proMX

The essential guide to
**Microsoft Dynamics 365
Project Operations**

WHITE PAPER

Microsoft

Content

Introduction

If a project-oriented service company wants to be successful, it needs to make their clients happy. And clients would like their projects to:

- be completed on time
- not be significantly more expensive than planned
- be transparent

These three requirements can be complicated, though, because often projects are highly complex, difficult to predict and collaborative.

The challenge becomes even greater if the departments involved in the project fail to work together. This is hard to avoid when they work in disconnected systems: The sales department has its own CRM system, the project team uses another tool, employees make do with a number of different applications, the accounting department has nothing to do with all of this and management is forced to go through the hustle of gathering the information it needs from all these different solutions.
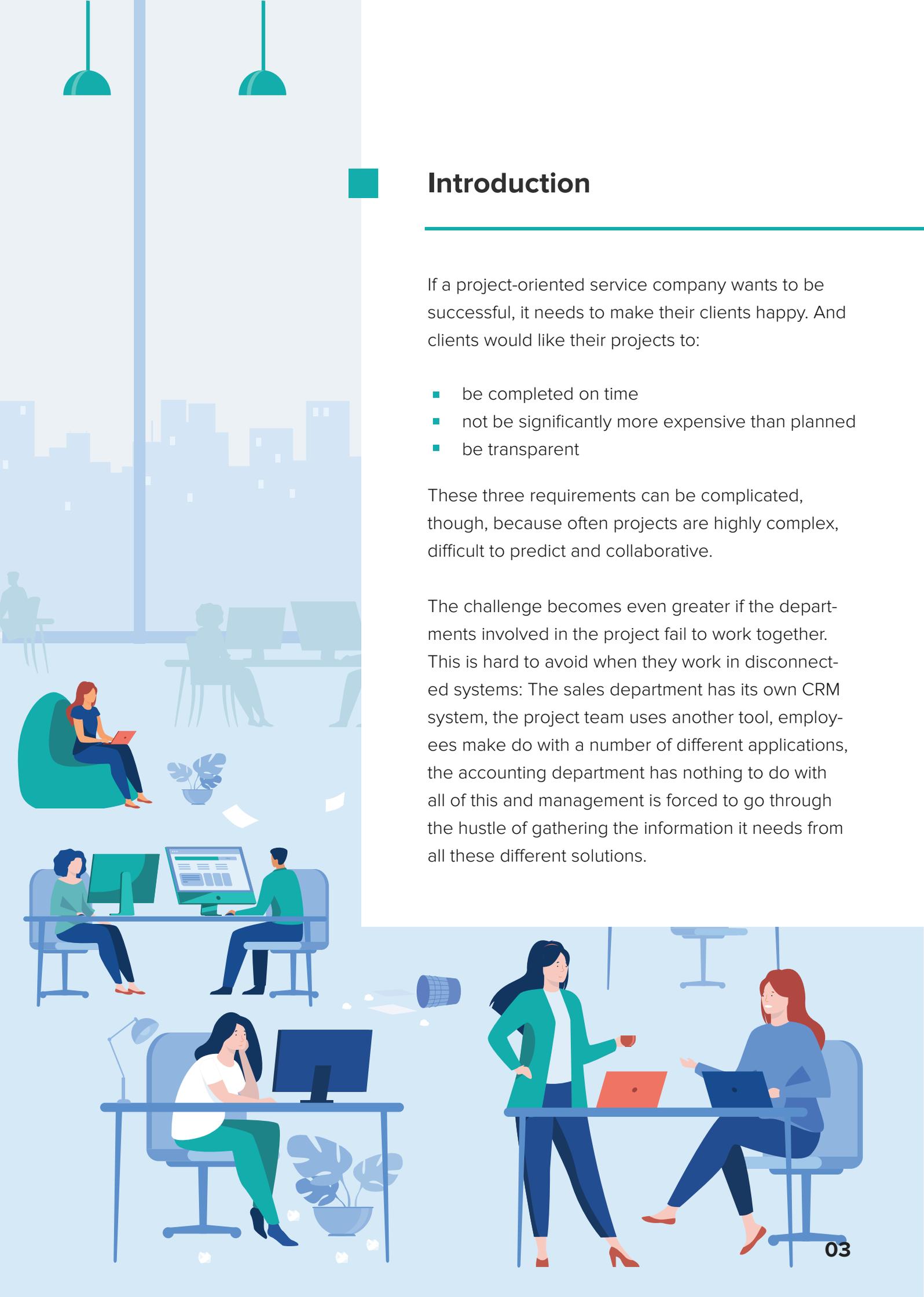
However, external factors are a challenge for service companies, too: the market is competitive, winning new deals difficult and maximizing profit margins tricky, yet necessary.

Once a company reaches a certain level of professionalization, it only makes sense for them to use a Professional Services Automation (PSA) software for all the aforementioned reasons.

PSA software allows companies to initiate, plan, execute and complete projects. It optimizes processes and makes projects more predictable. This improves employee productivity and the profitability of the project business.

Microsoft Dynamics 365 is such a PSA software. On the following pages, you will get to know the application, its functionalities, advantages and possibilities better. You will also learn how a Microsoft partner can support you in implementing the solution.

Understanding Project Operations

Microsoft Dynamics 365 Project Operations is a comprehensive project-business solution. It combines all project-related processes of a service company in one solution — from sales to project and resource management, project handling to accounting and reporting. Or, in short: from leads to invoices.

What Project Operations covers

Before the project

Project sales
Project planning

During the project

Resource management
Project management
Productive collaboration
Time and expense tracking
Project controlling

After the project

Billing
Reporting

Project Operations is meant for project-based service companies, e.g. management consultancies, IT consultancies, construction companies or facility management companies. It can also be used in project-centric parts of a company.

The PSA application was released to the market in fall 2020, but it is far from being a blank page. Rather, it includes more than 25 years of experience from Microsoft with project management software. In a sense it is a "best of" solution made-up of different popular features from various other Microsoft applications.

What distinguishes Project Operations from other solutions?

Before adopting a PSA solution, companies often tend to use Microsoft Excel and/or Microsoft Project for their project management.

Whereas Excel is a popular tool for project management, but really not a project management tool at all. This is because with Excel it is difficult to:

- maintain an overview
- collaborate with others
- maintain data
- display project-specific functions
- create reports

Without Project Operations

- ✕ Different systems for sales, project management, resource management, project teams, accounting, management
- ✕ Separate CRM and ERP
- ✕ Departments work with different data
- ✕ Poor project handovers from sales to project management
- ✕ Uncertain basis for decision making

With Project Operations

- ✓ Combines all departments involved in projects in one seamless solution
- ✓ All CRM and ERP functionalities in one solution
- ✓ All departments work with the same data
- ✓ Seamless collaboration of sales and project management
- ✓ Decisions are based on latest AI data and machine learning

Microsoft Project is a software for project management and project portfolio management (PPM). It is designed for planning, controlling, monitoring and evaluating projects, with a clear focus on project planning rather than the processes that come before or after the project.

Project Operations goes beyond just one project aspect. It combines all aspects of the project business and enables project employees to work within the same solution and speak the same language. That way, collaboration become more productive and transparent, and projects more predictable and profitable.

The 10 biggest advantages of Project Operations

01 Displays all business processes of a service company without media disruptions

02 Combines CRM and ERP functionalities

03 Covers the entire project lifecycle in one application

04 Compatible with many other Microsoft applications

05 Enables close collaboration between sales and project management

06 Provides a sound basis for making business decisions

07 Suitable for global companies

08 Eliminates data silos

09 Adaptable and expandable

**10** Improves customer satisfaction through more accurate planning

Focus: How Project Operations makes projects more predictable

Customer satisfaction depends on whether the goals that were set or promised before the start of the project are met or not, especially deadlines and budgets. However, as projects are made up of many interdependent tasks and require different resources, they are not always easy to predict.

Predictability in the project business means knowing:

- Which resources are needed and when
- When the next phase of the project starts
- What costs will arise
- When the project will be completed

There is a very clear focus on the factors quality, costs and time. Project Operations offers various functionalities for handling projects as well, fast and cost-effective as possible:

Quality

Better coordination between sales and project management

Possibility to easily assign the most suitable employee to projects

Seamless collaboration with all departments involved

Better communication with clients

Planning functionalities that match each project

Error-free performance tracking through an optimized workflow

Costs

More transparency for accounting during the billing process

AI support for project planning and controlling, resource management and business decisions

Real-time data makes early interventions possible

Forecasting tools for sales, project and resource management

Standardized templates for estimates, schedules and costs

Time

Detailed schedules with different project planning functionalities

Forecasting to predict which resources will be utilized and when

Working with Project Operations

With Project Operations, each part of the project business benefits from different functionalities that meet their requirements.

01
Sales takes care of winning leads and lead qualification

02
Sales goes through all sales opportunities and prepares offers

03
Sales creates first high-level project plan with budget estimate

04
Sales makes an estimate in the quote, adds expenses and other expenditures

05
Customer accepts quote, project contract is generated

06
Resource management replaces generic resources with real people and materials

07
Project management refines project plan and requests resources

08
Accounting generates and sends out invoice

09
Team members track their times and expenses in the system

10
Project lead approves or corrects bookings and triggers billing

Projects in Projects Operations

Sales: more deals, a shorter sales cycle

The sales component of Project Operations lets sales teams handle the entire project-based sales process – starting with opportunity management and finishing with handing everything over to the project manager.

They can calculate sales opportunities in Project Operations or import them from another CRM system. For quoting, estimates can be made based on previous similar projects and then standardized templates can be used to quickly develop a detailed estimate, a schedule and monetary values for the quote.

The work breakdown structure can at first be established with including generic resources and prices later be calculated with various dimensions (e.g. experience, location, skills). That way, quotes end up more accurate.

Throughout the entire sales process, the sales team is supported by artificial intelligence and analytics. Additionally, processes can be customized to specific requirements with little to no effort from a developing point of view, e.g. if the stages of the sales process need to be expanded or reduced.
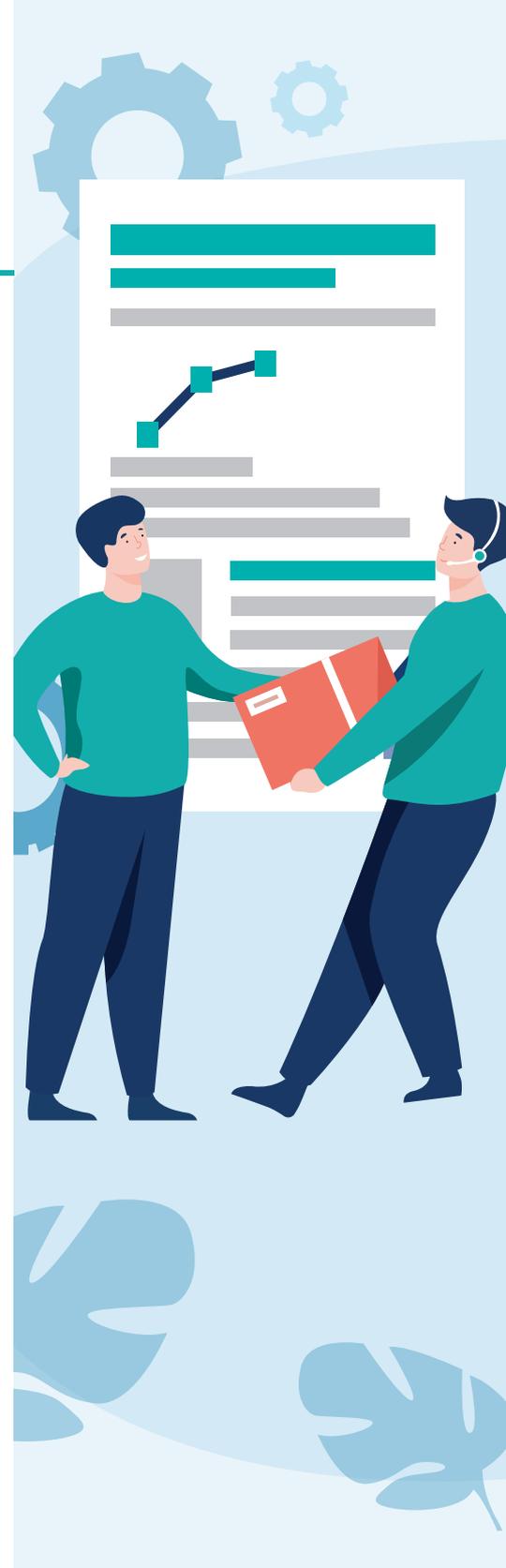
Highlight:
Different types of project contracts possible (fixed price, expense-based, combination of both)

Project management: better understanding, more precise planning

Once there is a project deal, sales hands it over to the project management. Since project managers work in the same system, they can view quotes and project plans, and thus better understand what the customer expects or what was promised. This puts the project on a solid foundation.

Project Operations provides project managers with a number of features that allow more precise planning. Whether waterfall or agile — they are well-equipped with Kanban planning views, Gantt charts and work breakdown structures for optimal project management. They can also make accurate estimates for labor costs, expenses and material.

As the project progresses, they can track its progress with dashboards to keep track of costs, duration and value. Any changes to work packages or resources automatically lead to an update of costs and revenue.
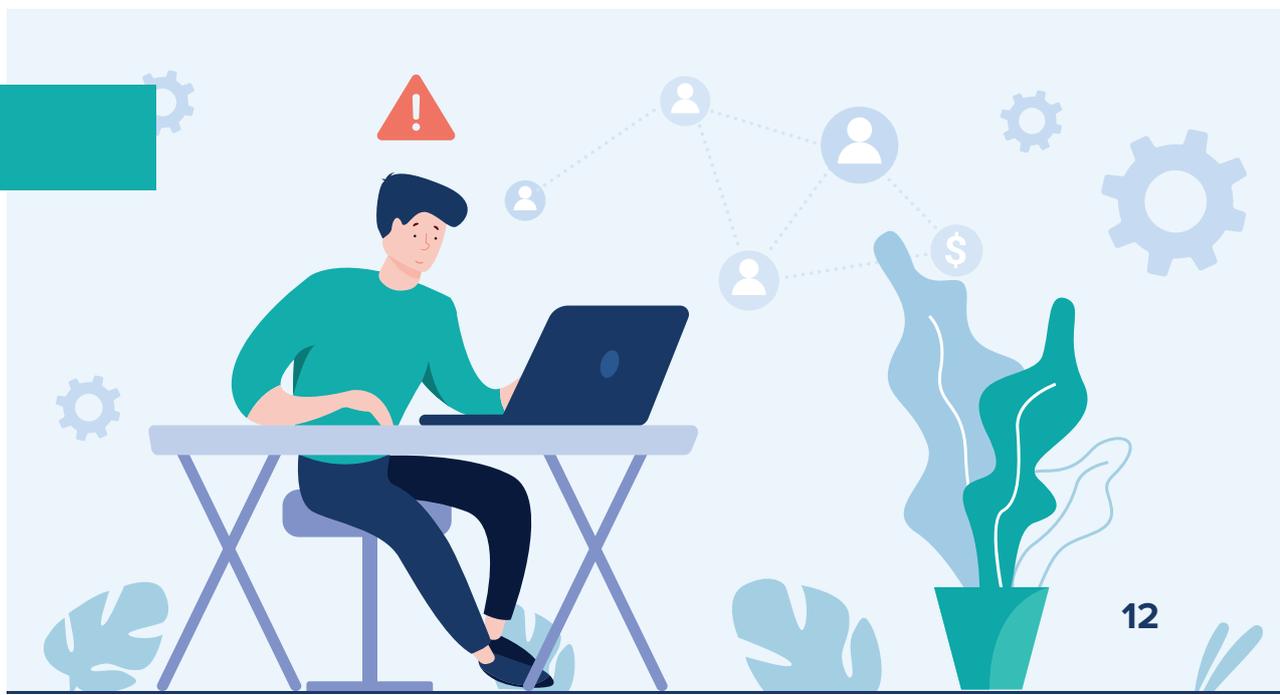
Real-time tracking and integrated AI insights make it possible to intervene early when the project takes unexpected turns. As a result, project managers stay in control and can intervene in time to ensure that the project is completed on time and on budget.

Project Operations also ensures that project managers won't have to go without their favourite tool, Microsoft Project. Its features are available directly within the application through a native integration of Project for the Web. Alternatively, the project plan can also be imported to and edited in Microsoft Project.
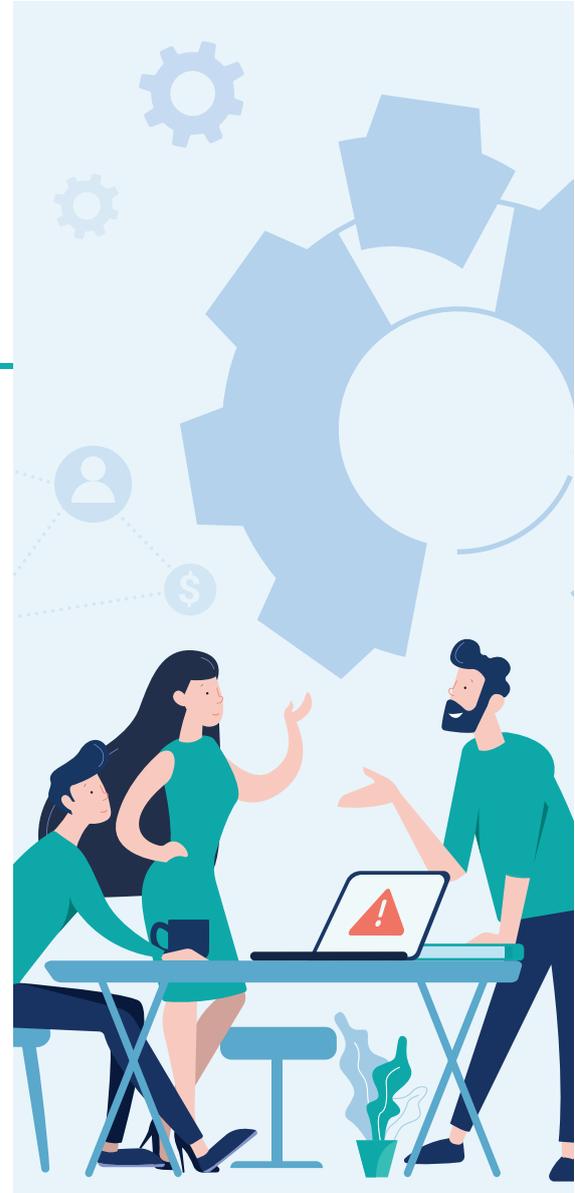
Highlight:
Embedded Project for the Web workspace

Resource management: finding the right people faster

Essential for the success and profitability of a project is the project team. In Project Operations, resource managers have all the insights they need into project requirements and resource availability, and can thus assemble the ideal team.

The native scheduling tool Universal Resource Scheduler facilitates this process. It enables resource managers to find the most suitable employee at any time (based on criteria such as skills, costs and availability). This does not only ensure that project goals are met, but also customer satisfaction and optimal resource utilization. Employees will be happy with their work, because they won't feel over- or under-challenged and thus be able to perform at their best.

The Universal Resource Scheduler is also used for the Dynamics 365 apps Field Service and Customer Service, thus "Universal." Therefore, if resources are used across the entire company, there won't be any overlaps.

By the way: In Project Operations, resources do not only refer to (external) employees. They also include equipment, rooms and the like.
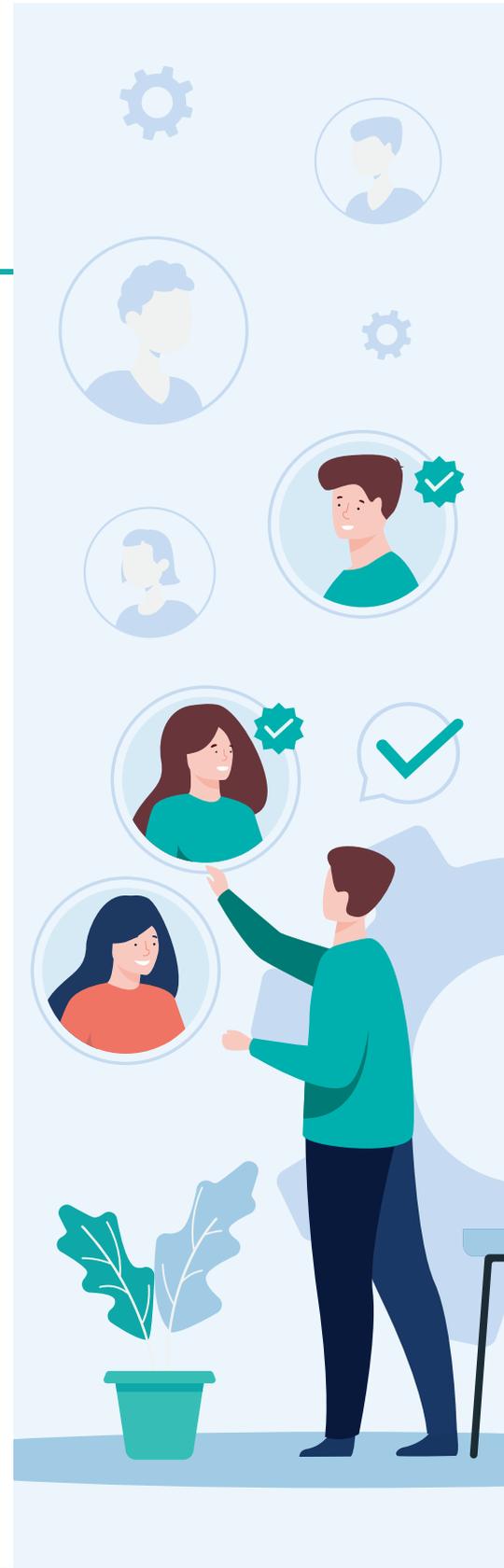
Highlight:
Intelligent planning with Universal Resource Scheduling

Team members: more productive collaboration, easier performance tracking

Through the integration of Microsoft Teams into Project Operations, project team members have a place where they can communicate quickly and productively at any time, from any location and on any device – both, with each other as well as people on the customer's side or with other stakeholders. This improves communication and productivity.

Time and expense tracking are often inconvenient, yet necessary. Luckily, Project Operations makes this tedious task much easier by making time and expense tracking available via desktop and mobile app, and can thus be implemented with just a few clicks. For example, times can be transferred from planning or from the user's personal calendar to time tracking.
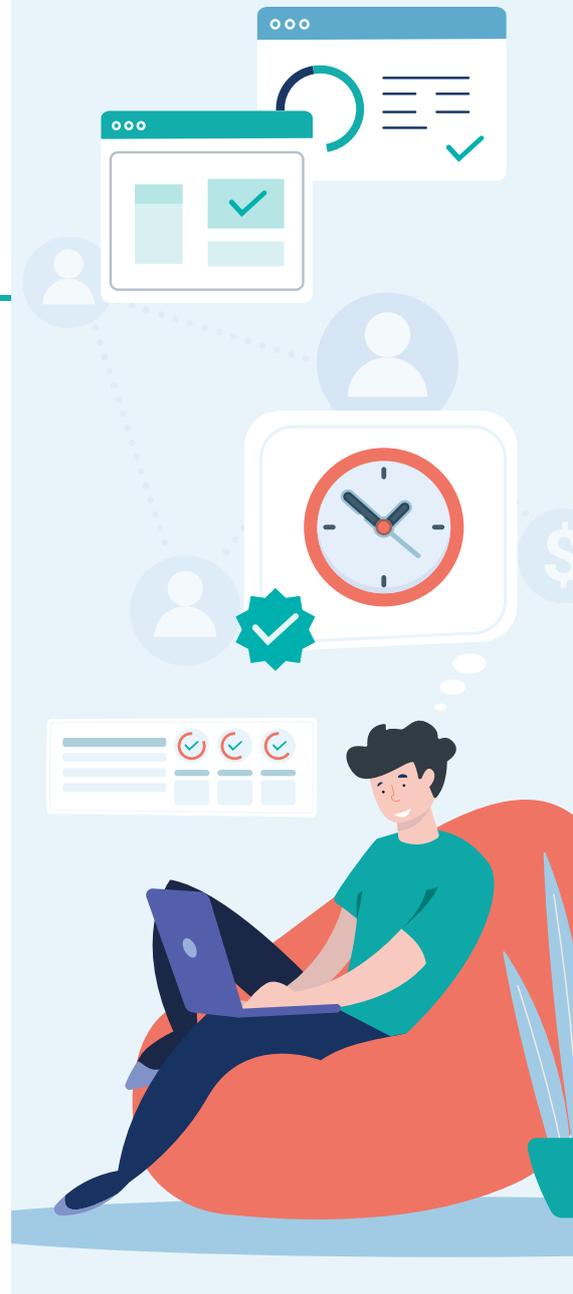
Highlight:
AI-supported data extraction
from expense receipts

Project accounting: generating correct invoices faster

The finance part of Project Operations is the ERP part of the app. Invoices are generated based on the time tracking of employees, which was approved for invoicing by the project managers.

Project Operations gives project managers and accountants access to the same information. During the course of a project, all data is created within the application, which means that project managers no longer have to ask the accountants what they are allowed to invoice.

Invoices can be generated and customized directly without any manual effort or additional solutions, and according to a fixed price, effort or a combination of both. Various currencies and accounting principles are possible, too.

By connecting Dynamics 365 Finance, Project Operations becomes a service-based ERP system. However, with the help of open APIs, external ERP systems can also be integrated to extend specific accounting functionalities.
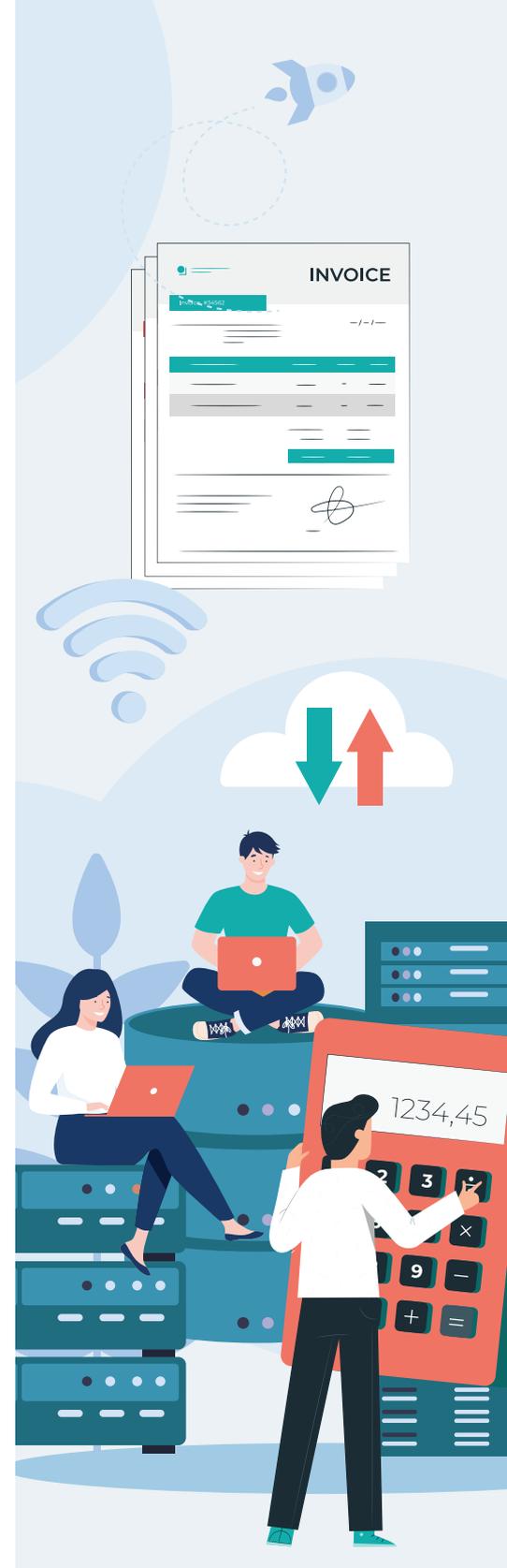
Highlight:
Strong tax and currency handling

Management: more insights, better decisions

In a heterogeneous IT landscape, it is difficult for a company's management to summarize insights from different systems. In Project Operations, they have access to the data from all project stakeholders across all areas and view real-time financial assessments as well as other KPIs on dashboards, for example resource utilization, forecasting and budgeting. Microsoft Power BI makes it easy to visualize this data and to share it with others.

This provides decision makers with more data they can base informed business decisions on and reduces time-to-market for new services, lowers operating costs and leads to a more coherent overall business strategy.

Highlight:
Real-time financial evaluation by revenue, contribution margin, project contribution margin and cash flow

Extending Project Operations

Project Operations can be extended as needed with other Dynamics 365 applications, third-party solutions or other Microsoft apps.

Other Dynamics 365 modules

Project Operations can be extended into a full-fledged ERP system for service organizations when combined with other Dynamics 365 apps.

If a company does not only carry out projects, but also sells products, extending Project Operations with **Dynamics 365 Sales** is a good idea. The module accesses the same database as Project Operations, which means that changes made in one application will also apply to the information in the other one. That way, it is possible to manage the data from different sources in one view.

Sales

Field Service

Finance

In many organizations, the project business is complemented by field service. If that is the case, connecting **Project Operations and Field Service** only makes sense. The apps access the same calendar for resources, which simplifies assigning the same employees to both departments.

If you are looking for even more finance functionalities, it is possible to extend Project Operations with **Dynamics 365 Finance**. The so called "dual write" connects the modules, which means that data is automatically synchronized between both apps.

Project Operations can be connected to several other Dynamics 365 applications, for example Customer Service, Supply Chain Management, Marketing and Human Resources.

Microsoft Power Platform

Three out of the four apps that are part of the Micro-soft Power Platform can help you get more out of Project Operations. They all have one thing in common: Users do not need programming skills to use them.

Power Automate makes it easy to automate recur-ring tasks, for example approval processes.

Power Apps empowers all employees to create the applications they need in their daily work routine, for example digitalized internal processes. Power Apps portals can be used to create partner portals for viewing project offers, contracts and the like.

By extending Project Operations with **Power BI**, all data collected in Project Operations can be visual-ized in a way that helps everyone understand the data and share it as a dashboard or a report.

Third-party solutions

Like all other apps in the Dynamics 365 suite, Project Operations, too, can be extended with third-party software. This is particularly useful if the solution needs to be adapted to country-specific regulations or industry specifications.
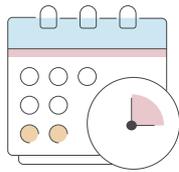
Holiday Management
for Dynamics 365

Learn more

Travel Expenses
for Dynamics 365

Learn more

Holiday Management

Holiday Management is an add-on that automatically records any kind of employee absences and displays them in the resource planning. Team members thus no longer have to manually maintain their calendars. Available vacation days per resource only need to be defined once by the resource managers. This is particularly useful for international companies with different holidays in different countries or with department-specific differences when it comes to holiday approvals.

Travel Expenses

Travel Expenses allows users to automatically track expenses for business trips and the like by uploading receipts and thus initiate a quick reimbursement. As travel expenses differ from country to country, separate daily rates ca be set for different countries.

**Dynamics 365 solutions for your business developed by proMX**

Implementing Project Operations

Project Operations should always be implemented with the support of a Microsoft partner. These service providers can advise companies and provide them with more precise information about licensing requirements and prices. They know tried-and-tested implementation methods that keep costs in check, avoid unnecessary disruptions in their daily business and complete the project as fast as possible.

High-profile Microsoft partners (such as those who were or are in the Inner Circle for Microsoft Business Applications) benefit from a special connection to Microsoft and can forward any customer require-ments directly to them.

A Microsoft partner will also provide support after the go-live or organizes workshops for employees or trainers.

makes custom adjust-ments to the system

implements software as quickly and as cost-effectively as possible

finds the right implementation scenario

A Microsoft PARTNER

connects external software to the solution if necessary

discusses the right approach

trains employees or trainers

proceeds in a way that fosters high team acceptance
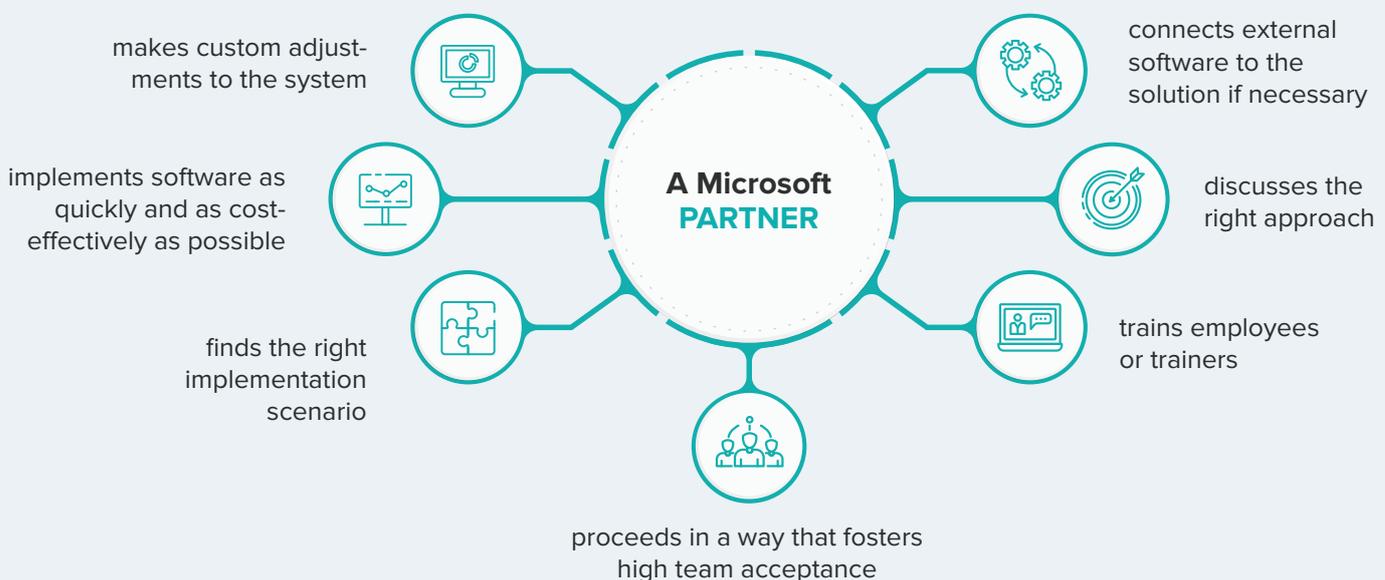
Finding the right implementation partner

Consulting firms are experienced in implementing Dynamics 365 projects. However, Project Operations is still a relatively new solution that was released in October 2020.

When looking for an implementation partner, there are certain criteria to look for:

- ⊘ Experience with Dynamics 365 Project Operations or Dynamics 365 Project Service Automation

- ⊘ Industry knowledge and understanding of internal processes (necessary to implement requirements and customize the app well; knowing what the solution may be missing)

- ⊘ Close relationship with Microsoft

- ⊘ Relevant Microsoft competences

- ⊘ Relevant customer references

- ⊘ Expertise regarding app extensions

- ⊘ Holistic consulting

How an implementation partnership works

A partner for digitalization offers systematic advice that can lead to a number of different results.

One thing we have noticed is that many digitalization projects fail because companies take on too much at once. That is why we recommend an iterative approach with clearly defined and measurable goals. Employees in particular benefit from not getting deterred or overworked.

They analyze processes, requirements and goals, and give recommendations based on their evaluation. They are both a service provider and a partner in a close partner-customer relationship.

The digitalization projects of proMX can be structured as follows:

- System analysis and fit-gap workshops
- Individual recommendation for action
- Software implementation
- Custom adaptions to the system
- System maintenance and technical support
- Needs-based user training

If you're interested in getting your own impression of Dynamics 365 Project Operations, the simplest way to do so is to try it out yourself. We will be happy to create a free demo for you!

Request demo

We offer a helping hand in your digital transformation

The ideal digital transformation partner is not only an expert in theory and technology but also in his customer's industry. Our consultants are familiar with the processes, priorities and challenges of different sectors. Contact us!

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