Two business analysts dedicate 25% of their workloads during the one-year implementation period at a fully burdened salary of \$90,000 per year. One analyst continues to support deployment with 25% of their time during the first year of usage to assist with setting up reporting.
- › Three IT administrators dedicate 50% of their workloads during the one-year implementation period at a fully burdened salary of \$120,000 per year. One admin continues to dedicate 25% of their workload to ongoing management over the following three years.
- › Three executives dedicate 10% of their time during the one-year implementation period and 5% of their time during the first year of usage to manage strategy, planning, drive adoption, and track progress at an average fully burdened salary of \$250,000 per year.
- › Fifty sellers dedicate one day to testing and feedback during the implementation period and 2 hours to testing and feedback during the first year of active use at a fully burdened salary of \$83,200 per year.
- › Fifty sales managers dedicate five days to testing, feedback, training, and messaging during the implementation period and 10 hours during the first year of usage at a fully burdened salary of \$120,150 per year.

Forrester uncovered moderate risks that may impact the magnitude of this cost including:

- › The number of employees and level of expertise for those employees.
- › The potential for higher average salaries in regions such as Silicon Valley.
- › Whether the prior state CRM was homegrown or from a vendor, and whether it was hosted on-premises or in the cloud. Transitioning from homegrown CRM on-premises is likely to require the greatest effort and cost, which is modeled here for conservatism in cost estimates.
- › The level of complexity, customization, documentation, integrations, technical dependencies, and business dependencies for the legacy CRM and associated business processes and workloads.
- › The amount and format of historical data being added.



**Internal labor:
15% of total costs**

“We have configured and customized Dynamics 365 quite a bit to work for us. There are so many different processes running in the background that users aren't even aware of, like the cascading of information across companies and contacts, that having to manually do that would be next to impossible for the volume of data.”

Global marketing programs manager, professional services



- › The level of involvement desired for internal employees versus third-party professional services.
- › The level of top-down support, incentives, messaging, or requirements to use the CRM from executives and sales leaders.
- › The level of bottom-up support from sellers and their willingness to adopt Dynamics 365, change processes, and enter the data.
- › If the CRM is implemented alongside other major business changes.
- › Existing usage of other Microsoft products including other Dynamics 365 products (Finance, Supply Chain Management, Customer Service, etc.), Office 365, the Power Platform, and Azure. Companies utilizing these other offerings may experience lower adoption barriers for integration and product/UX training for users.

To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year risk-adjusted cumulative total of \$1,033,712 and a PV of \$989,166 for the composite organization.

Internal Labor: Calculation Table

REF.	METRIC	CALCULATION	INITIAL	YEAR 1	YEAR 2	YEAR 3
I1	CRM project managers	Interview data	1	1	1	1
I2	Percent of time dedicated	Interview data	100%	25%	25%	25%
I3	CRM project manager annual salary	PayScale salary data	\$105,000	\$105,000	\$105,000	\$105,000
I4	Developers	Interview data	3	1		
I5	Percent of time dedicated	Interview data	25%	25%		
I6	Developer annual salary	PayScale salary data	\$135,000	\$135,000		
I7	Business analysts	Interview data	2	1		
I8	Percent of time dedicated	Interview data	25%	25%		
I9	Business analyst annual salary	PayScale salary data	\$90,000	\$90,000		
I10	IT administrators	Interview data	3	1	1	1
I11	Percent of time dedicated	Interview data	50%	25%	25%	25%
I12	IT administrator annual salary	PayScale salary data	\$120,000	\$120,000	\$120,000	\$120,000
I13	Executive sponsors	Interview data	3	3		
I14	Percent of time dedicated	Interview data	10%	5%		
I15	Executive annual salary	PayScale salary data	\$250,000	\$250,000		
I16	Seller testers	Interview data	50	50		
I17	Percent of time dedicated	Interview data	0.4%	0.1%		
I18	Seller annual salary	PayScale salary data	\$83,200	\$83,200		
I19	Sales manager testers	Interview data	50	50		
I20	Percent of time dedicated	Interview data	2%	0.5%		
I21	Sales manager annual salary	PayScale salary data	\$120,150	\$120,150		
It	Internal labor	# FTE*% dedicated* \$ salary, all categories	\$643,040	\$184,198	\$56,250	\$56,250
	Risk adjustment	↑10%				
Itr	Internal labor (risk-adjusted)		\$707,344	\$202,618	\$61,875	\$61,875

User Training

Success of a new CRM ultimately falls on people: Sellers and sales managers must learn the new system and adopt its full slate of features. Interviewees shared that training was not a major impediment to success, as users could quickly learn to use Dynamics 365 Sales due to their familiarity with other Microsoft offerings, its clear user interface at the computer and while mobile, and its clean integrations with other solutions such as Outlook, SharePoint, Teams, and Power BI.

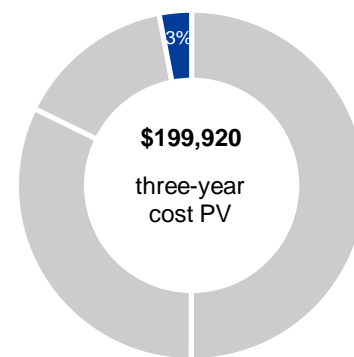
Forrester modeled the financial investment for the composite organization based on the following estimates:

- › Nine hundred sellers participate in 4 hours of training at a fully burdened cost of \$40 per hour.
- › One hundred sales managers participate in 8 hours of training at a fully burdened cost of \$58 per hour.
- › As initial training alone will not drive full adoption of the platform and its specific capabilities by sellers and sales managers, Forrester has modeled only 50% realization across benefit categories in Year 1 as users continue to learn and get used to the new system.

Forrester uncovered low risks that may impact training costs including:

- › The level of process redesign and change management needed as sales processes are reworked alongside launching the new CRM. Some users or organizations may find they need more training depending on how much they have redesigned and rearchitected their workflows.
- › Specific features and modules being deployed.
- › The degree of customization to features and the user interface.
- › The number and relative salaries of end users.
- › The amount of support, pressure, and messaging from leadership to ensure adoption and change management.
- › The ability and desire to integrate with existing communications (e.g., Outlook and Microsoft Teams), file management (e.g., SharePoint), reporting (e.g., Power BI), mobile applications (e.g., PowerApps), and ERP (e.g., Dynamics 365 Finance, etc.) capabilities.

To account for these risks, Forrester adjusted this cost upward by 5%, yielding an initial total cost of \$199,920 for the composite organization.



**User training:
3% of total costs**



**4 hours of training for
sellers**

**8 hours of training for
sales managers**

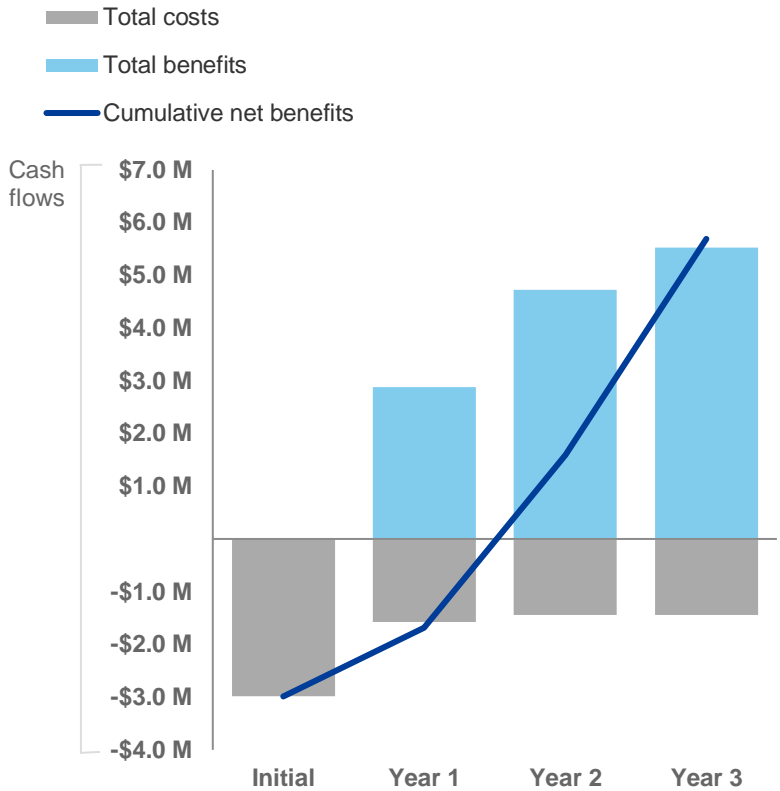
User Training: Calculation Table

REF.	METRIC	CALCULATION	INITIAL
J1	Number of sellers	Composite organization	900
J2	Training hours per seller	Customer interviews	4
J3	Seller hourly salary	118/2,080	\$40
J4	Number of sales managers	Composite organization	100
J5	Training hours per sales manager	Customer interviews	8
J6	Sales manager hourly salary	121/2,080	\$58
Jt	User training	$J1 * J2 * J3 + J4 * J5 * J6$	\$190,400
	Risk adjustment	↑5%	
Jtr	User training (risk-adjusted)		\$199,920

Financial Summary

CONSOLIDATED THREE-YEAR RISK-ADJUSTED METRICS

Cash Flow Chart (Risk-Adjusted)



The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.



These risk-adjusted ROI, NPV, and payback period values are determined by applying risk-adjustment factors to the unadjusted results in each Benefit and Cost section.

Cash Flow Analysis (Risk-Adjusted Estimates)

	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Total costs	(\$2,987,514)	(\$1,579,018)	(\$1,438,275)	(\$1,438,275)	(\$7,443,082)	(\$6,692,239)
Total benefits	\$0	\$2,882,918	\$4,720,148	\$5,531,498	\$13,134,563	\$10,677,680
Net benefits	(\$2,987,514)	\$1,303,900	\$3,281,873	\$4,093,223	\$5,691,481	\$3,985,441
ROI						60%
Payback period						19 months

Appendix A: Total Economic Impact

Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

Total Economic Impact Approach



Benefits represent the value delivered to the business by the product. The TEI methodology places equal weight on the measure of benefits and the measure of costs, allowing for a full examination of the effect of the technology on the entire organization.



Costs consider all expenses necessary to deliver the proposed value, or benefits, of the product. The cost category within TEI captures incremental costs over the existing environment for ongoing costs associated with the solution.



Flexibility represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. Having the ability to capture that benefit has a PV that can be estimated.



Risks measure the uncertainty of benefit and cost estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on "triangular distribution."

The initial investment column contains costs incurred at "time 0" or at the beginning of Year 1 that are not discounted. All other cash flows are discounted using the discount rate at the end of the year. PV calculations are calculated for each total cost and benefit estimate. NPV calculations in the summary tables are the sum of the initial investment and the discounted cash flows in each year. Sums and present value calculations of the Total Benefits, Total Costs, and Cash Flow tables may not exactly add up, as some rounding may occur.



Present value (PV)

The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.



Net present value (NPV)

The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made, unless other projects have higher NPVs.



Return on investment (ROI)

A project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits less costs) by costs.



Discount rate

The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.



Payback period

The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.

Appendix B: Vendor Overview Of Microsoft Dynamics 365 Sales

The following information is provided by Microsoft. Forrester has not validated any claims within this material and does not endorse Microsoft or its offerings.



With Dynamics 365 Sales, sales teams can consistently deliver personalized engagement that builds relationships and closes deals. Intelligent guidance ensures sales teams have the time and know-how to move relationships forward. By leveraging ready-made AI as a core element in enhancing — not replacing — the capabilities of sales teams, the managers and sellers closest to the buyers are empowered to transform the way they engage and work.

Sell smarter with contextual insights

- Identify customers most likely to convert and buy with predictive lead and opportunity scoring to increase win rates.
- Tailor engagement based on AI-driven insights that recommend personalized talking points and next best actions.
- Show sellers how customers interact with their emails, so they can be more proactive in email communications.
- Keep customer relationships on track with signals from Dynamics 365 and Office 365 that reveal relationship health.

Build relationships with authentic and personalized engagement

- Unify relationship data and processes with LinkedIn Sales Navigator integration so sellers can build trust and manage relationships at scale.
- Get insights with LinkedIn Sales Navigator integration, including related leads and paths to a warm introduction.
- Keep track of contacts and visualize relationships among contacts with interactive org charts.

Free up time for selling

- Minimize routine tasks with contextual prompts that, as sellers enter notes, suggest new records to create.
- Concentrate on selling with playbooks that contain winning techniques and contextual reference materials.
- Spend less time searching for content with modern sales enablement capabilities that intelligently recommend the most relevant content and related training to sellers.
- Reduce training with a business process UI that provides guidance during every phase of the sales cycle.

Boost sales productivity with an integrated tool set

- Minimize manual data entry by scanning and converting business cards into new records in Dynamics 365.
- Streamline workflow with modern mobile applications and familiar tools like Microsoft Teams, Outlook, Excel, and SharePoint that work with Dynamics 365.

Accelerate sales performance

- Help managers drive performance with pipeline analysis and forecasting, deal insights, and conversation intelligence.
- Proactively identify at-risk deals, gain visibility, and provide feedback through built-in coaching tools.

Innovate with flexible solutions that grow with your business

- Easily customize your sales application, and automate workflows, analyze data, and easily build custom applications with Microsoft Power Platform.
- Easily deliver insights to your sales team with built-in AI. Customize insights to fit your sales process — no code required.
- Reduce the cost and complexity of operating a global infrastructure with the Microsoft cloud, and help safeguard your data throughout Microsoft datacenters.
- Transform the end-to-end customer journey by unifying your data across marketing, sales, and service.

Appendix C: Supplemental Material

Beyond the interviews with Microsoft customers and third-party system integrators for this study, the following Forrester reports informed the analysis and may be of value to readers:

- › “Quantify The Business Value Of CRM,” Forrester Research, Inc., November 15, 2019.
- › “Transform Customer Processes And Systems To Improve Experiences,” Forrester Research, Inc., April 15, 2019.
- › “Quantifying The Business Value Of SaaS,” Forrester Research, Inc., February 15, 2019.
- › “Define The Right Metrics For Tracking CRM Success,” Forrester Research, Inc., October 12, 2018.
- › “Mitigate CRM Risks With Sound Deployment Practices,” Forrester Research, Inc., May 15, 2018.
- › “CRM Success Hinges On Effective Change Management,” Forrester Research, Inc., March 23, 2018.
- › “Stop Buying End-To-End CRM,” Forrester Research, Inc., May 4, 2017.
- › “On-Premises Infrastructure Costs Analysis Tool,” Forrester Research, Inc., January 9, 2015.

Appendix C: Endnotes

¹ Source: “The Partner Business Opportunity For Microsoft Business Applications,” Forrester Research, Inc., July 2019.

² Source: PayScale.

³ Source: Stern School of Business at New York University, “Margins By Sector (US),” January 2019.

⁴ Source: Ibid.

⁵ Source: PayScale.

⁶ Source: “On-Premises Infrastructure Costs Analysis Tool,” Forrester Research, Inc., January 9, 2015.

⁷ Source: “The Partner Business Opportunity For Microsoft Business Applications,” Forrester Research, Inc., July 2019.

⁸ Source: Ibid.

⁹ Source: Ibid.