



## Maximize the Value of your Custom Business Applications with Microsoft Dynamics CRM

White Paper

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## Achieving Strategic Advantage

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To achieve strategic advantage, companies often look to their information technology (IT) departments for line-of-business (LOB) applications that help them outperform their competitors. Whether it is a business intelligence application that provides managers with unique insights into market opportunities, a business process application that enables rapid delivery of products and services to market, or a customer relationship application that helps the company differentiate with superior customer service, business applications are often critical to creating competitive advantage.

However, IT faces a number of challenges when providing these applications. Constraints in skills, budgets, and time can significantly limit successful delivery of these applications. Addressing these challenges with the proper application frameworks, tools, and infrastructure is a strategic, business-critical decision.

### The Importance of a Business Application Framework

Historically, developing LOB applications has entailed a mix of custom-developed solutions and packaged software with additional integrations and customizations. However, it is not uncommon for this approach to result in difficult compromises in terms of project scope, cost, time, functionality, and complexity. Over time, many organizations began to suffer under the administrative burden of these disparate solutions—often each with its own management requirements, development technologies, and infrastructure.

In order to address these challenges in a consistent and cost-effective way, organizations are turning to business application frameworks designed to provide rapid development and deployment of a wide range of custom applications.

The xRM business application framework of the Microsoft Dynamics® CRM offering is designed to help organizations meet their LOB application requirements more economically than traditional approaches by providing rapid application development, a high degree of flexibility, and consolidated systems management.

### Measuring the Value of Your Business Applications

There's often a temptation to measure the value of software investments entirely based on the direct cost of development or licensing, but up-front costs are only part of the equation. There are a variety of variables that should be considered when evaluating any software expenditure. The value of a software solution should be measured against a variety of factors, including:

- **Reducing risk.** Every IT project entails risks that only increase as the length and complexity of the project grow. Risks of the project coming in over budget or over time, or even failing altogether, should be considered.
- **Reducing development time.** How long will it take IT to deliver the required functionality? A long project not only means increased development costs, but can potentially lead to missed business opportunities.
- **Reducing total cost of ownership (TCO).** Costs need be considered throughout the entire life of an application, including costs for integrating with existing business systems, upgrading and customizing applications, and IT labor.
- **Improving productivity.** By helping people to make decisions and take action faster, applications can improve productivity and affect the business's bottom line.
- **Improving business agility.** Change is ubiquitous in today's business world, and a solution that is difficult to upgrade and extend can turn into an expensive dead end when the business grows or changes.



- **Maximizing investments.** Each application that requires its own infrastructure and resources adds to IT complexity and cost, whereas applications that share resources for development, infrastructure, and management may reduce costs.

## xRM Capabilities

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xRM helps to improve the value of LOB applications by providing a business application development framework with pre-built functionality, rapid customizations, and dynamic services. These shared resources accelerate the delivery of value.

- **Pre-built capabilities:** xRM includes core LOB application capabilities out of the box, saving time on development. Data management, workflow, user experience, access and security, analytics, and reporting are all included, so developers don't need to re-create these capabilities or spend time on difficult integration efforts. Additional capabilities like mobility and offline data access and synchronization are also included.
- **Point-and-click customizations:** xRM applications are designed for rapid development. The fundamental application configuration activities, such as the data model, workflow, and interface setup, are all carried out through a visual user interface, enabling non-technical resources to create and configure applications quickly. Deeper customizations and custom functionality can be added using standard development technologies like the Microsoft® .NET Framework.
- **Dynamic services:** xRM applications are built on a software architecture that automatically updates the application whenever a change is made. For example, when making a change to a data object, that change is automatically propagated across workflow components and the user interface, saving considerable development time and effort.

With software acquisition and development, companies typically think in terms of a single application, but the truth is that the number and variety of applications have a significant impact on value. By providing shared infrastructure, services, and functionality to support many applications, xRM helps organizations achieve both economies of scale and skills as more applications are added.

## How xRM Delivers Value

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xRM provides an application development framework that is both broad and deep. It enables ease and speed of development with powerful, flexible tools that support a wide range of application types and architectural styles with a common set of infrastructure services.

### Reducing Risk

With every IT project, there is some risk of failure, and that risk only rises the longer and more expensive the project is. Even after an application is delivered, there are other dangers, including the possibility that the vendor will go out of business, or that development skills will dry up, taking source code and application knowledge along with them. These risks can leave an organization without critical capabilities on hand, or locked into a solution that doesn't fit their needs.

xRM helps reduce these risks by streamlining application delivery so organizations can start achieving positive value more quickly. xRM enables a highly flexible development paradigm, making it easier to quickly produce prototype applications and update them over time as needs change.

- **Reduce Risk of Project Failure:** By providing a framework that enables rapid creation of LOB applications using visual tools, xRM helps reduce time and expense, lowering the chances that the project will fail.
- **Maintain Control of Intellectual Property:** By allowing organizations to create applications in-house with shared tools, xRM helps them to maintain greater control over their intellectual property.



- **React More Quickly:** With its flexible architecture, xRM also helps organizations react more rapidly to changes in the business environment caused by external factors such as competitors and legislation.
- **Facilitate Compliance:** By providing a framework that fosters consistency across applications and provides a single repository for data, xRM helps facilitate compliance with corporate or government regulations.
- **Speed Adoption:** With a highly intuitive user interface works with with the Microsoft Office system, xRM helps to speed end-user adoption of LOB applications.
- **Invest with Confidence:** xRM uses well-supported, standardized technologies provided by Microsoft, a proven platform vendor, so organizations don't have to worry about vendor viability.

## Customer Evidence

- ENSTO, an international industrial group, has achieved **90 percent user adoption** of its xRM-based solution across three business groups<sup>1</sup>.
- When the Royal Borough of Kingston upon Thames implemented a contact center solution built on xRM, **the system paid for itself within 12 months.**
- ValMark **quickly and cost-effectively produced the first release** of their custom LOB application for financial management within five months.
- Travel Dynamics International (TDI), a provider of luxury cruise services, was able to eliminate expenses of maintaining and upgrading its former system, **saving \$50,000 a year.**
- The Evangelical Lutheran Church in America (ECLA) Board of Pensions **produced a prototype in four months** in an unfunded side project without external consultants.
- Professional Respiratory Home Care Service Corporation, a home oxygen and respiratory care provider was able to achieve an **ROI of less than 18 months** with xRM, thanks to efficiency gains.
- Dubai bank, a leading Islamic bank in the UAE, **simplified compliance with Islamic banking regulations** by implementing consistent workflows and policies.

## Reducing Development Time

Custom application development can be a lengthy and complex process. While in many cases, the benefits of a custom application may be considerable, anything that can reduce the time required to create LOB applications translates into lower cost and faster realization of business value.

By reducing the time required to develop LOB applications, xRM not only reduces costs on a per-application basis, it frees valuable development resources so they can be applied to additional projects.

- **Speed Development:** Pre-built capabilities included in xRM mean that organizations can develop applications that meet their needs for security and data management more quickly.
- **Improve IT Responsiveness:** By reducing the time and complexity of development projects, xRM allows resources to be applied to new projects more quickly, meaning that IT can respond to more application requests.
- **Accelerate Legacy Replacement:** Most organizations have legacy applications that are due for replacement and consolidation. Shorter development cycles mean that replacement of legacy applications can also be accelerated.
- **Reduce Reliance on Ad-hoc Applications:** By enabling rapid creation prototyping, xRM also helps reduce reliance on unsupported ad-hoc point solutions that can lead to IT headaches later.

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<sup>1</sup> See the [Microsoft Case Studies Web site](#) for more details.



- **Reduce Development Costs:** xRM helps to significantly reduce costs at every stage of application development by streamlining common LOB application creation processes with intuitive tools.

### Customer Evidence

- The Arbor Day Foundation, a non-profit with over 900,000 members, was able to **reduce development time by 75 percent** for a new custom constituent management system.
- With xRM, ENSTO is able to **develop custom applications in under six months**, a process that used to take a year, and in-house resources can be used for development and updates.
- Mitsubishi Caterpillar Forklift Europe (MCFE) **reduced development costs by 60 percent** by using xRM to rapidly develop relational business applications.
- Melbourne Business School estimates that development of their complex LOB solution with xRM took **half the time and cost** of a traditional approach.
- The Pennsylvania Office of the Attorney General was able to **reduce development time by approximately 75 percent** by leveraging pre-built functionality and simplified development in xRM.

### Reducing Total Cost of Ownership

To truly measure the value of business applications, the cost of LOB applications must be evaluated across the full lifecycle of each application, including the ongoing cost of maintenance and upgrades. A low-cost packaged application without an upgrade path might lead to greater replacement costs later. An application that requires a dedicated resource to manage and maintain it may incur management costs that exceed the cost of acquisition. In addition, the complexity of IT systems is a major contributor to TCO. Poorly integrated applications that may require dedicated management resources add up to significant costs over time.

xRM helps to reduce total cost of ownership by providing applications that can be created, managed, and upgraded using shared resources. These cost benefits only increase as applications are standardized on xRM and IT reaps the benefits of greater standardization.

- **Use Shared IT Resources:** Because xRM is built on standard infrastructure and shares the same architecture across components, a common set of IT resources can be used to manage xRM applications.
- **Use Shared Hardware Resources:** With its highly-scalable multi-tenant architecture, xRM allows applications to easily share hardware resources, even when those applications serve multiple customers.
- **Centralize Management:** xRM helps to reduce operational and IT staffing costs by providing for more efficient, centralized management of many LOB applications.
- **Achieve Efficiencies of Scale:** All xRM applications are included in a single license, enabling tremendous efficiencies of scale by allowing organizations to create any number of applications under a single license.

### Customer Evidence

- ECLA used the xRM framework in their environment to reduce IT complexity and **cut the number of servers by 40 percent**.
- By streamlining service processes using a solution built on xRM, ECLA was able to **reduce administrative labor by 50 percent**.
- The New Zealand Ministry of Economic Development was able to **reduce development and support costs and improve efficiency** by using xRM to build diverse business solutions.
- By implementing multiple xRM solutions, the Royal Borough of Kingston upon Thames expects to **save more than UK £5 million** (approximately U.S. \$8 million) on staffing costs by 2012.



## Improving Productivity

One of the goals of LOB software is to help people do their jobs better. Improvements in end-user productivity should not be overlooked when considering the value of LOB applications. By making tasks easier to complete, easy-to-use software not only helps people get more done, it makes training people to do their job easier. And when software is easier to manage, it also improves the productivity of IT resources, so they can focus on initiatives that are strategic to the business, rather than routine maintenance.

xRM helps improve productivity across the organization by providing LOB application capabilities using a familiar user interface. IT productivity is improved through standardized management tools and seamless integration between framework components.

- **Reduce Training Time:** xRM provides end users with LOB capabilities delivered through a familiar and intuitive Microsoft Office user interface, improving end-user productivity and reducing training time.
- **Improve IT Productivity:** By providing a single set of technologies to manage LOB applications, xRM helps to improve the productivity of IT resources.
- **Empower the Mobile Workforce:** In addition, xRM includes online, offline, and mobile capabilities, allowing organizations to take advantage of today's highly mobile workforce.
- **Automate Business Processes:** xRM helps organizations to automate manual processes and reduces the need to switch between multiple applications, so that people can get more done with their time.
- **Focus on Strategic Goals:** Because the components of the xRM framework, such as data, security, user interface, and workflow, are fully integrated, developers can focus on strategic functionality.

## Customer Evidence

- By using xRM to create an audit-compliance portal for retirement plan sponsors, CAPTRUST was able to **save 50,000 hours labor** per year through automation and streamlined tools.
- ECLA replaced paper-based manual processes with xRM, **reducing administrative processing time by 75 percent** and enabling users to create their own reports and views.
- TDI was able to **increase productivity by 400%** across its organization.
- MCFE was able to **save over 1,250 hours per year** across 22,000 annual orders through streamlined order processing on xRM, with integration to an existing ERP system.
- Warranty claim processing at Polaris **reduced the number of steps by 85 percent**, enabling agents to answer questions more quickly and reducing average call times.
- A new operational business system built on xRM at ValMark consolidated applications and improved data access leading to a **productivity improvement of more than 20 percent**.
- At ENSTO, employees can start using the new xRM-based system right away, **eliminating three months of training** required for the old solution.

## Improving Business Agility

Change comes fast in the business world, and organizations need solutions that meet their needs today, not last month. Both packaged applications and custom applications impose limitations on the business's ability to adapt to change. Packaged applications don't always have the capabilities that the business wants. Custom applications have the advantage of being custom-built to business requirements, but if those requirements change, updating the application can be a significant effort.

xRM helps businesses stay abreast with change by providing a highly flexible, tightly-coupled architecture so that changes and updates can be applied quickly when business requirements change.



- **Speed Application Updates:** In xRM, applications are updated using the same visual tools that were used to create them, allowing many updates to be made in days or even hours, and requiring fewer resources.
- **Reduce Development Efforts:** Tightly-coupled dynamic services mean that when a change is made in an application, those changes are quickly propagated through the application without additional developer effort.
- **Stay up to Date:** With xRM, companies aren't dependent on a software vendor or developer for updates to the application, freeing them to apply updates at a pace that suits them.
- **Innovate Rapidly:** Highly-flexible LOB applications built on xRM make it easier for organizations to differentiate themselves by providing new capabilities and supporting new business models quickly.
- **Improve Visibility:** With xRM, applications share a common data repository and modeling environment, which greatly facilitates business intelligence so people can make better informed decisions.

### Customer Evidence

- In the past, when MCFE built custom Web solutions to meet business needs, customization took up to 25 days; with xRM, **customization took less than half the time**, typically 10 to 15 days.
- Melbourne Business School implemented xRM for admissions and applications processes, enabling it to **respond to applications in a third of the time** required under the old system.
- With **comprehensive real-time reports** generated with a mouse click, Polaris management can monitor performance and make proactive changes to improve service.
- In order to **support continued growth**, CAPTRUST has built more than 20 applications on the xRM framework, and continues to add applications a regular basis.
- With constituent, application, admission, and career management built on xRM, Melbourne Business School now touts its constituent relationships as a key **competitive differentiator**.
- The Microsoft CORE team continues to improve its services and make modifications to **support new business needs** using point-and-click customizations.

### Maximizing Investments

A typical company may have hundreds or even thousands of applications in use, not to mention innumerable unsupported "shadow" applications. Inconsistent, unsupported, and outdated applications hinder business agility and create additional costs. But replacing these applications isn't always an option either.

xRM helps organizations maximize the return of their investment in technology through seamless integration with Microsoft products and technologies they already use. Built on standardized technologies like .NET, xRM helps to facilitate consolidation of applications and replacement or integration of legacy systems.

- **Better Together:** xRM helps organizations to maximize the value of their investment in Microsoft through technologies that work better together with Microsoft Office, Microsoft Windows® operating systems, and the Microsoft application platform.
- **Maintain the Value of Software Investments:** By providing multiple integration paths for legacy applications, xRM helps organizations to maintain the value of the investment in software, while providing an economical way to modernize over time.
- **Exploit Consolidation Opportunities:** Built on a highly scalable, multi-tenant platform, xRM helps organizations to take better advantage of their infrastructure by exploiting consolidation opportunities.
- **Customize Applications Rapidly:** xRM helps organizations to deliver better applications faster by giving them core functionality that is easy to customize and deliver to end users.



## Customer Evidence

- A greatly streamlined application process built on xRM directly contributed to a **\$300,000 increase in revenue** for Melbourne Business School.
- Through integration with Microsoft Office SharePoint® portal server, ECLA was able to **provide a consistent look and feel** across multiple applications.
- By **successfully consolidating disparate systems**, the New Zealand Ministry of Economic Development can more closely manage its NZ \$17 million budget.
- By **consolidating multiple databases onto a single server**, ValMark was able to give employees greater access to data so they can do their jobs better.
- Dubai bank was able to **reduce the number of contact center applications by 88%**, leading to lower customer service handling times.
- By facilitating better communications and data visibility on xRM, the Microsoft CORE team has helped **improve time-to-market for product releases by up to 94 percent** across the company.
- When ECLA built a centralized application portal using xRM, they were able to **easily integrate with mission-critical third-party and Microsoft applications**.
- By using xRM, Polaris is able to **take advantage of abundant developer skills** in the Microsoft .NET Framework and existing Microsoft infrastructure, such as Microsoft SQL Server® database software.

## Conclusion

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When thinking about the business value of LOB applications, businesses should consider not just the value of individual applications, but the ability of application frameworks, tools, and infrastructure to provide value to the business. xRM provides a framework for the rapid delivery of numerous LOB applications with a common hardware, licenses, and IT resources, providing organizations with economies of scale and skills that maximize the value of their IT investments.

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