



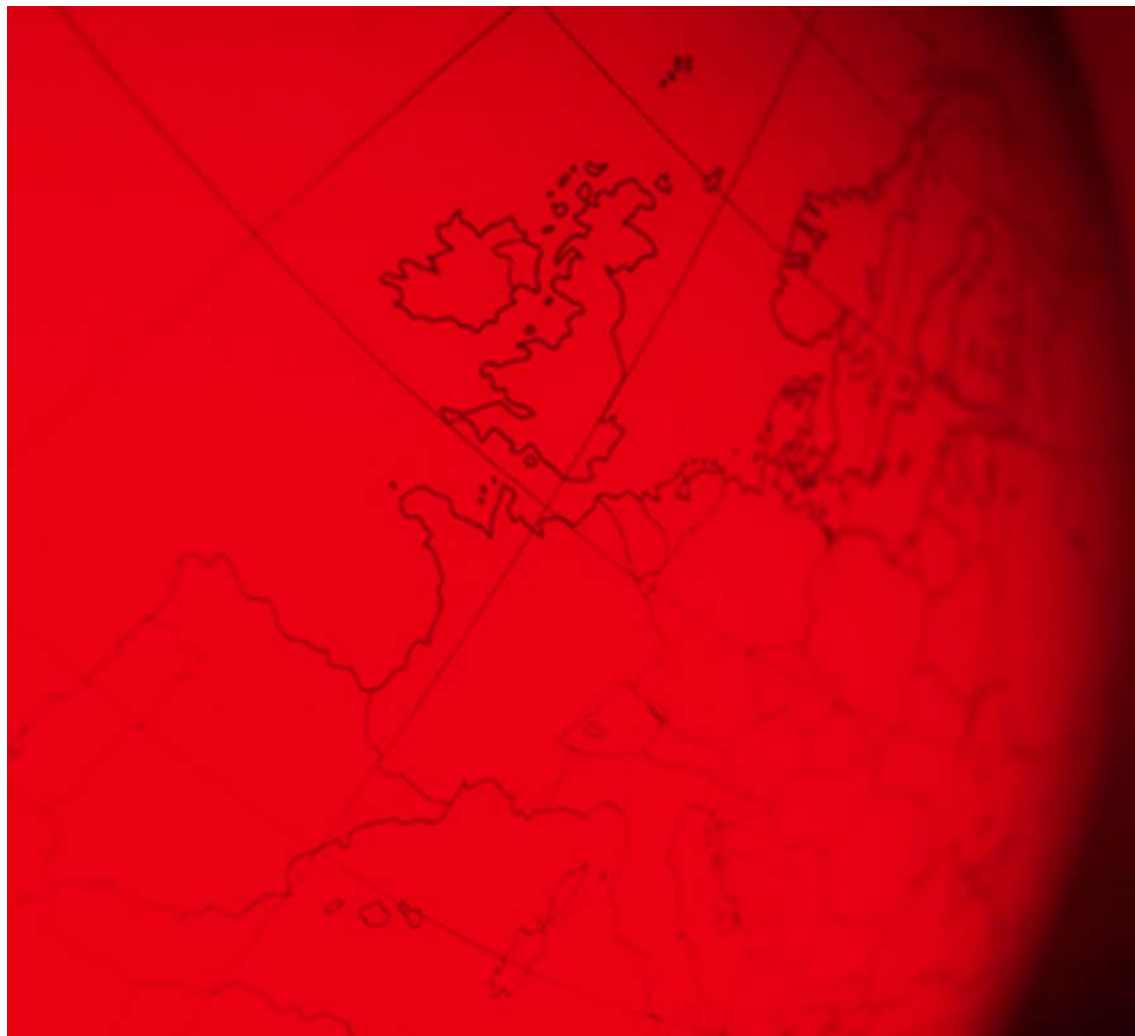
NUCLEUS
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GUIDEBOOK

MAXIMIZING SUCCESS DELIVERING MICROSOFT DYNAMICS



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TOPICS

Enterprise Applications
Customer Relationship
Management

THE BOTTOM LINE

Companies buying software want partners they can trust, especially in today's economic climate. Microsoft partners that follow a structured methodology to sell, deliver, and optimize Microsoft Dynamics solutions can reduce their own cost and risk, focus on core competencies, and ultimately increase profits and customer satisfaction.

THE SITUATION

Today Microsoft Dynamics business partners, like any services companies, face a number of common challenges:

- The economy. Tightening budgets have driven greater scrutiny for IT expenditures and, in many cases, pushed out decision timelines. As one partner said, *"A couple of implementations where the customers bought, we're two to three months in, and they're putting the project on hold six to 9 months."*
- Gaining competitive mindshare. With multiple applications, multiple competing products, and multiple competitive service providers, partners must invest to develop their brand and remain top-of-mind with the appropriate customers.
- Generating leads. Although being a Microsoft partner delivers certain benefits in terms of lead generation, partners must also be able to generate and nurture their own leads and accurately forecast their future business. As new leads diminish, partners must identify opportunities to re-engage with and nurture existing customers.
- Finding and training talent. As one partner said, *"Finding talent is really difficult, it's the be all end all. The biggest mistakes you make are hiring mistakes."*
- Scaling their business profitably. Perhaps the biggest challenge for Microsoft partners is how to grow the business while managing costs, ensuring customer satisfaction, and ultimately streamlining operations to maximize efficiencies. As one partner said, *"There are a lot of mom and pop implementers out there but not many ... grow beyond the \$6 or \$7 million level."*

Microsoft has introduced a structured implementation methodology called Sure Step to help partners address some of these challenges. This guidebook explores the best practices, missteps to avoid, and fine tuning tips Microsoft Dynamics business partners can adopt to make their business operations more efficient and profitable — and ultimately, to more effectively insulate them from other business challenges.

BEST PRACTICES

Nucleus found the most successful Microsoft Dynamics business partners followed a few key strategies to ensure the predictability and smooth operation of their business.

Adopt a structured and repeatable methodology

Establishing a consistent structure and methodology around delivering solutions, from the initial business diagnosis through development, implementation, and

handoff to operations, can help partners streamline communication and collaboration throughout the project. Common tools successful partners used to ensure structure and repeatability included:

- Common questionnaires and needs assessment documents for different phases of the diagnostics and analysis process
- Common business plan and presentation templates for different phases in the sales cycle
- Common project management tools with pre-built project roadmaps for specific types and sizes of projects
- Common templates for planning, designing, and developing specific functional requirements
- Common definitions of team member roles, responsibilities, and level of participation at different points of the project.

Partners found using consistent terminologies and tools reduced confusion among internal team members as well as with the customer, resulting in better management of change orders and customer satisfaction:

- *"We've grown quite a bit in the last three to four years. We really needed to rely on a standard agreed upon project methodology. Last summer I got put in charge of standardizing our methodology across all of our teams — so people can start on one project and move to another project and know where things are."*
- *"We have consultants that may spend two months on one project and two months on another. When they're going from project to project we can have clear communication about phases, timelines, tasks."*
- *"We've standardized how we capture information for an environment review of a customer's environment. Before we had a spreadsheet in place but it may have had only 50 percent of the information."*

Get everyone speaking the same language

Once a common set of tools and structures are in place to support projects, training all team members on their use, both on an initial and ongoing basis, will ensure the methodology is effectively adopted across all project teams and groups. Broad adoption of common terms and terminologies will help align and mobilize teams and flatten the learning curve for new hires. It can also enable partners to streamline interactions with other partners, customers, ISVs, and Microsoft.

It is important to remember that training is not just about how to use the tools or perform a process, but why it is valuable and how it can ultimately help team members be more successful.

Training is 30 percent instruction and 70 percent promotion.

On an ongoing basis, highlighting and promoting the success of those that follow best practices consistently will motivate others to follow.

Take the time to evaluate your business

Any investment of time and effort in a new implementation methodology should also include an evaluation of how the business implements today. Partners should consider:

- How much of current processes and tasks are documented versus ad-hoc
- How clearly defined and consistent roles and responsibilities across project teams
- Which current processes are optimized and which could be improved or streamlined
- What is your core competency: is it industry or geography-specific knowledge or is it more focused on project management
- What is your clear value-add or does it need to be better differentiated
- What scenarios or situations in the past have driven significant cost overruns or customer satisfaction issues.

Many partners used the Microsoft Dynamics Sure Step implementation methodology as a means to evaluate their current delivery model and determine which areas could be improved or adapted based on the best practices outlined in Sure Step:

- *"We have improved our documentation and some of our processes through implementing Sure Step. We went through and picked out 22 phases — we have something for each one that describes business process and how we need to capture information."*
- *"We integrated our existing methodology with Sure Step, and that takes some thinking about the business. If you're going to mix your methodology, that exercise can take two to three months on off hours — it shouldn't happen overnight."*

Address human factors

Changes in business processes can be disruptive to hierarchy, expose problems that were previously hidden, and challenge workers' habits and work practices. Companies that dramatically adjust their implementation and communication styles should expect that there will be some human barriers to adoption and put communication and incentive plans in place to address them. One partner making adjustments, for example, used a hand-picked set of senior members of the team that were well-respected lead and communicate around change efforts to ensure less-experienced team members would feel more comfortable. Others have successfully leveraged the Sure Step roadmap assessment to identify areas for improvement.

MISSTEPS TO AVOID

Microsoft Business partners that had experience implementing a structured implementation methodology such as Sure Step also avoided certain missteps that could have derailed their business.

Don't boil the ocean

Changing the existing way a business is run can be extremely disruptive — which can be beneficial but can also introduce a lot of risk. Taking a measured approach to phasing in changes in the way you deliver, communicate, and interact with team

members and customers will give you the opportunity to learn from any initial missteps or gaps and right them before they become significant problems to overcome.

Consider piloting the capabilities of a new approach or methodology to drive awareness, readiness, and adoption — and most importantly, justify the value of your approach by using it in actual scenarios or customer engagements. For example, some partners start using Sure Step templates for pre-sales activities or pilot a fixed-fee, fixed-scope project methodology like Rapid. Focusing on a few key deliverables will help ease adoption.

Partners that pilot a new methodology or strategy on specific projects, welcome and gather feedback on strengths and weaknesses of their initial efforts, and adapt their approach based on that input can drive positive business changes while managing the risk of disruption. As one partner said about their methodology, *“In the hands of inexperienced pilots they could be overwhelmed. We’re talking about how we get it dumbed down at certain levels so it’s more than ... a new thing people are trying to figure out.”*

Don’t be too rigid

Nucleus found that while a structured implementation methodology delivers the greatest success for Microsoft partners, partners also needed to be flexible enough to meet the specific needs of customers and to evolve over time as business dynamics changed. Many partners find that collaboration with other partners and a keen eye for the best practices others follow can help them to further improve their operations.

Structured methodologies like Sure Step can help partners balance their approach to diagnosing, implementing, and optimizing solutions for customers. A good rule of thumb is 60—20—20 when adopting Sure Step: 60 percent of the work can be driven by a product-specific implementation methodology; 20 percent will come from your own industry-specific expertise and knowledge; and the rest will be what you do to meet customers’ business needs on a project by project basis.

Don’t go it alone

Partners that leveraged available resources from Microsoft to help in structuring their implementation methodologies and customer communication documents found they were able to more rapidly and professionally present project proposals and have a more “polished” approach in the pre-sales process and throughout management of the project. They were also able to leverage Sure Step to reduce the investment they needed to make in basic operations, so that they could then reinvest it in other areas such as industry or solution differentiation.

Partners that leveraged the Sure Step methodology were also able to work more easily with other partners and Microsoft consultants on larger projects because everyone was taking the same approach to the implementation. Such a strategy can enable partners to learn from others while addressing new business opportunities that may be beyond the scale of what they could execute on on their own.

Partners also found they were most successful if they were the squeaky wheel. Leveraging the overall partner ecosystem; taking advantage of partner training, tools, and programs like the adoption roadmap; and taking advantage of opportunities to provide input into new releases can help you stay ahead of the curve.

Don't forget communication

The number one benefit of a structured implementation methodology, according to Microsoft partners, was communication:

- Communication ensures that the channel sets expectations appropriately
- Communication ensures that presales and sales work effectively together
- Communication ensures customers' expectations are set properly
- Communication ensures consultants can move between project with little confusion
- Communicating in the same language as Microsoft helped partners achieve their goals faster
- Ultimately, communication reduces the cost of write-offs and improves the profitability of projects.

Ensuring team members are speaking the same language can be reinforced through common terminologies, titles, templates, and tools, and dramatically reduce time spent communicating about a project.

FINE TUNINGS

The most successful Microsoft partners are always fine-tuning their business and the way they interact with clients. Sure Step can help partners to determine how to better set customer expectations and improve executive commitment and change management strategies when building client relationships.

Continue your investment

Continued investment in training and reinforcement of a structured methodology can drive further efficiencies in the business and make it easier to attract and ramp up new employees. Partners that recognize that there are always opportunities for improvement, and who continue to look for ways to optimize their use of resources, are ultimately the most successful and the most able to continue to scale to increase profitability.

Adapt based on best practices

Successful partners customize their implementation methodology based on customer needs and their own unique strengths and continue to evolve over time as they identify new opportunities for improvement. As one partner said, *"It's taken us quite a bit of time — it's an evolving tool for us. We've made a commitment to say we need to standardize — it's going to take quite a bit of time to tighten it up."*

Leverage the methodology for collaboration

Partners using a common structured implementation methodology can more effectively communicate and collaborate with other Microsoft partners because they are already "speaking the same language" from a project perspective. Nucleus

found this enabled companies to work together more quickly to bid on and win larger projects. As one partner said, *"We also do work with other partners even in Europe — as we see more partners using the same methodology if we're bidding a project together and we use the same breakdown strategy it's easy for us to bid together."*

One such methodology partners have used and adapted to support a structured implementation methodology is Microsoft Dynamics Sure Step. Many of the partners analyzed for this report had integrated Sure Step into their best practices to increase efficiency.

THE SURE STEP METHODOLOGY

Microsoft Dynamics Sure Step Methodology describes the processes and disciplines needed to successfully implement Microsoft CRM and ERP applications. The methodology includes:

- Core content and workflows that lead from the initial business diagnosis to implementation and hand-off to operations
- Tools and templates that help guide project activity, client proposals and presentations, and system configuration
- A presentation client to help partners adapt Sure Step to their unique requirements
- Links to other Microsoft Dynamics resources.

Partners using a structured implementation methodology such as Sure Step recognized a number of benefits from that approach, including improved communication and collaboration, improved consistency and repeatability, better change order management, improved staffing and training, and better brand presence.

Improved communication and collaboration

With a standard framework, tools, and project plans, partners can improve communication and collaboration with both internal team members and customers. This leads to greater staff productivity and overall increased customer satisfaction:

- *"Sure Step provides the overall communication plan between project manager and staff members. Communicating about whether or not they're on track. The whole key to Sure Step is communication. Team environment avoids conflict down the line, which causes a lot of problems with software implementations."*

Improved consistency and repeatability

Using a structured implementation methodology such as Sure Step enables Microsoft Dynamics partners to have more consistent and repeatable deliverables such as proposals, presentations, and change order communications. Consistency and repeatability accelerates the process for delivering a proposal or presentation to a client and, many partners said, provided an additional polish to their communications. For example, one partner said, *"Our framework has helped us get a little more formal in writing statements of work and presenting proposals instead of doing our own thing. We have more consistency about what we're*

delivering, defining scope and what's being delivered. Change orders, expectation setting has been very good for us."

Better change order management

One of the key benefits partners achieved from using a methodology such as Sure Step was the ability to reduce miscommunications and reduce conflicts around change orders and budgets:

- *"We do fewer write-downs."*
- *"PM from a margin perspective mitigates write-offs. You run the risk of potential write-off because a job was beyond the scope and over cost. Most clients will say, it wasn't our fault. Helps on the customer satisfaction side as well."*
- *"Helps us deliver a more predictable project too – we can increase margin via more solution sales but also less customer write-offs. People are not dying to write checks and part with their money so you have to have a unique selling point to get people to invest in new software solutions."*

Improved staffing and training

Partners that had adopted a structured implementation methodology such as Sure Step found their efforts resulted in a more professional presence, which helped them recruit better staff, as well as a framework for training to help bring them up to speed quickly:

- *"It's easier to hire salespeople. Consistency when a SOW goes out the door. Everyone in the organization knows how to write them now. Prior to having this we had kind of a standard but everyone would do their own thing. Different projects would be different."*
- *"When you're looking to hire someone if you have a standard set of methodology and delivery they know they have tools to work and help them through sales."*

A common taxonomy and training can also help partners to source talent from other groups or countries at competitive rates without significant incremental onboarding investment.

Better brand presence

Partners with consistent and structured tools found they could more effectively develop and present polished proposals to customers in less time:

- *"In the past we would go in and the customer wanted an implementation proposal. We'd have a PowerPoint. Today we can demonstrate Sure Step to our customers – gives the customer a lot of confidence. You can install Sure Step on your laptop. You can show all the different phases of an implementation. There's considerably less time to prep for a close meeting with a customer. Still some PowerPoint that we use but this helps."*
- *"It's not any advantage today from a negotiation perspective but it's a more formal and professional pricing. Represents our firm far better – may be a competitive advantage."*

CONCLUSION

The skills and guidance of implementation partners are a key factor in Microsoft Dynamics's customer success, and those that are most successful have moved beyond ad-hoc diagnostic, communication, and project management to follow a more structured implementation approach such as Sure Step. They reap the benefits through improved communication, greater customer satisfaction, and ultimately through greater profitability and growth.

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