



# Enterprise Software Certification Report

ERP for Discrete Manufacturing

**Microsoft Dynamics GP 10.0**

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# TEC Product Certification Report

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Technology Evaluation Centers (TEC) is pleased to announce that Microsoft Dynamics GP 10.0 is now **TEC Certified** for online evaluation of discrete enterprise resource planning (ERP) solutions in TEC's ERP Evaluation Center. This Evaluation Center enables you to compare and evaluate functionality based on TEC's comprehensive model of ERP software for discrete manufacturers. Data used in the Evaluation Center are obtained from the vendor's responses to TEC's request for information (RFI). Certification ensures that product capabilities have been demonstrated to TEC analysts based on the responses Microsoft provided in its completed TEC RFI; and that TEC analysts have analytically and comparatively reviewed Microsoft Dynamics GP RFI data against known benchmarks.

## Benefits of Evaluating a TEC Certified Product

There are many benefits to evaluating a **TEC Certified product**. To potential clients of a software vendor, TEC certification provides the following:

- **Reassurance:** You can be assured that the data TEC provides about its certified products conform to a well-defined standard of accuracy. When a vendor's product is TEC Certified, it means that a trusted, independent third party has seen the product up close.
- **Better communication with vendors:** TEC certification helps ensure that vendors understand and respond accurately to their clients' RFI criteria. Certification with TEC analysts provides the opportunity to clarify any issues with the RFI criteria. This ensures that the vendor is speaking the same language as its potential clients—and gives the clients an unambiguous specification of product functionality to inform their selections.

The certification seal is a valuable indicator for organizations that rely on the integrity of TEC's research services for assistance with their software selection projects. Organizations looking for a solution can be confident that they're comparing the product on an "apples to apples" basis with other, similar products.



# Background and Analyst View

Great Plains Software created Great Plains, one of the first accounting packages in the US, in the early 1980s. The initial disk operating system (DOS)-based version was converted into a Windows-based accounting system in the 1990s.

Great Plains Software acquired Solomon Software in 1999, and Microsoft acquired Great Plains Software two years later, along with Navision Software in 2002. At the time of its acquisition by Microsoft, Great Plains Software had three products in its roster: Great Plains Dynamics, Great Plains eEnterprise, and Small Business Financials. Several years later, the two main products (Dynamics and eEnterprise) merged to form Microsoft Business Solutions Great Plains (GP).

Microsoft Dynamics GP targets companies primarily in the following areas:

- health care
- wholesale distribution
- manufacturing
- public sector
- not for profit

Geographically, Microsoft offers extensive local support for Dynamics GP in Africa, Latin America, North America, and the Middle East, with an adequate level of support for Asia and Europe. The solution can be used in three languages—English, French, and Spanish—and for companies with 1 to 1,000 employees (although it also provides adequate support for companies with 1,000 to 10,000 employees and has the potential to support companies with more employees).

Microsoft Dynamics GP 10.0 was released in June 2007 (version 9.0 having been launched in 2005). Between the two versions, in 2006 Microsoft revamped its licensing strategy for all its ERP products, including Dynamics GP, by introducing its Business Ready Licensing Plan. In a nutshell, the difference between the new and the old licensing system is that the new system is based on a named user cost whereas the old one was based on a per-module licensing model. The new licensing model provides Microsoft customers with two offerings: Microsoft Dynamics GP Business Essentials, and Microsoft Dynamics GP Advanced Management.

During the process of certification for Microsoft Dynamics GP 10.0, the Microsoft Dynamics GP team demonstrated ERP functionality for discrete, process, and mixed-mode manufacturing. The team also demonstrated finance features and human resource management functionality.

This report presents the main technical characteristics of Microsoft Dynamics GP 10.0. The report will also compare the product's level of support with a benchmark solution, for all principal modules of discrete ERP.

# Product Highlights

Some of GP's most important enhancements or new features for discrete ERP are related to financial management (e.g., workflows for receivables and payables, collections management, and analytical accounting), manufacturing-specific functionality (e.g., material requirements planning [MRP] and manufacturing orders), distribution (e.g., purchase order processing and inventory control) and field service (e.g., service call, contract administration, and returns management). All these will be described in more detail below.

Based on four main principles, here are the highlights of Microsoft Dynamics GP 10.0.

## Ease of Use

- **Layout:** Microsoft Dynamics GP 10.0 offers two types of menus: drop-down lists at the top of the screen and a classic vertical list to the right. Each user has a home page, which can be customized by adding or removing objects (to-do lists, report lists, etc.), thus integrating the system with external applications (e.g., Microsoft Office Outlook and ADP Payroll) and even allowing for the creation of macros.
- **Performing tasks:** Each module has a main page containing the most important functionality for that section, and reports lists or shortcuts to the most common operations. On most screens, the system displays a new menu of buttons for the main operations that can be performed for that specific activity (Edit, Delete, etc.).
- **Integration capabilities:** The product allows for integration with Microsoft Office products—some screens present the option to open Microsoft Office Word documents or Microsoft Office Excel spreadsheets by simply clicking a button. The system offers an integration manager, which can be used to create and manage customized integrations. Advanced users can use this feature to map source and destination information. Finally, this product allows for integration with the SharePoint Server to store and search for files, collaborate with others, etc.
- **Navigation:** When users move from one module to another, the Address field in the browser shows users where they are (e.g., Home/Inventory/Items) and the browser History option can be used to go back to previously viewed pages. When users are engaged in multiple sections of the system, a new window opens for each new section, which can make navigation between windows rather difficult. Most screens display toolbars, which users can click to go to the first, last, previous, or next record.

## Workflow Design

- **Information retrieval:** IDs are used to retrieve information, but there is also a search button next to most fields containing important data. The system validates incorrect data and suggests that the users create new categories when needed (e.g., when a user attempts to enter a Class ID that does not exist within the system, the user is prompted to add the new class). The search capability offers filters for search refinement and a multiple-column search, provides the option to match the letter case, and lists a maximum number of records.
- **Security:** A major change in the way Dynamics GP manages security is the shift from “optimistic security” (where new users had, by default, access to any data), to new default roles and tasks that limit users’ access according to their needs. Also, the Security Synchronization Utility can be used to simultaneously manage securities for Dynamics GP, Web Services, and Business Portal.
- **Reporting capabilities:** Office Data Connection lets users view data as if they were using Excel, and the Excel Report Builder allows users to create Excel reports without exiting Dynamics GP. Also, integration with Microsoft SQL Server Reporting Services allows administrators to create and publish advanced reports using a wizard.

## Ease of Implementation

- **Server and database management system (DBMS) Platforms:** Microsoft Dynamics GP 10.0 works on the following types of servers: Windows, Solaris, HP-UX, and IBM AIX, with the only type of database compatible with the system being Microsoft SQL Server.
- **Flexibility:** Administrators have two options when installing Microsoft Dynamics GP 10.0: basic (the system creates most options by default, including databases, with no password to stop other users from making configuration changes) and advanced (users can customize options, such as where the database is created and a password to limit access to sensitive sections).
- **Data migration:** The Rapid Migration Tool enables companies to import data from legacy systems, such as QuickBooks.

## Innovation

- **New features:** The new features for business functionality are discussed in each section below, but from a technical standpoint, the electronic signatures and database maintenance utility enhancements are worth additional mention.
- **Workflow:** The Workflow feature allows users to create workflows and approve business processes without logging in to Microsoft Dynamics GP 10.0 (these tasks can be performed in Outlook or the workflow Web site). Workflows can be created and managed for the following types of processes: purchase orders, sales quotes, credit limit, general ledger, accounts payable, and accounts receivable.

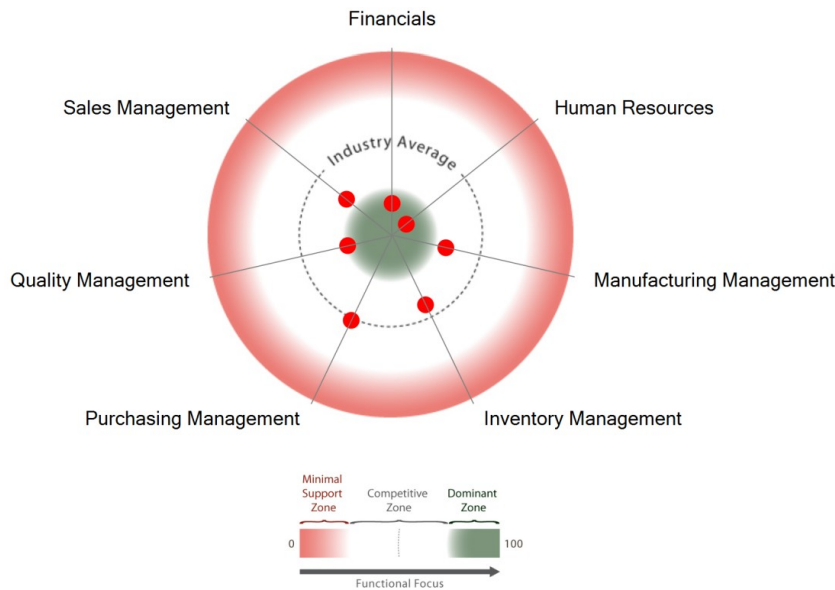
# Product Analysis

The following high-level graphs identify this product's functional focus and competitive strengths. All data may be reviewed in depth, using the TEC Advisor decision support system in TEC's public Evaluation Centers.

## The TEC Focus Indicator™

TEC's model of discrete ERP systems is designed with a comprehensive breadth; generally vendors will deliver a common base of functionality. While it's necessary to know whether a product supports a base of common functionality, it's very helpful to understand how a product really differs from the crowd. This **TEC Focus Indicator** shows you which types of functionality are most likely to differentiate Microsoft GP 10.0 from other products in the ERP for discrete manufacturing software space. It includes three zones indicating the product's functional focus: the **Dominant Zone**, **Competitive Zone**, and **Minimal Support Zone**.

The rankings in this Focus Indicator represent neither the quality of the product nor an absolute quantity of supported functionality. Rather, the rankings show support relative to the quantity of functionality supported, on average, by software products in this market space. The functional focus axes indicate the modules of a typical ERP for discrete manufacturing product. Red dots that are near the center of the functional focus axes reveal where Epicor ERP is more likely to differentiate itself through breadth of functionality. If your needs tend toward the type of functionality for which the red dots are located closer to the center of the Focus Indicator, this product will be a strong competitor for what you need.



TEC Focus Indicator for Microsoft Dynamics GP 10.0 (discrete ERP)

Microsoft Dynamics GP 10.0 has two modules located in the **Dominant Zone**. Its strength in the HR module is due to strong support for workforce management, training, benefits, payroll, and personnel management functionality (see TEC's [HR Product Certification Report for Microsoft Dynamics GP 10.0](#)). For Financials, Dynamics GP has a long-standing tradition of continually improving this type of functionality. Its focus is on project and analytical accounting but also collections, receivables, and payables management.

Microsoft Dynamics GP 10.0 has five modules located in the **Competitive Zone**: Quality Management, Sales Management, Manufacturing Management, Inventory Management, and Purchasing Management. Microsoft Dynamics GP 10.0 is competitive with most products in these core areas. Microsoft Dynamics GP 10.0 receives higher ratings than the average discrete ERP product in all five areas. This is explained by new features or enhancements for MRP, purchase order processing, inventory control, and other areas, described in more detail later in this report.

# Understanding the TEC Focus Indicator Zones

TEC defines an average solution using data about real software products available on the market. We assess the capabilities of the software and assign numeric ratings representing various levels of support in our models of enterprise software. Depending on the model, we use anywhere from a thousand to several thousand criteria to determine average scores. These models and product scores may be accessed through our publicly available Evaluation Centers.

We calculate what an average solution would look like based on the features and functions about which software vendors have provided us with recent information. We then normalize the scores of this solution as the circle labeled "**Industry Average**" bisecting the TEC Focus Indicator graph. We also define boundaries on the high and low ends of the average, which are the demarcation points for passing into Dominant or Minimal Support zones. Next, we determine the quantity of functionality supported by the product for each module in our model. We assume that all criteria are equally important. In a real-world situation, of course, you would give a greater priority to criteria that are more important for your needs. However, for the sake of the TEC Focus Indicator analysis, we want to draw conclusions about the product's focus independently of any priorities.

The Industry Average forms the benchmark from which we calculate the difference in functionality offered by the product. The difference between the product score and the Industry Average is plotted as a positive or negative distance from the Industry Average line. For example, if the product offers a greater quantity of support than average for a particular module, the red dot will be located toward the inner focus of the graph. Note that a product is not "strong" or "weak" just because it has more or less functionality than other products. To understand whether it will do what you need it to do, at a price within your budget, you must evaluate the product in depth.

## The Zones

The area of functional focus within the **green Dominant Zone** indicates where a product has a much greater level of support for functionality than the average solution in this market space. This may reveal how the vendor has focused its product development. Dominant modules are likely to be competitive differentiators. Dominant modules may or may not make up the bulk of the functionality within the product, but if you require more than the average breadth of functionality from these modules, this product will stand a much better-than-average chance of satisfying your requirements.

The area of functional focus falling within the **pale Competitive Zone** indicates where the product has a level of support for functionality that is generally on par with what you can find from other solutions on the market. The functionality provided by the vendor likely remains a core part of the product's focus. In some cases such a module may be considered a commodity within the market: many vendors offer the majority of the functionality, which makes it difficult to differentiate a product based on breadth of that functionality alone. In other cases, a vendor may intend its product to compete on a level that satisfies most customers' requirements, with a market focus requiring that it differentiate itself through other modules or through the qualitative manner in which it provides its functionality.

The Competitive Zone is bisected by the **Industry Average circle**, which shows the quantity of functionality supported, on average, by software products in this market space.

The **red Minimal Support Zone** indicates where the product supports fewer features and functions than the average solution in the market. Modules listed in this zone are unlikely to be as important to the vendor's target clientele as the other modules. If a product has rankings in this zone, it generally offers the bare essentials and isn't focused on competing for clients that highly prioritize this functionality. Even if a product has modules in the Minimal Support zone, it may still be entirely capable of satisfying your requirements, particularly if the average solution on the market offers more functionality than you require.

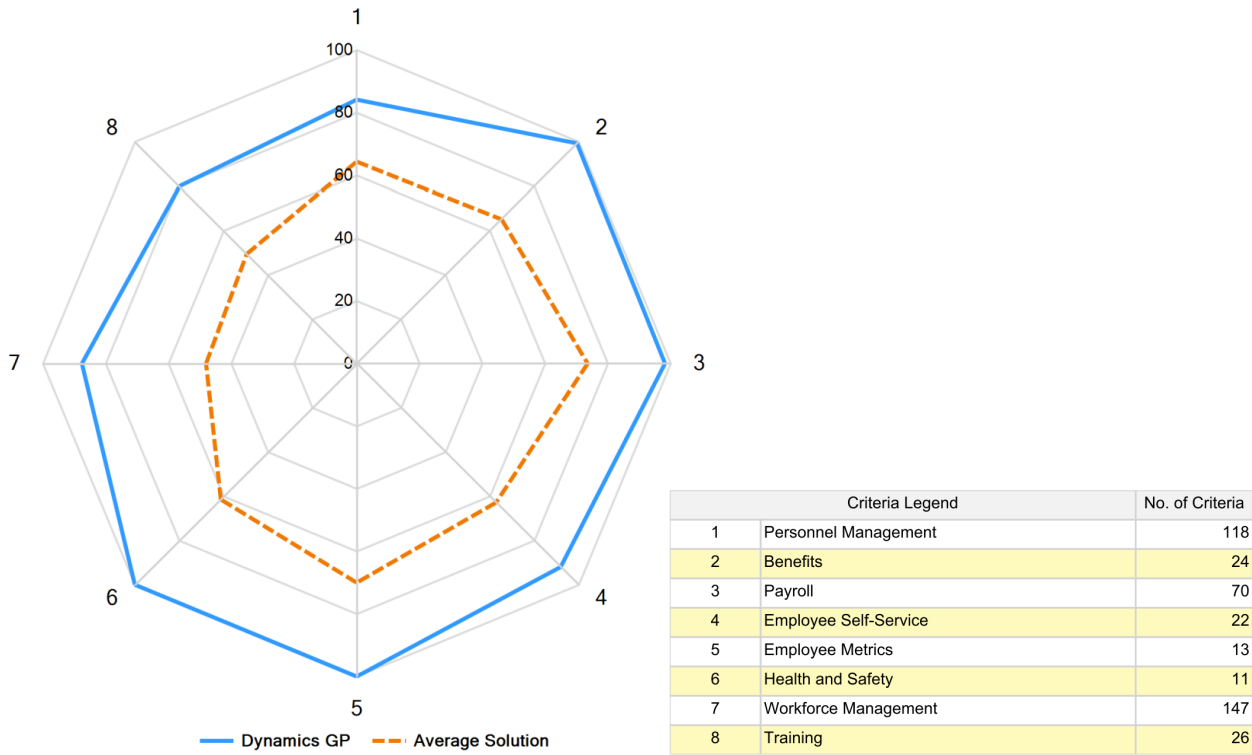
In all cases, it's likely that you will need to review the product in more depth to determine whether the functionality it provides in any zone is applicable or sufficient for your requirements.

# Functionality Benchmarks

The following functionality benchmark graphs represent the quantity of support by Microsoft Dynamics GP 10.0 for the functionality within each module identified in the TEC Focus Indicator, on a scale of 100 points. The closer the plotted value is to 100 (toward the outside in spider graphs; toward the top in bar charts), the more functionality Dynamics GP supports. For the sake of comparison, you can see an average of what competitor solutions offer by referring to the dashed orange line.

## Human Resources

The human resources module contains criteria for all the applications necessary to handle personnel-related tasks for corporate managers and individual employees: personnel management, including benefits, payroll, employee self-service, and metrics, but also workforce management, health and safety, and training.

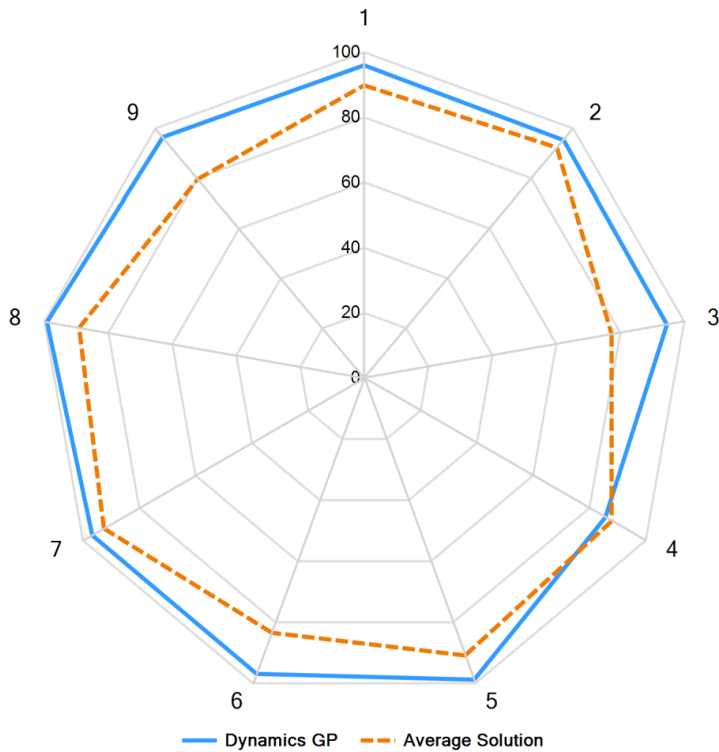


Traditionally, vendors of ERP for discrete manufacturing solutions do not focus on HR, so the average for this section is not high. This trend is changing, however, and Microsoft Dynamics GP made important enhancements to its HR offering for version 10.0. Enhancements to payroll include the ability to support retroactive employee pay, deduction sequencing and garnishments, and Canadian and US payroll.

Improvements were also made for benefits lifecycle management functionality, and employee health and wellness management. Given its long-standing tradition in manufacturing, Microsoft Dynamics GP has come to understand the needs of this industry for workforce management and offers strong functionality for this component. Finally, training is well covered due to the product’s improved functionality in creating and tracking data related to certifications, licenses, and training of employees.

## Financials

The Financials module has criteria for centralized charts of accounts and corporate financial balances, bill payments to suppliers and distributors, fixed assets depreciation, cost tracking and analysis, cash management, budget development and allocation, management of payments to suppliers (accounts payable) and from customers (accounts receivable), financial reporting, and project accounting.



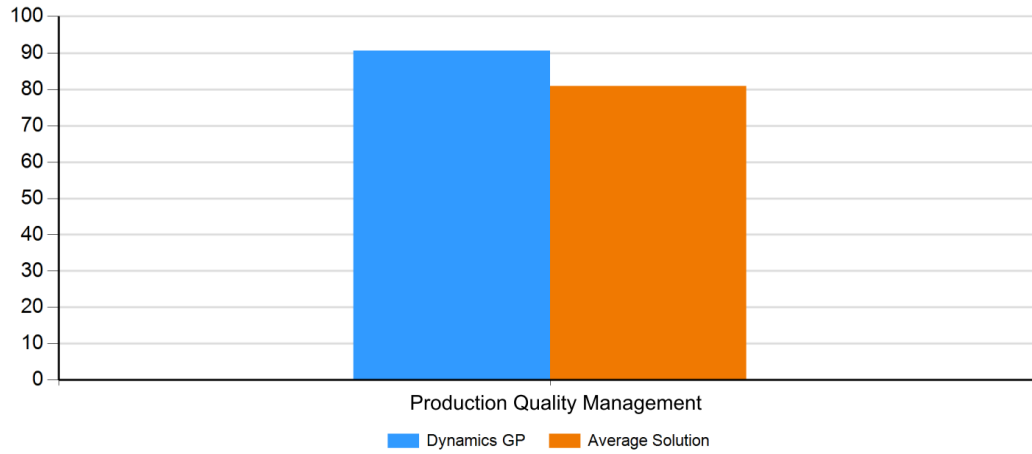
Criteria Legend	No. of Criteria
1 General Ledger	314
2 Accounts Payable (A/P)	235
3 Fixed Assets	89
4 Cost Accounting	49
5 Cash Management	16
6 Budgeting	65
7 Accounts Receivable	105
8 Financial Reporting	35
9 Project Accounting	51

Except for cost accounting, all submodules of the Financials module are very well covered by Microsoft Dynamics GP 10.0. The most important differences (15 points and up) between Dynamics GP and the average solution are for fixed assets (due to improved asset depreciation management and better integration with other modules), budgeting (due to enhancements for analytical accounting), and project accounting (due to new functionality for project cost allocation management and cost category mass update).

Other financial functionality enhancements in version 10.0 are in the areas of collections management, workflows for receivables and payables, general ledger workflow, and encumbrance management for not-for-profit and public sector organizations.

## Quality Management

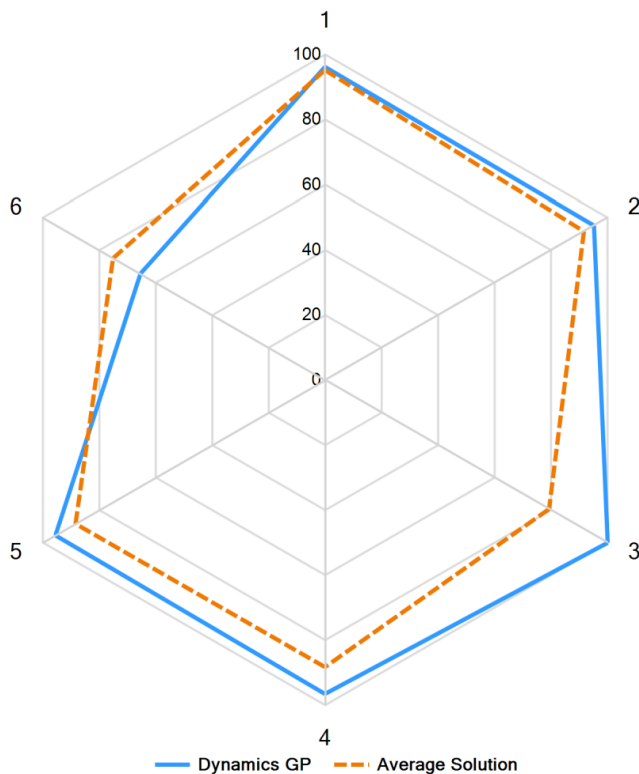
Quality Management refers to the set of actions taken by an organization to ensure that it creates and delivers high-quality products. In order to do so, organizations must comply with national and international rules and regulations related to product quality, but they often also create and use internal standards of quality control. Specific procedures need to be set up in order to ensure that the end products comply with internal or external quality standards.



Microsoft Dynamics GP 10.0 surpasses the average solution for Quality Management due to its functionality for quality assurance for raw materials, to make sure the components used in production comply with regulations and offer the required attributes for the manufacturing process. Testing procedures can be defined, and their results tracked and analyzed using customizable reports.

## Sales Management

Sales Management encompasses a group of applications that automates the data entry process of customer orders and keeps track of the status of orders. It involves order entry, order tracing, status reporting, invoicing, etc. It also provides basic functionality for lead tracking, customer information, quote processing, pricing, rebates, etc.



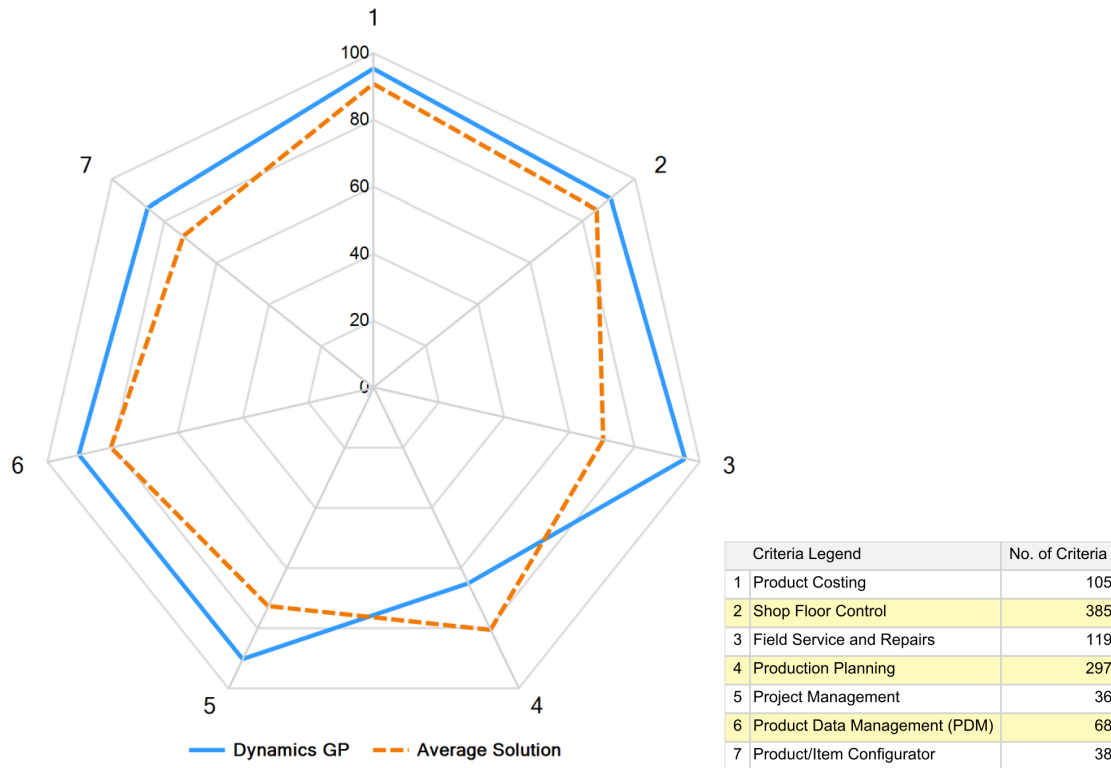
Criteria Legend	No. of Criteria
1 Online Requirements (Sales Management)	42
2 Reporting and Interfacing Requirements (Sales Management)	49
3 Available-to-Promise (ATP)	10
4 Pricing and Discounting	77
5 Customer Service and Returned Goods Handling	29
6 Customer Relationship Management (CRM) and E-Commerce Requirements	23

The Sales Management module is one of the areas very well covered by most vendors of ERP for discrete manufacturing, so the average score is quite high. The customer relationship management (CRM) and e-commerce submodule functionalities are the exception, although they are usually offered by ERP vendors through integration or as separate solutions. Many ERP vendors are beginning to embed CRM functionality into their main offering, and Microsoft Dynamics GP 10.0 is no exception, but manufacturing companies looking for extended CRM functionality should consider integration with Microsoft Dynamics CRM.

The main enhancement in version 10.0 for Sales Management is for sales order processing, which includes a sales quote workflow, workflow approval process for customer credit limit override, and the ability to use and reuse of serial and lot numbers when creating sales orders and invoices.

## Manufacturing Management

The Manufacturing Management module contains criteria for product costing management, control of operations and material movement through the manufacturing facility, maintenance and repairs operations performed on the customer's premises, planning and project management for production, and product data management (including product configurator).

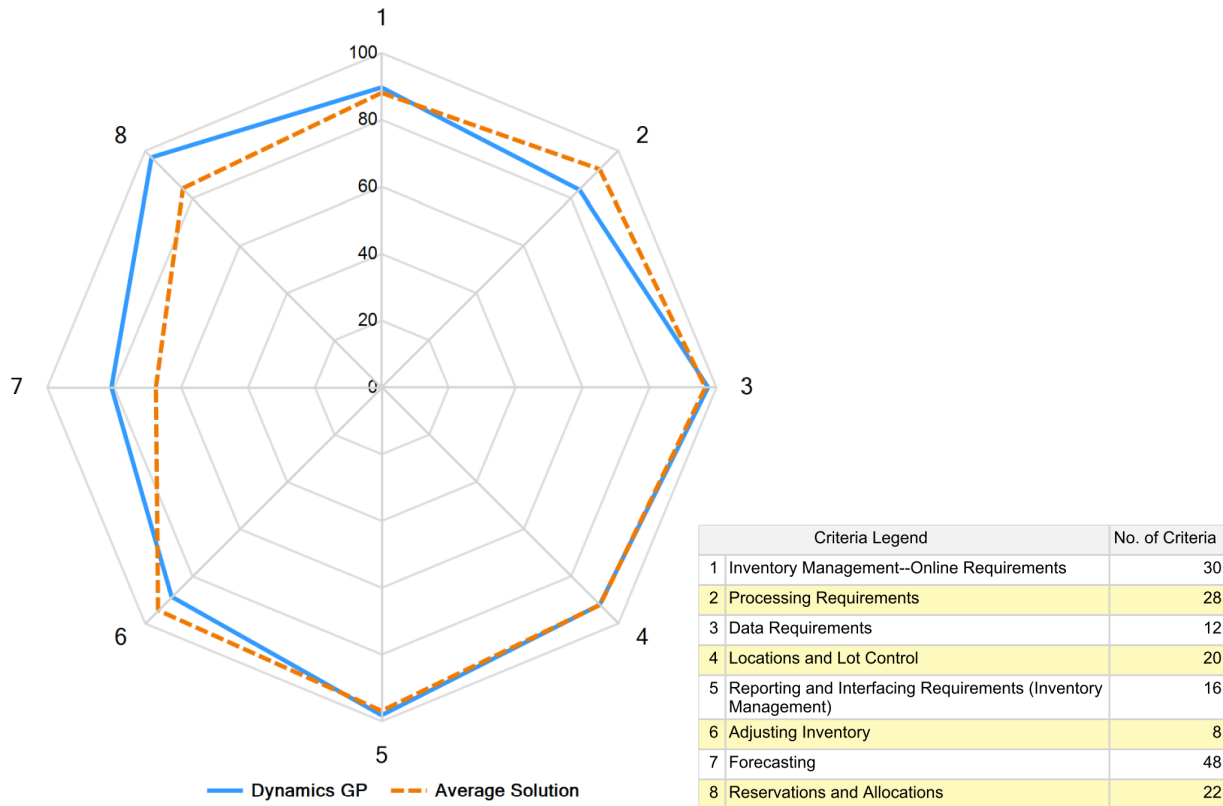


Microsoft Dynamics GP 10.0 brings new enhancements for manufacturing functionality, such as manufacturing order improvements (e.g., the option to reverse a manufacturing order receipt) and MRP (e.g., MRP quantities query and pegging query, MRP order detail window, what-if scenarios for MRP, and better MRP regeneration process, including history).

Also worth mentioning is the fact that Microsoft Dynamics GP 10.0 scores below the average of solutions for production planning, due mostly to the fact that the product does not support functionality for rough-cut capacity planning. Note that some of the criteria for master production planning, MRP, and capacity requirements planning are met through modification or customization.

## Inventory Management

Inventory Management functionality is used for keeping records of goods that are warehoused, and managing the movement of these goods to, from, and through warehouses. Reporting and analytics are extremely important to determine how efficiently the goods in inventory are being utilized, to forecast the quantities needed for the future, and to track changes in inventory and their causes.

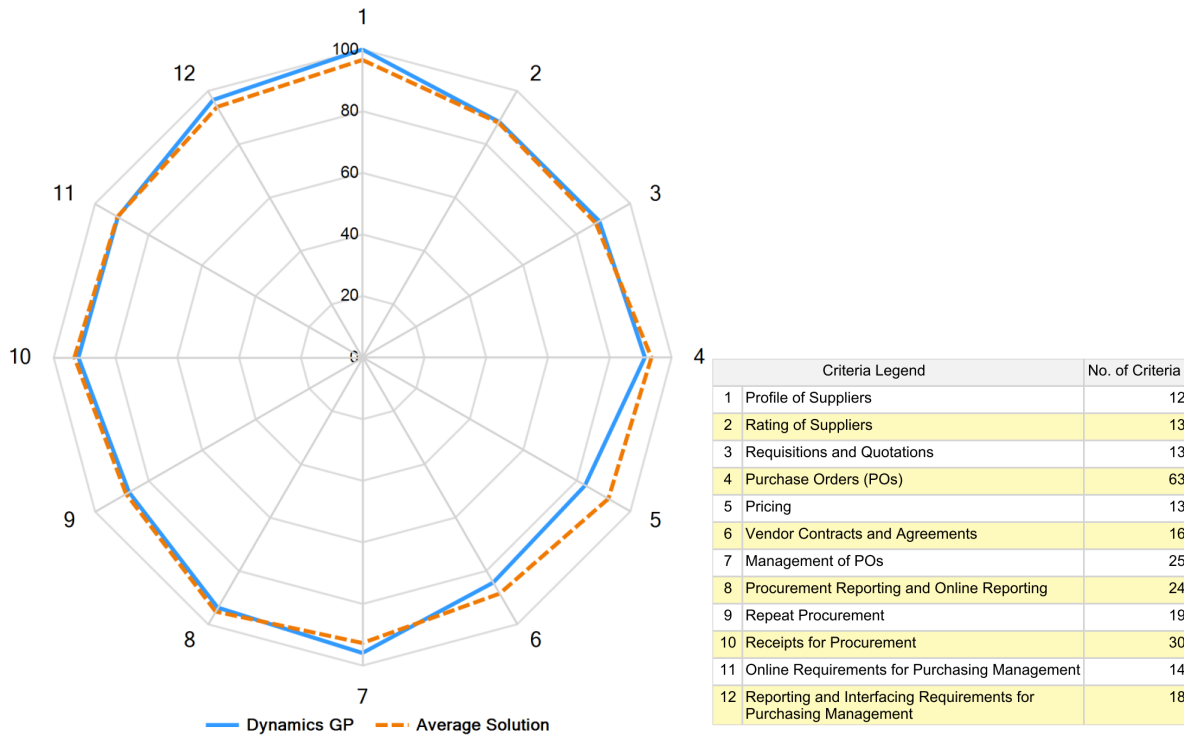


Microsoft Dynamics GP 10.0 follows the pattern of the average solutions for most submodules of the Inventory Management module. Some notable exceptions are forecasting and reservations and allocations, where the level of support offered by Microsoft Dynamics GP 10.0 is higher than the average. This can be explained by new enhancements for better use of lot numbers and attributes, in-transit transfers, and historical inventory balance reports.

The only submodules where Microsoft Dynamics GP 10.0 falls slightly under the average are processing requirements (because it relies on third-party support for criteria such as kanban inventory, flexible assignment of inventory, and inventory management using bar codes) and adjusting inventory (due to the fact that user-specific reason codes for inventory adjustments and rules for overstock and understock are not supported out of the box but only through third-party vendors).

## Purchasing Management

Purchasing Management encompasses a group of applications that controls purchasing of raw materials needed to build products and that manages inventory stocks. It also involves creating purchase orders/contracts, supplier tracking, goods receipt and payment, and regulatory compliance analysis and reporting.



Purchasing Management functionality is very well covered by most vendors of ERP for discrete manufacturing, which explains the very high average for most submodules. Enhancements are provided in the new version for purchase order processing, including purchase order approval workflow and in-transit transfers.

The submodules where Microsoft Dynamics GP 10.0 falls under the average level of support are pricing and vendor contracts and agreements. For both submodules, almost half of the criteria are offered through modification or third-party vendors.

# Analyst Summary

The new version of Microsoft Dynamics GP brings new functionality created by Microsoft based on customer feedback and market research. The enhancements in version 10.0 can be separated into two major categories: technical (briefly described in the Product Highlights section of this report) and functional (discussed in the Product Analysis section). There are also new general features, which apply to any Microsoft Dynamics GP implementation, and regional enhancements, such as features for the Andean region, Argentina, and Chile, tax compliance for Australia, bank check layout for Canada, and value-added tax (VAT) for Belgium, among others.

As for functionality specific to ERP for discrete manufacturing, Microsoft Dynamics GP 10.0 can be a very good option for companies looking for strong manufacturing-specific functionality (e.g., MRP, manufacturing orders, etc.) but also for very good HR and financials support. Its relatively low level of support for CRM can be compensated for via integration with Microsoft Dynamics CRM.

From a technical point of view, version 10.0 offers rapid implementation features, including a migration tool and a configuration tool. Security has been enhanced with the addition of a synchronization utility that allows administrators to define access rules across multiple applications: Dynamics GP, Web services, business portal, and SharePoint. Finally, reporting has been enhanced and provides better integration with Excel and SQL Server Reporting Services.

In conclusion, Microsoft Dynamics GP 10.0 can be a good fit for manufacturing companies looking to manage not only production, inventory, and financials, but also activities not always seen as part of a core manufacturing solution, such as HR and CRM.

## About Technology Evaluation Centers

Technology Evaluation Centers (TEC) provides insight and expertise in offering impartial resources and services to minimize the costs, risks, and time associated with software selection. Over 3.5 million technology decision makers visit TEC's Web sites each month, to find information on hundreds of solutions, and to access articles, white papers, and podcasts.

TEC's decision support system (DSS) and analyst data assist with the evaluation, comparison, and selection of enterprise solutions and services. TEC's offerings include in-depth research, detailed product information, and software selection services for any industry or company size.



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