



# A Dynamics 365 ERP comparison guide

Business Central vs Finance & Supply  
Chain Management – which ERP is  
right for your organisation?

# Introduction

**Microsoft Dynamics 365 represents the next generation of business applications. The 365 suite of Enterprise Resource Management (ERP) solutions offers two solutions – Dynamics 365 Business Central and Dynamics 365 Finance & Supply Chain Management. Both are comprehensive end-to-end ERP solutions capable of meeting complex business requirements and operational needs. Each ERP has a set of purpose-built applications like operations, sales, and customer service. Dynamics 365 offers organisations the flexibility to grow at their own pace and expand into additional capabilities with ease to run their entire business using Microsoft Azure cloud services.**

However, there can be some confusion when it comes to choosing the right Dynamics 365 ERP solution. There are some clear-cut cases where one is more suitable than the other. However, for many medium-sized organisations, there is a lot of overlap and it can be unclear as to what ERP will best fit their organisation's requirements.

Dynamics 365 Business Central, previously called Dynamics NAV, is Microsoft's ERP solution for small and medium businesses (SMBs). It provides all the functionality required to run your entire organisation. Dynamics 365 Finance & Supply Chain Management, previously called Dynamics 365 for Finance and Operations, is Microsoft's ERP and supply chain solution for large enterprises. Dynamics 365 Finance and Dynamics 365 Supply Chain Management are available as separate business applications but are more frequently implemented together to deliver a robust financial and operational business solution. By implementing both Dynamics 365 Finance & Supply Chain Management, you have full capabilities to manage all of the finance, inventory, manufacturing and HR capability a large enterprise needs. Both of the ERP solutions are easy to connect and offer out-of-the-box connectivity with **Office 365** and access to the **Microsoft Power Platform**.

In this guide, we discuss and compare the functionality available in Microsoft Dynamics 365 Business Central and Dynamics 365 Finance & Supply Chain Management. The guide also includes a Q&A section outlining commonly asked questions surrounding both ERPs.

## The guide covers:

- ERP selection considerations
- Dynamics 365 Business Central and Finance & Supply Chain Management
- Decision drivers
- Licensing and ERP enablement packages.

# ERP selection considerations

When comparing the two Dynamics 365 solutions, it is important to understand that there is a large amount of overlap. For many organisations, requirements can be met with either solution. Each comparison will be individual to your organisation and will be highly dependent on your internal skills, resources and growth plans.

When selecting between **Dynamics 365 Business Central** and **Dynamics 365 Finance & Supply Chain Management**, three criteria will form the basis of the decision.

## Complexity

### How complex is your organisation?

The more complex and unique your requirements are, the more likely that you will require Dynamics 365 Finance & Supply Chain Management.

Finance & Supply Chain Management offers more flexibility in the configuration of the solution than Business Central. For example, if your manufacturing process is a simple five-step process with a bill of materials in one site, then Business Central could support you. If you have more complex manufacturing processes that involve the manufacture of sub-components, complex manufacture routes and operations, or manufacture across multiple sites and resources involving different skillsets, then this will be better met with Dynamics 365 Finance & Supply Chain Management.

## Scale

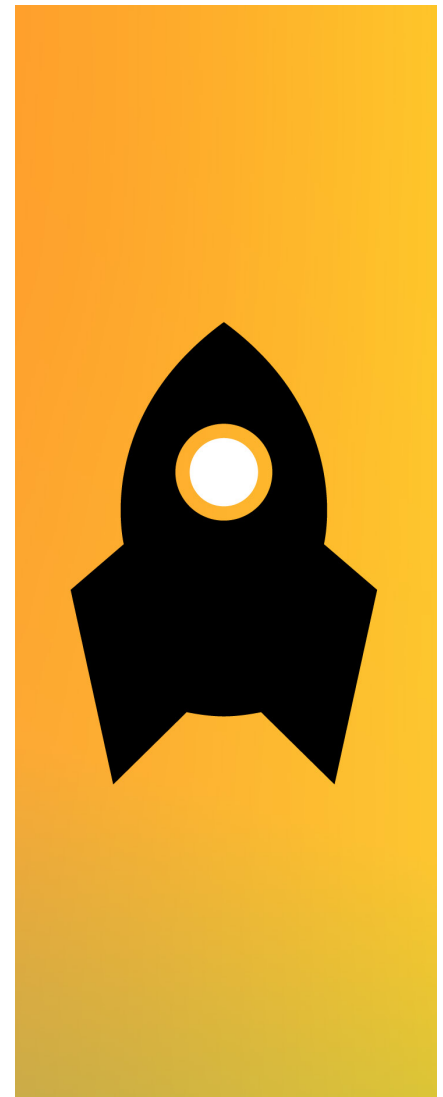
### How big is your organisation?

This is linked to the first point. The larger your organisation is, the more likely you are to require more complex capability. For example, if you have a large number of legal entities or over 100,000 monthly transactions, you might find the out-of-the-box capability in Dynamics 365 Finance & Supply Chain Management is better suited to your needs. This also applies to integrations, if you are looking to connect one or two systems, then Business Central is perfect for this. If you are looking to connect more applications or import large number of transactions through interfaces on a regular frequency to Dynamics 365 then Finance & Supply Chain Management is better equipped to deal with this flow of data.

Another consideration for scale should also be the future scale of your organisation. What size will your organisations be in three to five years, as this may alter your decision.

## International

Is your organisation international or UK only? The more legal entities, tax locations, and localisations required, the more likely you will be better served with Dynamics 365 Finance & Supply Chain Management. Business Central is equipped to support multiple locations, but if you require multiple tax locations, then selecting Finance & Supply Chain Management is the better option. You can implement multiple Business Central tenancies to support different geographical locations using Dataflex Pro (formerly Common Data Service), however this can result in more complexity in reporting at group level and managing regular updates.



# Dynamics 365 Business Central

**Small-to-medium organisations. No user limit.**

Dynamics 365 Business Central is a comprehensive business management solution for growing organisations with roughly 50 to 250 employees. These are organisations that need more than the simple financial and accounting tools they started with, but aren't yet ready to make a big investment in a customised ERP system.

Without sacrificing ease of use or speed of setup, Dynamics 365 Business Central offers a fully powered business management solution in the cloud, with capabilities spanning financials, dimensions, sales and purchase management, inventory, CRM, multi-currency and business insight.

## Functionality overview

■ Premium license

Financial Management	Inventory Management	Sales	Purchasing	Project Management	Human Resources	Additional Capabilities
General ledger	Stock management	Customer management	Purchase order management	Job management	Basic HR	Multiple currencies
Account receivables	Warehousing	Sales invoicing	Vendor management	Budget estimate	Absence recording	Dimensions Workflow
Account payables	Assembly manufacturing	Sales order management	Vendor item catalogue	Basic resources	Expenses (non-self-service)	Import online currency rate
Budgets	Returns	Pricing and discounting	Purchase line pricing			Outlook add-in extension.
Account schedules	Ship-to address	Blanket orders	Purchase invoice discounts			Service management
Bank reconciliation	Shipping agents	Opportunity management	Purchase line discounts			
Cash flow forecast	Drop shipments	Interaction management				
Electronic payment	Non-stock items	Sales tax				
Deferrals	Advanced warehousing	Outlook integration				
Fixed assets	Production manufacturing	Contact relationships				
Multi currency		Dynamics 365 Sales integration				
Inter-company accounting						
Consolidation						
Unlimited responsibility						

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# Dynamics 365 Finance & Supply Chain Management

**Large Enterprises. 20 users minimum.**

Dynamics 365 Finance & Supply Chain Management is an advanced ERP solution for large enterprise organisations with 250 + employees.

Dynamics 365 Finance and Dynamics 365 Supply Chain Management have broad capabilities, and even more so when enabled with other applications such as Dynamics 365 Customer Engagement, **Human Resources**, **Customer Insights**, Financial Insights, **Field Service**, AI and Mixed Reality and many more. When dealing with a broad business set including financials, procurement, project accounting, revenue recognition, asset management, or inventory and warehouse management, Dynamics 365 Finance & Supply Chain Management is a good fit.

## Functionality overview

Financial Management	Inventory Management	Sales	Purchasing	Project Management	Human Resources	Additional Capabilities
Global accounting structure	Product variants	Sales quotation	Purchase requisition	Project quotations	Employee self-service portal	Office 365 integration
Advanced bank reconciliation	Product hierarchy	Leads and campaigns	Request for quotation	Work breakdown structure		Data management tool
Scraping/sale of fixed assets	Product configuration models	Sales agreements	Purchase agreements	Timesheets		Fleet management
Budget planning	Bill of materials and formulas	Customer rebates	Procurement categories	Grants		Workspace
Credit and collections management	Routes and operations	Commissions	Vendor rebates	Project journals		Mobile apps
Integrated financial reporter	Work order scheduling	Miscellaneous charges	Planned purchase orders	Project budgets and forecasts		Interactive task guides
Intercompany accounting	Infinite and finite resource management	Customer and sales performance reporting	Consignment stock replenishment	Resource scheduling and allocation		SharePoint storage for documents
Revenue recognition	Production costing sheets	Intercompany sales orders	Supplier and purchase performance	Project invoices		Feature management
Expense management	Quality control		Inter-company purchase orders	Project workflows		
	Asset management					
	Preventative maintenance plans		Supplier collaboration portal			
	Preventative and corrective work orders					
	Transportation management					

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# Decision drivers

Beyond the initial ERP selection considerations, outlined on page 3, there are a number of other factors worth considering when looking to understand which Dynamics 365 ERP would best fit your business needs.

The following table outlines some commonly asked functional and extensibility questions that we hear from customers when they are evaluating which Dynamics 365 ERP to choose.

Functional questions	Dynamics 365 Business Central	Dynamics 365 Finance & Supply Chain Management
<b>Do I have the ability to analyse financial transactions across a number of analysis codes including business unit, department and cost centre?</b>	Unlimited dimensions sets. 2 global dimensions. 6 Shortcut dimensions.	Unlimited dimensions sets. 10 dimensions combinations per record as standard. Ability to create additional dimensions in combination.
<b>Is there a maximum number of legal entities I can have?</b>	Unlimited, but all entities must be located in the same geographical region.	Unlimited across multiple geographical regions.
<b>Can I manage entities across several different countries?</b>	No, localisation is set at the database level. You can purchase additional databases to support entities in different countries with different tax regulation.	Yes, can support localisation at the entity level for reporting and tax regulations.
<b>Am I able to report in different currencies?</b>	1 additional reporting currency.	Yes
<b>Is there an integrated expense solution to manage employee expense claims?</b>	Available as a 3rd party plugin module.	Yes
<b>Can I hold multiple budgets at nominal, business unit and department level?</b>	No, basic budget functionality at a nominal level.	Yes
<b>Is there an integrated financial reporting tool?</b>	Basic financial reporting available. Jet Reports is a recommended 3rd party module for additional reporting capabilities.	Yes, financial reporter available for the creation, generation and distribution of reports.
<b>Can I create my own operational reports?</b>	Jet Reports available as a 3rd party plugin module.	Data management tool included offers the ability to create and manage additional Excel reports.
<b>Is there consolidation and reporting functionality?</b>	Yes, but limited to entities within the database.  If additional databases are in place for other countries, a 3rd party module can support consolidated reporting across databases.	Yes, can be supported through financial reporter or the consolidation module.
<b>Can I manage invoice matching policies with price and quantity tolerances?</b>	Yes, but limited to quantity tolerances only.	Yes, supports matching policies with quality and price tolerances.
<b>Is there an auto reversal of Goods Received Not Invoiced (GRNI) postings upon invoice posting?</b>	Yes, but GRNI is limited to stocked products only.	Yes, GRNI postings reversed for stock and service-based products.
<b>Is there Optical Character Recognition (OCR)?</b>	Available as a 3rd party plugin module.	Available as a 3rd party plugin module.

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Extensibility Dynamics add-in's	Dynamics 365 Business Central	Dynamics 365 Finance & Supply Chain Management
Dynamics 365 Optimisation Planning	-	✓
Dynamics 365 Finance Insights	-	✓
Dynamics 365 Fraud Protection	-	✓
Dynamics 365 Customer Insights	✓	✓
<b>Business connectors</b>		
Microsoft Outlook	✓	✓
Microsoft Excel	✓	✓
Microsoft Project	✓	✓
<b>Microsoft Power BI</b>	✓	✓
<b>Dynamics 365 Sales</b>	✓	✓
Dynamics 365 Customer Service	-	✓
<b>Dynamics 365 Commerce</b>	-	✓
Dynamics 365 Project Service Operations	-	✓
Dynamics 365 Human Resources	-	✓
Dynamics 365 Field Service	-	✓
Dynamics 365 Guides	-	✓



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# The right solution for you

When looking at Dynamics 365 for your next ERP solution, you have to decide between two very capable solutions that, for many organisations, would both provide an excellent level of service. For larger, more complex organisations that have, multiple tax locations and complex manufacturing processes, Dynamics 365 Finance & Supply Chain Management is better designed to meet your requirements.

For medium-sized or smaller organisations that do not require twenty users and have less complex manufacturing processes, then Dynamics 365 Business Central provides more than enough capability to run your entire organisation.

## Licensing and ERP enablement packages

Dynamics 365	Price for user's first Dynamics 365 app	Price for user's subsequent Dynamics 365 app
Dynamics 365 Business Central Essentials	£52.80 per user/month	
Dynamics 365 Business Central premium	£75.40 per user/month	
Dynamics 365 Finance	£135.70 per user/month	£22.60 per user/month
Dynamics 365 Supply Chain Management	£135.70 per user/month	£22.60 per user/month



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# Online assessment

## Are you still undecided?

We have created an online assessment for Dynamics ERP solutions. The assessment asks core questions to evaluate your business needs. After completing the questions, one of our Dynamics 365 consultants will evaluate your information and get in touch with a high-level recommendation.

[Visit our website to take the online assessment »](#)

# Product demo and briefing sessions

Our free 2-hour demo and briefing sessions showcase the key functionality available in Dynamics 365 Business Central and Dynamics 365 Finance & Supply Chain Management.

[Dynamics 365 Business Central briefing »](#)

[Dynamics 365 Finance briefing »](#)

[Dynamics 365 Supply Chain Management briefing »](#)

# Product guides

If you would like to delve deeper into Dynamics 365 Business Central, Dynamics 365 Finance and Dynamics 365 Supply Chain Management, then access our product guides to get all the information you need.

[Dynamics 365 Business Central product guide »](#)

[Dynamics 365 Finance product guide »](#)

[Dynamics 365 Supply Chain Management product guide »](#)

# Find out more

Incremental Group is a leading Microsoft Dynamics gold partner, with over 21 years' experience helping organisations drive digital transformation with Microsoft Dynamics 365, AX, NAV and GP solutions. We help organisations with new implementations, upgrades, project recovery and ongoing support. We work with all sizes of organisations across a range of industries. [Contact us](#) today to find out how we can help you.