



The Size of the Cloud ERP Prize.



Cloud. Revenue. ERP. Connecting these dots has never been easier for partners.

IT performance was once measured against how well spending was aligned to strategic business goals. That chapter is over. Today, IT teams (and their service partners) are measured by whether technology investments directly contribute to increased value against specific business metrics.

And according to Forrester, cloud has delivered those results, straight to the bottom line. A recent study of SMBs across the APAC region found that the vast majority of businesses with increased revenue results over the past two years were those that had adopted Cloud ERP. Nearly 70% of surveyed SMBs had deployed it by the end of 2022. Almost a full third of the remaining SMBs surveyed by Forrester intend to adopt Cloud ERP within the next two years.¹

Does this mean Cloud ERP is a saturated space?

Quite the contrary. The Asia-Pacific ERP software market size was valued at \$13,907.00 million in 2021 and is projected to reach \$48,034.00 million by 2030, growing at a CAGR of 14.8% from 2020 to 2030.²

The current estimation of growth in demand for ERP solutions into 2030 is projected to be higher than pre-COVID-19 estimates. This is attributed to the rapid shift from physical offices to remote working set ups. Businesses need ways to connect on-site, field and remote employees to core systems and information, with solutions that are flexible and secure. Cloud ERP provides that 'digital backbone' and plays a vital role in keeping entire business processes efficiently operating and under control, even in highly disrupted conditions. This is achieved through various features of ERP software such as remote access, digital data exchange, automated reporting, and real-time work floor control.

ERP software enables businesses to gain operational effectiveness and efficiencies all the way from drafting the work to managing constant workflows.

This brings us back to how Cloud ERP delivers on revenue outcomes for SMBs, which is a critical proof point to position with customers that want to adopt. It is also what can help you to identify the add-on investments that will be made by companies that already have a Cloud ERP solution.

There is a fast-growing opportunity to win new business, upsell and cross-sell in the ERP category. Adding ERP to your offerings opens a rich, ongoing vein of opportunity for partners. There is just as much opportunity to tap that vein even if your customers already have a Cloud ERP solution in place.

We've developed this guide for savvy partners that want to win a slice of growing Cloud ERP sales and service revenue, with Microsoft Dynamics Business Central solution. Our experience tells us it is great fit for SMBs and we've unpacked how you can use it to deliver value to your customers, and your bottom line.

Because the bottom-line results suggest that if you're not having the Cloud ERP conversation with customers, then someone else will be!



John Hall-Watson
Director, Business Applications
Crayon



Winning a slice of the growing Cloud ERP pie.

The white-knuckle experience of the past few years forced many small to medium-sized businesses (SMBs) to face tough realities about the state of their ageing operations. This led to a surge in adoption of Cloud ERP in the APAC region as part of the wider, global ERP market escalation to a predicted **\$117.68 billion** by 2030.³

Our partners have an opportunity to get in front of this demand. Those that move quickly will gain share as the market for ERP grows. It starts by knowing how to identify when a customer may need a cloud ERP solution, and which one is right for their business.

The trend of ERP adoption is being driven by SMB's urgent need to adapt faster, work smarter and perform better across financial management, sales and service, project management, supply chain, operations, reporting and analytics.

This presents an opportunity for our partners to support end-users with an all-in-one business applications solution: Microsoft Dynamics 365 Business Central.

To successfully engage with SMB decision-makers, channel partners need to first deep dive into SMB business goals, objectives, demand drivers, barriers to investment and the revenue-multiplying potential for ongoing services. In other words, if you plan to sell to SMBs, you will need to *speack* SMB.

Let's start by quantifying the opportunity.



State of the ERP Market.

A glance at the numbers reveals a surging ERP systems market as organisations continue to transform critical functions including finance, inventory and sales. This surge is by no means limited to large enterprises, with strong SMB investment in cloud business applications presenting an exciting opportunity for channel partners.

The ERP systems market is in a state of rapid expansion



Global: \$50.44 billion (2021) → \$117.68 billion (2030) CAGR: 9.87%
(Source: Strategic Market Research).⁴

Regional (APAC): \$11.98 billion (2020) → \$48.01 billion (2030) CAGR 14.8%
(Source: Allied Market Research).⁵



Top three investors in cloud ERP software by industry:



Manufacturers
(47%)



Distributors
(18%)



Services
(12%)

Source: SelectHub®

Top three critical ERP functions:



Accounts/Finance
(89%)



Inventory/Distribution
(67%)

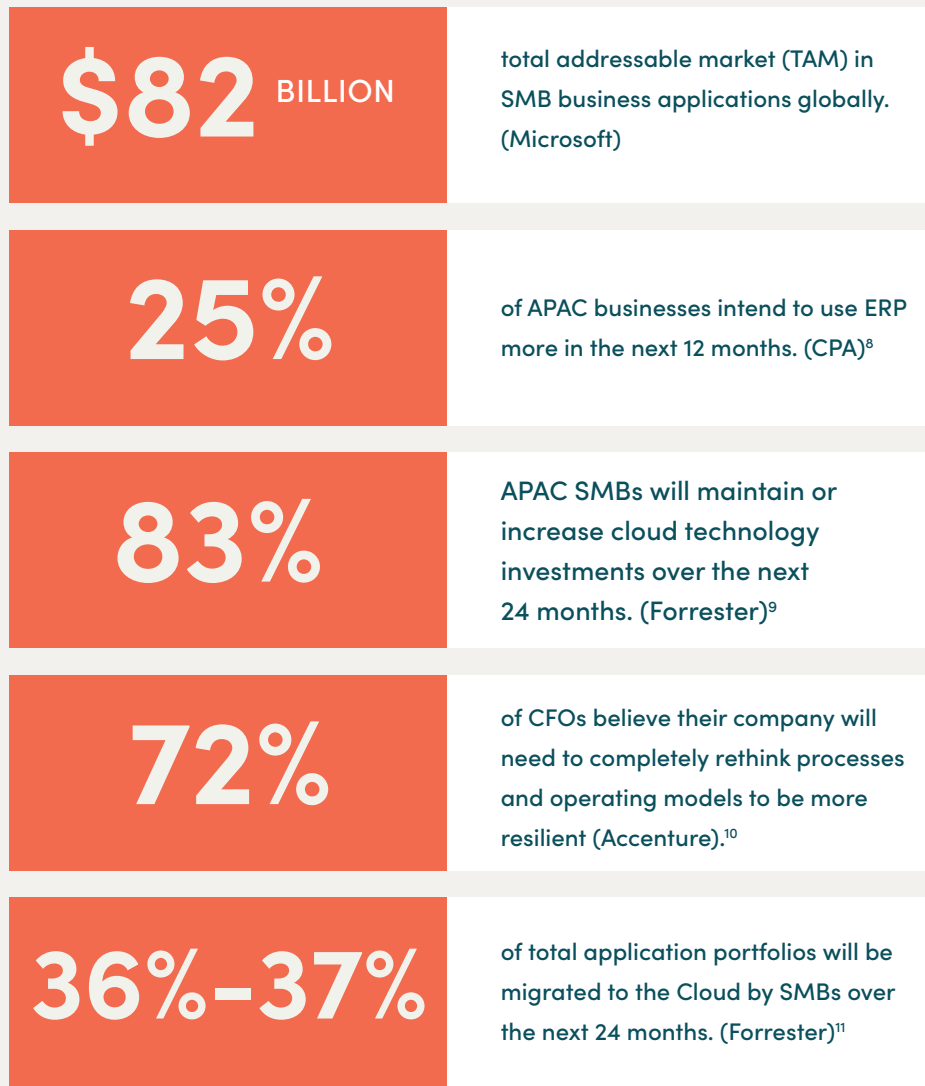


CRM/Sales
(33%)

Source: SelectHub®



The SMB opportunity for channel partners:



Cloud business applications growth:



Validating the Value of Cloud ERP.

As identified in the foreword, Cloud ERP solutions have played a critical role in delivering revenue results to adopting SMBs. When technology adoptions directly contribute to such critical metrics, businesses move from being unsure of the value, to realising the value, to then wanting to further validate and drive even more of the same juicy results.

To achieve this, they will make add-on investments; technologies that complement the cornerstone investment and that will drive increased business results from it.

In the case of Cloud ERP, complementary solutions are those that make it easier to integrate with, connect to, and work from a Cloud ERP system. Examples include data analytics and visualisation, business intelligence, process automation, citizen integrator/data science tools, AI, and low-code/no-code platforms.

The Forrester study shows a 50% average intent to adopt these solutions across the board by SMBs. Clearly, there is continued appetite for Cloud ERP adoptions. There is 'add-on' demand for complementary solutions. And, most critically, there is budgeted investment in the SMB cloud technology procurement plans. This all combines to create a significant growth market for partners.

The expectation of continued value from cloud investment is higher than ever, and this presents yet another opportunity for cloud-capable partners.

To continue driving dividends out of their cloud investments, SMBs need the operational maturity to effectively run much larger and more complex cloud estates.

However, the Forrester findings show most SMBs across the region lack this maturity. This is why 88% of SMBs surveyed confirmed their budgets for third party service engagements will increase over the next 24 months. The majority will bump up services spend between 11% to 20%.

In the Business Applications domain, the priority criteria for partner selections are managed cloud operations services, cloud strategy development, and application modernisation¹².

This has implications for any partner that has yet to expand from the traditional 'sell them licenses and keep their lights on' service arrangements.

For everyone else, there's never been a better time to consider how to position your Microsoft Dynamics Business Central skills, capabilities, and services, and how you could leverage ours for even more competitive advantage.





Positioning Business Central with SMB Decision Makers.

In a highly fragmented market, it isn't uncommon for end-users to feel overwhelmed by the sheer number of ERP options available. How can partners demonstrate why Business Central is the right choice for SMBs?

- ● **What is Microsoft Dynamics 365 Business Central?**
Business Central is a cloud-based, all-in-one business management solution. It provides comprehensive management of finances, operations, sales, and service from a single platform, to unite data and break down information and process silos.

Let's explore why Business Central is a great option for SMB buyers.

- **Users are familiar with Microsoft:** Business Central is part of the Dynamics 365 platform. This means users would already be familiar with the application interfaces of Microsoft Word, Outlook and Excel.



● ● **Sales tip:** *Business Central integrates with and uses the same interfaces as other well-known Microsoft applications, such as Word and Excel, Outlook, and Teams. Identifying how Business Central helps to get even more value from these existing investments is a strong selling factor. The familiarity of tools like Microsoft Word for generating invoices, purchase orders, credit notes and other commonly required documentation helps position the ease-of-use for Cloud ERP beginners. It all helps partners to show why Business Central supports high end-user acceptance, adoption and solution utilisation rates, in the post implementation stage.*

- **Business Central and Microsoft's Power Platform:** [Power Platform](#) comes as standard with most O365/M365 licenses, but many SMBs are unaware of this, or how to use the Power BI, Power Automate and Power Apps to their advantage. Power Platform integration with Business Central is seamless. Using Power BI, reports can be automatically deployed, customised, and managed from the Business Central interface. Partners have a clear cross-sell opportunity with Power Platform, which allows customers to continue leveraging a single platform.

This helps you to control the cost of delivery and drives more value out of your customer's existing Microsoft investments.



- ● **Sales tip:** *The combination of Business Central and Power Platform is a unique differentiator. No other ERP solution offers customers business intelligence, application development and automation inclusions.*

- **Users can adapt for discrete business needs with ease:** Customisations and third-party solutions are added as extensions to Business Central and kept separate from source code. This means businesses are free to add discrete functionality without attracting platform development costs and ensures updates and upgrades are never affected just because a business needed to address a unique or discrete functional requirement.

- ● **Sales tip:** *Application customisation presents a significant revenue opportunity for channel partners with a 39% average margin and 42% growth rate.¹³*

- **Front-line users can work anywhere:** Hybrid and remote workplaces are here to stay. Business Central users can connect from anywhere via the Universal Windows app, a web-based client or via mobile device apps for iOS, Android, and Windows devices.

- ● **Sales tip:** *The transition to a remote or hybrid working model hasn't been easy for every organisation. Demonstrate how Business Central can help your customers make the journey as seamless as possible.*

- **Leveraging the Microsoft platform is good economics, for you and your customers**

We recently landed a new study with Forrester, which looks at cloud investment and adoption intent for SMBs across APAC. The findings revealed 44% of SMBs considering a change to their current cloud platform providers. When asked about which platform they intend to adopt in the next 24 months, Microsoft Azure emerged as the highest (35%), above Oracle Cloud (33%) and AWS (21%). These findings are correlated by [SelectHub's research into ERP buying trends](#),¹⁴ which found Microsoft to be the top vendor under consideration by surveyed companies.

The benefits of leveraging Microsoft's single platform are becoming clearer, especially for SMBs that already use Office 365 or Microsoft 365 as their main productivity suite.

● ● **Sales tip:** *Help hesitant decision-makers over the line by talking about the cost of inaction. This may include a loss of competitive advantage, missed revenue, increasing security and compliance risks, employee frustration and an inability to engage in continuous development. These costs will increase over time, creating urgency for customers to act fast.*



What drives demand for Cloud ERP?

A report from IDC¹⁵ highlights that businesses that are unable to adapt quickly face collapse inside the next three years. SMBs urgently need greater visibility and control over their operations, and Cloud ERP provides the solution.

While buzzwords such as **resilience** and **adaptability** can be powerful conversation-starters, it can be more helpful to dig deeper and engage with your customers on their real motivations for cloud ERP investment.

Take the time to understand users' functional drivers and specific pain points, then connect the dots to the solutions offered by Business Central and ongoing services.

Align Business Central to their Business Goals:

1. Revenue and profit

The Business Central solution will provide your customers with the flexibility to scale up rapidly, the insights and efficiencies to enable cost optimisation, and the functionality to rapidly adapt to changing business conditions.

2. Operational effectiveness

At its heart, operational effectiveness is about doing more with less. This is essential in an uncertain economy where budgets get cut, key personnel leave or redundancies take place.

3. Employee capabilities

Business Central and Power Platform help make your customers' employees more

digitally self-sufficient, boosting productivity while reducing wasted time and IT costs.

4. Customer experience

Business Central improves the internal customer experience (that is, your customers' end users) by creating a single source of truth to enhance visibility into customer data and behaviour. In addition, the external customer experience is improved by ensuring accurate data and enabling streamlined business processes including accounts payable and receivable.

Know your Prospects Functional Drivers

Channel partners must be able to demonstrate how Business Central can meet their customers' functional needs across:

- **Accounting** – general ledger, accounts receivable, accounts payable, budgeting, forecasting and financial reporting, multicurrency, job costing, payroll.
- **Manufacturing** – execution and resource planning systems, shop floor operations, BOM management, quality controls and management.
- **Inventory and Distribution** – inventory controls and management, warehouse management, procurement/purchasing, supply chain management, shipping.



Top six desired outcomes for SMBs:



Optimise control over cloud licensing and consumption costs



Unlock productivity and business insights



Increase financial visibility and performance



Boost sales and improve customer service



Finish projects on time and under budget



Optimise inventory and supply chain management.

How Business Central Solves the SMB customers' pain points

Every customer will have unique pain points that can be addressed with Business Central, but there are some common indicators you can listen out for:

Outgrowing existing tools

“We’ve outgrown our existing accounting software – it lacks the specific functionality we need.”

“The management of legacy vendor/proprietary systems is creating an increasing technical debt.”

“Our legacy system doesn’t support project or subscription-based models..”

- ● **Sales tip:** Implementing Business Central isn't about replacing one outdated system with another that will one day become obsolete. Users can join the Microsoft Platform Ecosystem, meaning your customers can begin with Business Central and confidently transition to the integrated Power Platform as their needs grow. Your customers can easily add functionality relevant to their region of operation or customised to support highly specialised industries.

Struggling with manual tasks

“Manual, inefficient, and error-prone processes are leading to frustrated employees, low profit margins, and increased costs..”

“Managing supply chain and inventory is becoming more complex as we grow.”

“Finance and accounting processes are complicated and time consuming.”

“We’re over-reliant on manual processes and spreadsheets as workarounds.”

“We’re not mobile, with ‘back to base’ required to complete core activities such as sales orders.”



- ● **Sales tip:** Business Central can dramatically boost workforce efficiency and productivity by creating a centralised source of truth for your customers’ data, enabling automation, improving internal and external collaboration, and offering a complete set of functional tools across finance, manufacturing, sales, shipping, project management, services and more.

Needing to work smarter

“ We lack internal skills and training in cloud tech ”

“ It’s so hard to ensure we have the right resources to deliver on upcoming projects. ”

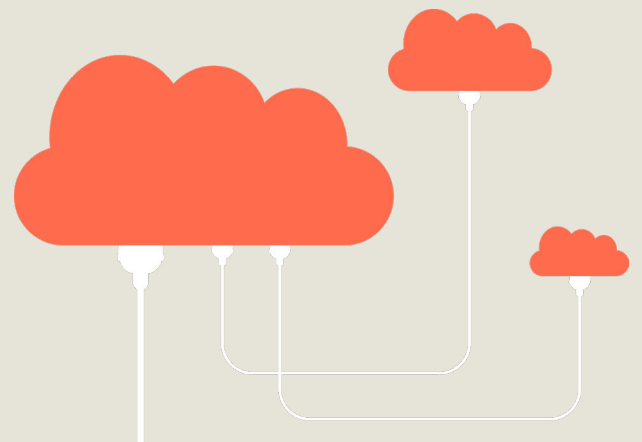
“ We need to access relevant financial information in real-time ”

“ We need a better way to quote and price projects ”

“ We need better input and collaboration across functions to leverage our data to its full potential. ”

“ We’ll never reach our goals with the current lack of business visibility and insights. ”

“ There’s a whole world of automation, AI and other high-tech solutions beyond our reach because we don’t have the right platform to even begin. ”



- ● **Sales tip:** Use your face-to-face time with customers to uncover their specific challenges. Short on talent? Business Central can make up for the shortfall by enabling enhanced efficiency and productivity through automation. Worried about making the right strategic decisions? Business Central radically boosts visibility and insights across multiple functions, enabling leaders to connect the dots and make better quality decisions based on real data.



Struggling with disruption

“As a small business, our tolerance for disruption to business continuity is very minimal.”

“We don't have time for a lengthy transition to cloud applications.”

“We need to be able to adapt our business model faster to support new opportunities or disruptions.”

- ● **Sales tip:** Remember that you're selling to SMB's who are keenly aware that it takes just one major disruption to business continuity to sink the ship. Emphasise that Business Central is fast to implement (through pre-built software and project accelerators), easy to configure, and simple to use. Business Central will reduce the cost of downtime, improve disaster recovery, improve your customers' ability to meet compliance regulations, and boost security.



AI to the Rescue?

Once coupled with new AI features and functionalities, automating critical business processes through Cloud ERP can accelerate at a quantum pace. Right now, Microsoft is already trialing Dynamics 365 Copilot in Business Central with select partners and customers in Asia Pacific. The very-near future will introduce AI assistance directly into Business Central. There are two AI-driven functions expected to be generally available for Business Central customers in Asia Pacific within the next 12 months. These are:

1. Cash Flow Analysis

In this scenario, the AI analyses data to identify true variables in accounts receivable. Knowing which customers typically pay in advance or on time, or which accounts are settled a few days or a few weeks past due provides businesses with 'reality forecasting'. This is significantly different to projections built around the expectation that customers will pay according to agreed business terms, which is often not the case. With the true cash flow of a business made transparent through the power of AI, SMBs can move faster to seize opportunities or reduce risk. For instance, reducing credit if there is a cash surplus, or getting credit lines in place ahead of a deficit.

Sales and Inventory Forecasting

Inventory management can make or break any business. It's typically a careful balance between making sure stock is available to keep customers satisfied, whilst also controlling costs. Having too much inventory is just as bad as not enough. AI features in Business Central will have the ability to analyse historical sales data, and combine this with other data sources that influence stock demand and availability. This can include the effects of transport delays, or extreme weather patterns. Imagine your SMB customer knowing in real-time that a power outage in a supplier's plant will delay shipment of stock by a week – as the event happens. Getting ahead of disruptions and moving quickly to take advantage of emerging opportunities will provide significant advantages to SMB operations.



3. Natural language Capabilities

Data is great at telling stories, if you know how to query databases and can read the information they provide. It is common for SMBs to have only a few people in the company that have the knowledge and expertise to undertake data analysis and reporting.

Natural language capabilities in Business Central will make it possible for non-technical and non-financial users to simply have a conversation with their Cloud ERP and the systems it is connected to. “Who are my best payers”, “Give me my top ten customers by order volume” or “Which of my accounts generate the most margin”. It is easy to understand how this kind of interaction between people and technology will drive new levels of productivity and agility in SMB operations.

These are just a few of the AI inclusions that are slated for integration with Business Central.

This is a here-and-now opportunity for partners, not a distant future vision. Your next opportunity for growth has already started, so the question is, if not you, who else will be ahead of the curve in conversation with your customers?



Channel partners are ideally situated to help SMB's adopt Business Central.

You know the rule of thumb: big prefers to work with big. That's why much of the ERP-related information (and pricing models) on the web are aimed squarely at enterprise organisations. This presents an opportunity for our channel partners to guide SMBs through their cloud ERP and business applications journey.

Every decision to invest in technology represents a big bet for your smaller customers. Cost and resourcing constraints, plus a lack of internal technical skills can create a higher level of wariness around new solutions. One of your key advantages here is that Business Central was developed specifically for SMBs and is not a cut-down enterprise offering. Your other advantage is the ability to offer a level of personalised service that larger providers can't match.

Remember, you don't need to be a specialist in every aspect of digital transformation.

[Partnering with us](#) enables you to bring in an expert in areas outside your core strengths to find the best-possible solution for your customers.

Provide your customers with the tools for success

Our study with Forrester shows that business buyers want more from their tech partners than simply selling space on managed infrastructure and adding margin on top of software licenses. Consider every customer barrier as an opportunity to add value. Think about what your customers might need to help ensure a successful adoption, reduce frontline pushback, and ramp up utilisation as quickly as possible.

For example, you may choose to provide:

- Business-readiness assessment: data health, cybersecurity, network capacity
- An outside perspective to help your customers define and deliver a cloud strategy
- Skillsets that your customers are struggling to recruit or train
- Change management and project communications plans to reduce frontline pushback
- End-user training
- Post-sales engagement including ongoing management of services and applications.



- ● **Did you know?** Low-code/No-code (LCNC) platforms make it possible for anyone to create software applications without needing coding or programming skills. This places the power to modernise, connect and automate data, processes, and systems into the hands of the many, where it has traditionally been the domain of the few.

With no programming or coding skills necessary, channel partners can develop high-value, revenue-generating content to accelerate training and enablement, help customers to improve safety standards in high-risk environments, or speed up complex process change management.

Expanding the opportunity with ongoing services

More services equal more opportunity. Let's say you own a bike shop that sells bikes, accessories, and gear to customers. You could focus on making one-time sales then move on to acquiring new customers, but you could generate more value by offering ongoing services such as maintenance and repair, workshops or lessons. Before long, you will discover that the margin for ongoing services is much more profitable than the margin for selling new bikes. It's also helping you build long-term, trusted relationships with your customers who are now more likely to come to you with their future needs.

While Business Central licensing is profitable, it represents the tip of the iceberg for channel partners wishing to ride the wave of SMB cloud ERP investment.

IDC predicts that for every dollar of revenue that Microsoft generates by 2024, its partners (that's you) will generate an additional \$10.04 – or somewhere around US\$1.2 trillion – through ongoing services.¹⁶ Microsoft estimates an even higher services-to-licensing margin ratio of 13:1 for business applications services.

Broken down into different services, the margins are impressive:



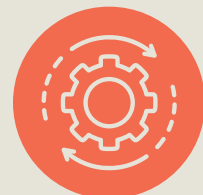
Solution design and assessments
(33% average margin)



Application customisation
(39% average margin)



Implementation and deployment
(63% average margin)



Post-sales service
(53% average margin)

Remember, you don't have to have all the capabilities yourself. We provide implementation as a professional service, working through our partners to deliver into their customers. It's a proven model for success.

Find out more about how well it worked for Ricoh Australia and their customer in this [case study](#).

"It's all about taking a customer-centric approach. If the customer has certain challenges and they're not within our core, there's no point for us trying to resolve it; we're better off [partnering with rhipe] because they have those specific skills."

- Doris Marr, Digital Automation Advisor, Ricoh Australia.

● ● **Did you know?** Partners can engage our Professional Services team to run the Business Central implementation for their customers. We work through our partners, so the deal is written on your paper, meaning you get 100% of the revenue. Partners retain a high margin of the deal value for bringing us to the table.



Transform opportunity into growth with us.

Aside from being the first cloud-dedicated distributor in the region and the depth of our relationships with cloud solution vendors, we believe in going beyond 'value-added'.

Our role is to help every partner to catalyse the full potential in their business. We use our collective cloud expertise and channel business experience to proactively identify where your untapped opportunities are, and work with you to explore them.

Our business has excellent, long-standing relationships with our partners based on earning their respect and trust. We're motivated, passionate and tireless in the pursuit of additional ways, better ways, new ways to empower our partners and generate real value.



Our team of specialists are fully certified and highly experienced in all aspects of Business Central, from licensing to implementation, solution design and more. Get in touch today to discover how to secure your share of the ERP prize.

Get in touch today!



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