

GET TO KNOW DYNAMICS 365 AND ITS LICENSING

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What is Dynamics 365?

With the release of Dynamics 365, Microsoft has managed to package their entire Dynamics ecosystem (AX or NAV, and CRM) into a compelling enterprise solution, delivering a suite of intelligent business applications.

The main purpose of Dynamics 365 is to unify the capabilities of CRM and ERP. Dynamics 365 ships with several different applications:

- ▣ Operations (Enterprise Edition)
- ▣ Financials (Business Edition)
- ▣ Sales
- ▣ Customer Service
- ▣ Project Service Automation
- ▣ Field Service
- ▣ Microsoft PowerApps
- ▣ Microsoft Flow

In addition to this cohesive platform, Dynamics 365 has a new SAAS-based licensing model that may appear confusing at first, but once understood,

it provides fine-tuned control over each user and can help reduce overall business costs.

Dynamics 365 Versions

Dynamics 365 ships with two editions. A *business edition* is optimized for smaller companies of 10-250 employees and contains Dynamics 365 for Financials. An *enterprise edition* is suited for businesses of 250+ employees and includes Dynamics 365 for Operations (formerly Dynamics AX). For purposes of this article, we will focus on the Enterprise Edition.

How Dynamics is Licensed

Dynamics 365 can be accessed either externally or internally. An internal user utilizes the system through the Dynamics 365 graphical user interface (GUI). An external user (third party) accesses the system through other means, usually a custom public-facing portal or an application programming interface (API). External users do not

The Risk of Outdated ERP Systems

With a lack of IT support to maintain siloed and outdated ERPs, businesses end up paying more to maintain an already obsolete system. Increasing IT costs and reducing productivity ultimately causes companies to fall further behind their competitors.

Microsoft's release of Dynamics 365 packages their entire Dynamics ecosystem (AX or NAV, and CRM) into one enterprise solution, enabling access to modules you need, only when you need them. The new model also provides fine-tuned control over each user, ultimately increasing productivity.

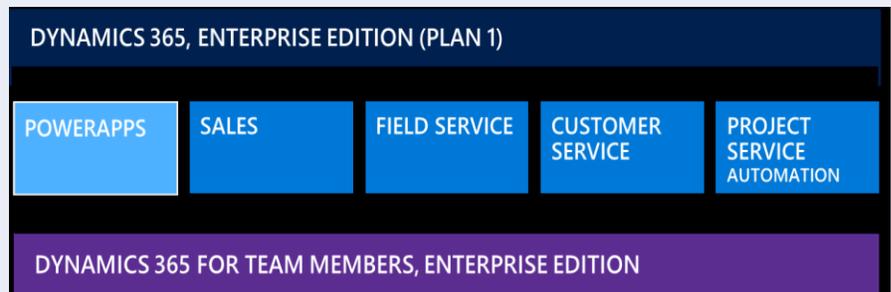
With Dynamics 365's reduced startup and licensing costs and agile implementation of business process, upgrading an ERP system has never before been so viable.

require a subscription license (SL), as it is included with all 365 subscriptions. Any internal user must have an SL tied to their Office 365 account.

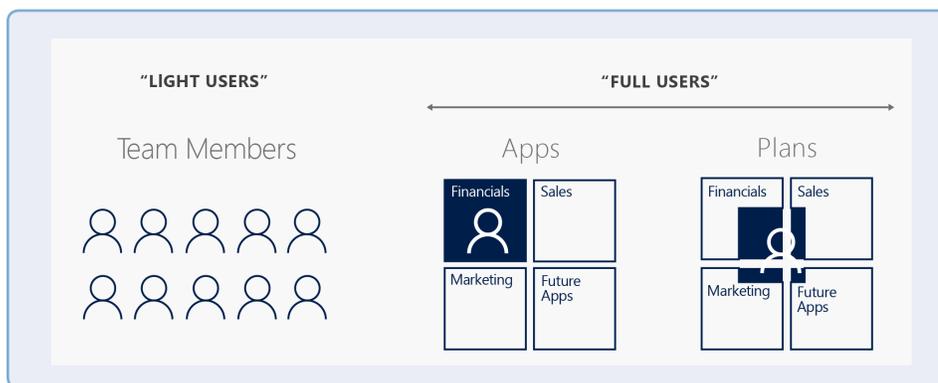
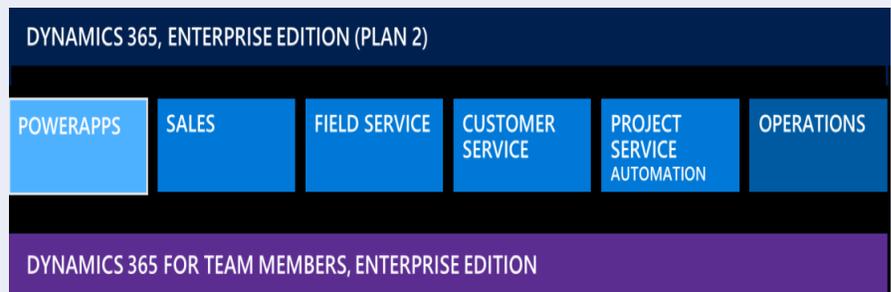
There are two different classifications of SLs, User and Device. User SLs are assigned to named users and are managed through the Office 365 Portal. Device SLs are assigned to a specific device and are designed for shared login. Every user using the device does not need a login. For example, a POS or handheld warehouse mobile device would not need a login. A typical Dynamics 365 subscription contains a mix of both User SLs and Device SLs.

User SLs are classified under two different types, Team Members (Light Users) and Full Users. Team Member SLs are for users who consume data or reports from Dynamics 365 and perform minimal tasks, such as time/expense entry and HR record updates. Team Member SLs cost significantly less and are preferred if a user falls under the criteria. Full User SLs are for “power users” who require full functionality.

Plan 1 Includes Power Apps, Sales, Field Service, Customer Service and Project Service Automation



Plan 2 contains everything in Plan 1 plus Dynamics 365 for Operations



Below is the breakdown of the different Enterprise edition tiers:

- Tier 1: 0–99 users
- Tier 2: 100–249 users
- Tier 3: 250–499 users
- Tier 4: 500–999 users
- Tier 5: 1,000+ users

Note that tiered pricing is not available to customers purchasing licenses through Microsoft Online Subscription Program or for academic and charity programs.

Plan vs. App Licensing

Full Users can be licensed on an application basis or as a plan.

Plans bundle multiple Dynamics 365 applications together. Bundling the SL in a plan will provide more functionality and will be available at a reduced rate.

There are two plans available, Enterprise Edition Plan 1 and Enterprise Edition Plan 2.

Tiered Pricing

Confused yet? Now let’s introduce tiered pricing. Microsoft offers a reduced rate for customers who purchase a large amount of user SLs.

Tiered pricing rates are only available to Enterprise Edition Plan 1 SLs, for both full users and team members. Plan 2 does not qualify for tiered pricing. To make matters more confusing, the Plan 1 and Plan 2 seats both count toward Plan 1 tier qualification.

Default Subscription Environments

A set of standard instances comes with every subscription of Dynamics 365 by default. Additional storage and instances can be purchased if needed.

It is worth noting that Plan 1 Business Apps and Dynamics 365 for Operations come with a set of distinct environments and use a different tenant. Plan 1 Business Apps use the same tenant and infrastructure while

Dynamics 365 for Operations leverages a different tenant.

Plan 1 Business Applications Default Environments

By default, every Plan 1 contains a production instance, non-production instance, Dynamics 365 Admin Portal and 10 GB of database storage. The database storage increases based on the number of users using the system. Storage is increased at a rate of 5 GB per every additional 20 full users. The chart below shows the rate of growth as the users increase.

Operations Default Environments

Dynamics 365 for Operations operates on a different tenant from that of the Plan 1 Business Apps. If Plan 2 is purchased, the customer will obtain access to Plan 1 Business Apps and the Dynamics 365 for Operations App.

By default, every Operations App contains a production instance, two non-production instances and default storage capacity. The production instance comes with disaster recovery and high availability and is monitored around the clock by Microsoft for overall health and availability.

The first non-production instance is a tier 1, all-in-one sandbox environment. This environment requires the purchase of database storage, as it doesn't come with any by default. The tier 1 instance is also referred to as a developer instance and is provided for the life of a subscription. The second non-production instance is a tier 2 standard acceptance testing instance. This instance is a multibox instance and includes 10 GB of default storage. If more instances are required, they can be purchased at a monthly cost.

Dynamics 365 for Operations comes with 10 GB of database storage. Additional storage is accumulated as the number of users increases. For every additional 20 full users, database storage is increased by 5 GB. Every subscription additionally receives 100 GB of Azure BLOB storage.

Fusion Knows Dynamics 365

As a Gold Partner of Microsoft and over 25 years of experience as an enterprise solution provider, Fusion Alliance ensures a seamless transition into Dynamics. The Fusion team creates a roadmap to optimize the system for your unique business needs.

From architecture assessment, to full implementation support, licensing, configuration and upgrades, Fusion is with you every step of the way.



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