

Microsoft Dynamics® GP

Statement of Direction

Product strategy and roadmap for Microsoft Dynamics GP

Date: December 2011

www.microsoft.com/dynamics/gp

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Welcome

Welcome to the Microsoft Dynamics GP Statement of Direction. This document will provide insight into our Microsoft Dynamics GP development plans through the year 2016. Whether you are a new or existing customer or partner, this information will help you plan and get the most from your investments.

Smart mid-sized businesses thrive on change. Their ability to compete with larger organizations relies on maintaining a higher level of customer focus which in turn requires greater agility.

In driving change within your business, you play a key role in defining the direction in which you want the business to go, and in helping your people to embrace it. However your ability to implement change effectively will be largely determined by the business systems that your people use.

Microsoft Dynamics GP provides a highly functional, flexible, affordable business solution that is designed to:

- Give you **greater control** over the key decisions that affect the success of your business, making sure that the right people are equipped with the right information and use it to make the right decisions.
- **Enhance your margins** - reducing transaction costs and increasing your focus on the most profitable customers, products, and services
- Support the changing needs of your business as you **drive profitable growth** by expanding into new opportunities.

Simplicity, Value, and Agility

Microsoft Dynamics GP achieves these objectives through:

- **Simplicity.** Microsoft Dynamics GP is familiar to your people, so it's easy to understand and use. It also leverages existing technology investments.
- **Value.** Microsoft Dynamics GP can be configured quickly to support your business needs – using one of the packaged solutions that our Partners provide, or using the standard tools that we offer.
- **Agility.** As your business needs change - Microsoft Dynamics GP can be quickly and cost effectively modified to support different business processes. As your IT strategy changes – Microsoft Dynamics GP offers you choices about the way that you want to deploy it.

Recent research has highlighted why these values are so important. For example, the Info-Tech Research Group ¹suggests that organizations should expect to spend about one percent of annual revenues when replacing their ERP systems. The cost includes hardware and software, in addition to internal and external project costs. Of that one percent, the costs are broken down as follows:

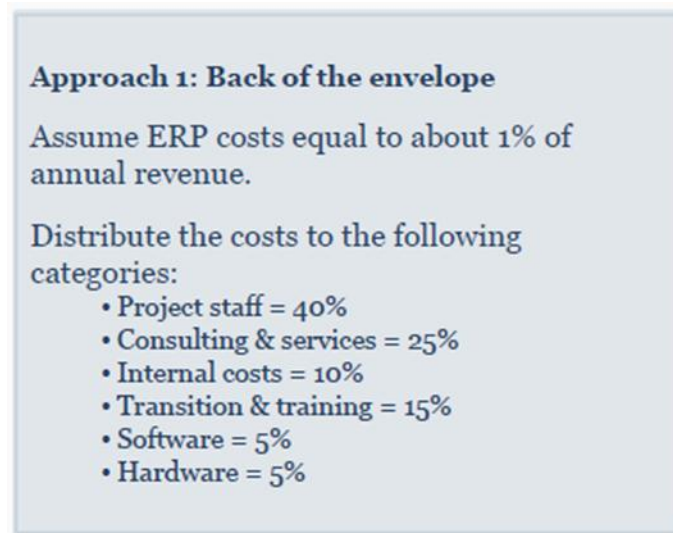


Figure 1: Info-Tech Research Group – ‘back of the envelope’ estimate of ERP costs

1% of revenue is a lot of value to shareholders. We reject that idea that driving improvement within your SMB business should be that expensive.

Microsoft Dynamics GP has been always been designed to be fast to implement, easy to customize, and simple to use. Microsoft is committed to working hard to further enhance Microsoft Dynamics GP. We have ambitious development objectives, and we are committed to helping our customers drive costs down and get value faster.

¹“Select a Mid-Market ERP Solution”, Info-Tech Research Group Inc.

Overview of Microsoft Dynamics GP

In May 2010 Microsoft Dynamics GP 2010 was released. This major release continued delivery of a Role-Tailored experience – a significant innovation designed to support the individual needs and focus of each user – and drive increases in productivity, efficiency, and employee satisfaction as a result.

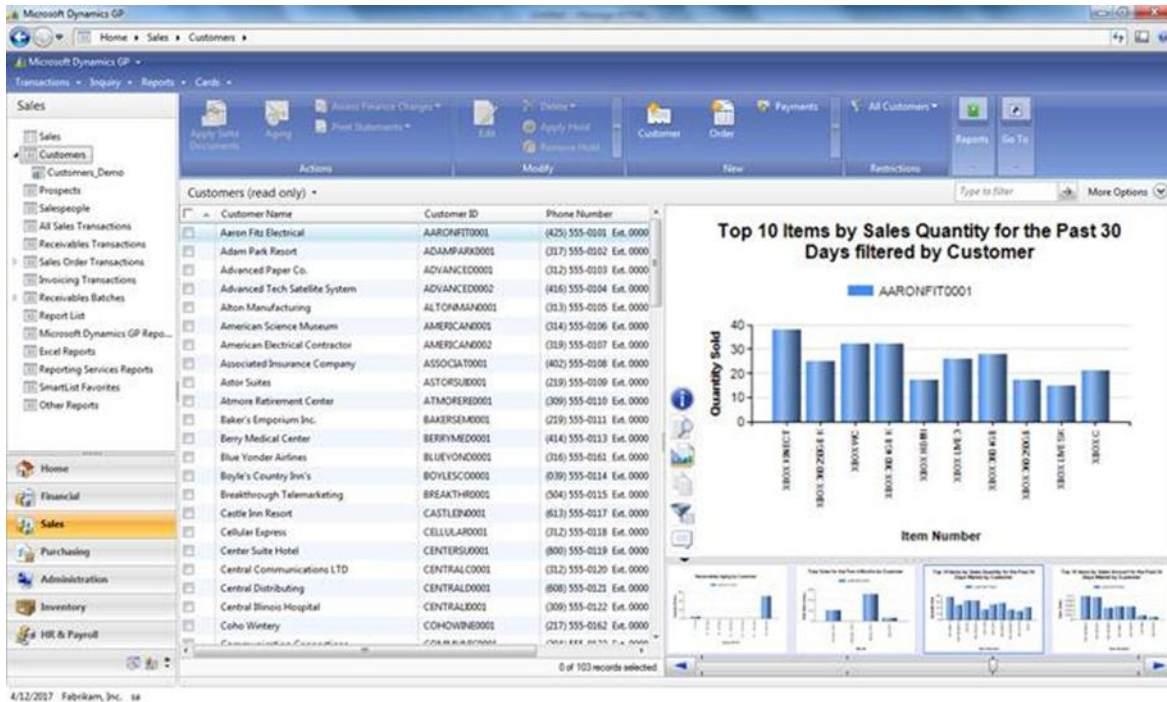


Figure 2: Action Pane and Lists in Microsoft Dynamics GP 2010 R2

In addition, Microsoft Dynamics GP 2010 enhanced business intelligence capabilities based on Microsoft SQL Server, which enabled employees to drill into data, identify trends, and monitor how they track against key performance indicators. Microsoft Dynamics GP 2010 also enhanced Web Services, which allow customer to integrate other applications with data and business logic from within Microsoft Dynamics GP.

In May 2011, we released Microsoft Dynamics GP 2010 R2, adding contextual BI both in and outside of the desktop client.

This release also demonstrated our ongoing commitment to driving further productivity improvements and decision making support through the Role Tailored experience – adding new business data visualization capabilities.



Figure 3: Business Analyzer in Microsoft Dynamics GP 2010 R2

Microsoft Dynamics GP Capabilities

MICROSOFT DYNAMICS GP “12”

Microsoft Dynamics GP “12” is scheduled to be released in Calendar H2 of 2012. The release marks another milestone for the Microsoft Dynamics GP product by:

- Delivering a Web Client option
- Adding new cloud deployment options and capabilities
- Enhancing the core functionality
- Making Rapidstart for Microsoft Dynamics GP available

EMBRACING THE CLOUD

Our investments in cloud computing are driven by conversations with customers about their needs today, future growth aspirations, and how consumer experiences are shaping expectations for the role technology can play in their business. From these customer conversations it's clear that our customers are looking for ways to take advantage of cloud services. At the Microsoft Dynamics Convergence customer conference in Atlanta in April 2011, we announced our intention to host Microsoft Dynamics GP on Windows Azure—Microsoft's cloud platform, beginning with Microsoft Dynamics GP "12".

We intend to support customers in migrating to the cloud at the right time for their business. But this is only one aspect for how our customers will benefit from our cloud innovation.

Cloud – more than just a way to deploy

The emphasis on cloud computing in the market today has been on deployment to the cloud to reduce costs. At Microsoft we view the cloud as an opportunity to re-imagine business applications that deliver rich experiences with services, information, and capabilities from cloud and on-premises solutions in ways that today are too costly or impractical. To deliver the innovation that enables new business scenarios we intend to extend the integration available today with Microsoft's leading business and productivity applications, including Microsoft Dynamics CRM Online, Microsoft Office 365, and services from Microsoft SQL Azure.

DEPLOYMENT FLEXIBILITY

Many customers have decided to have Microsoft Dynamics GP hosted and managed by a third-party. These customers have decided not to maintain the IT infrastructure and staff that are associated with a traditional on-premises implementation or prefer to pay for their ERP solution on a per-user, per-month basis. They use operational expenditure instead of capital expenditure to pay for their business systems.

Microsoft is committed to providing the widest range of options for how you choose to deploy your Microsoft Dynamics GP-based business solution. You can already deploy your solution on your premises or choose to engage a hosting Partner who will run the software from their data centers. Some Partners will choose to run your solution from one of several very large scale Microsoft data centers around the world. Regardless of how you choose to deploy the product, the Microsoft Dynamics GP software and user experience is the same.

WEB CLIENT

Microsoft Dynamics GP "12" will include a web browser capability that will enable users, whether they are running on premises or in the cloud, to access Microsoft Dynamics GP –with only a compatible browser on their device.

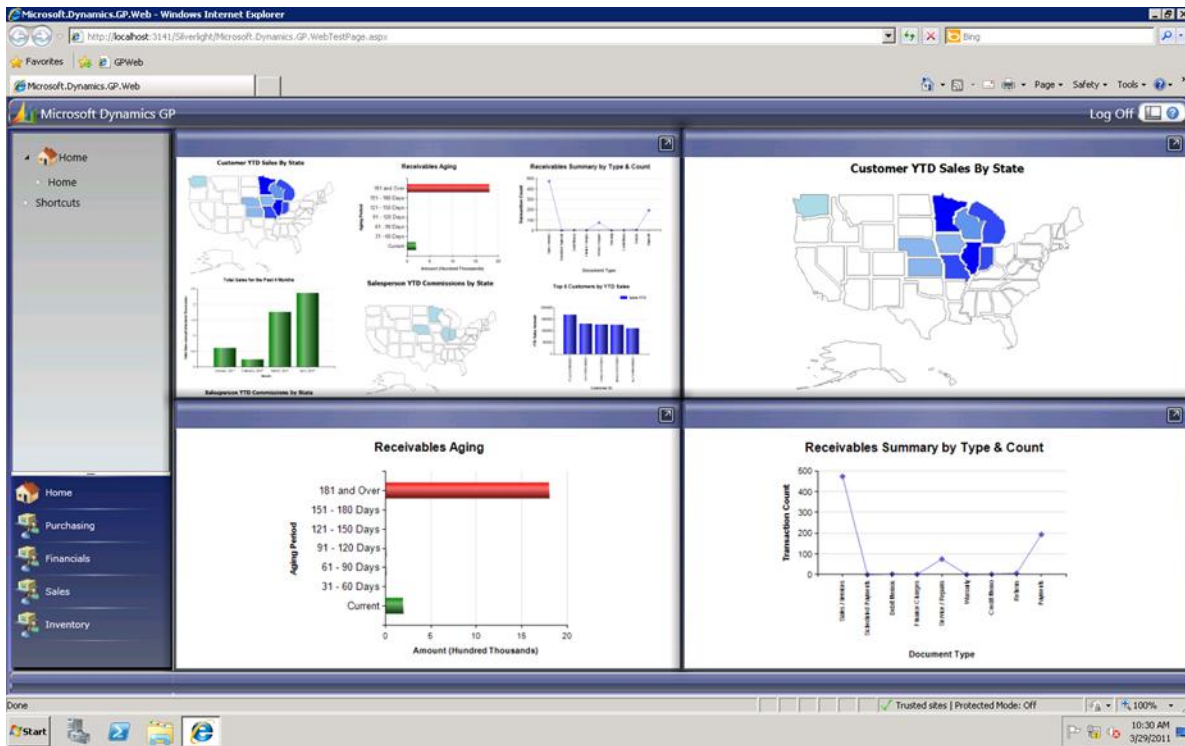


Figure 4: Microsoft Dynamics GP web client displaying a Role Center (Subject to change)

This capability will reduce the time taken to deploy the solution, because no application software will need to be installed on individual user's computers. More significantly however, many customers will see a web browser as a more appropriate way to extend the reach of the application to many of the people within their business.

ENHANCEMENTS TO APPLICATION FUNCTIONALITY

Microsoft Dynamics GP "12" will enhance the already compelling application functionality that is available in Microsoft Dynamics GP by:

- Further enhancing the Role Tailored user interface. By adding context-sensitive charts and Fact Boxes that give the user better access to relevant data and by minimizing keystrokes for roles with volume transaction entry.

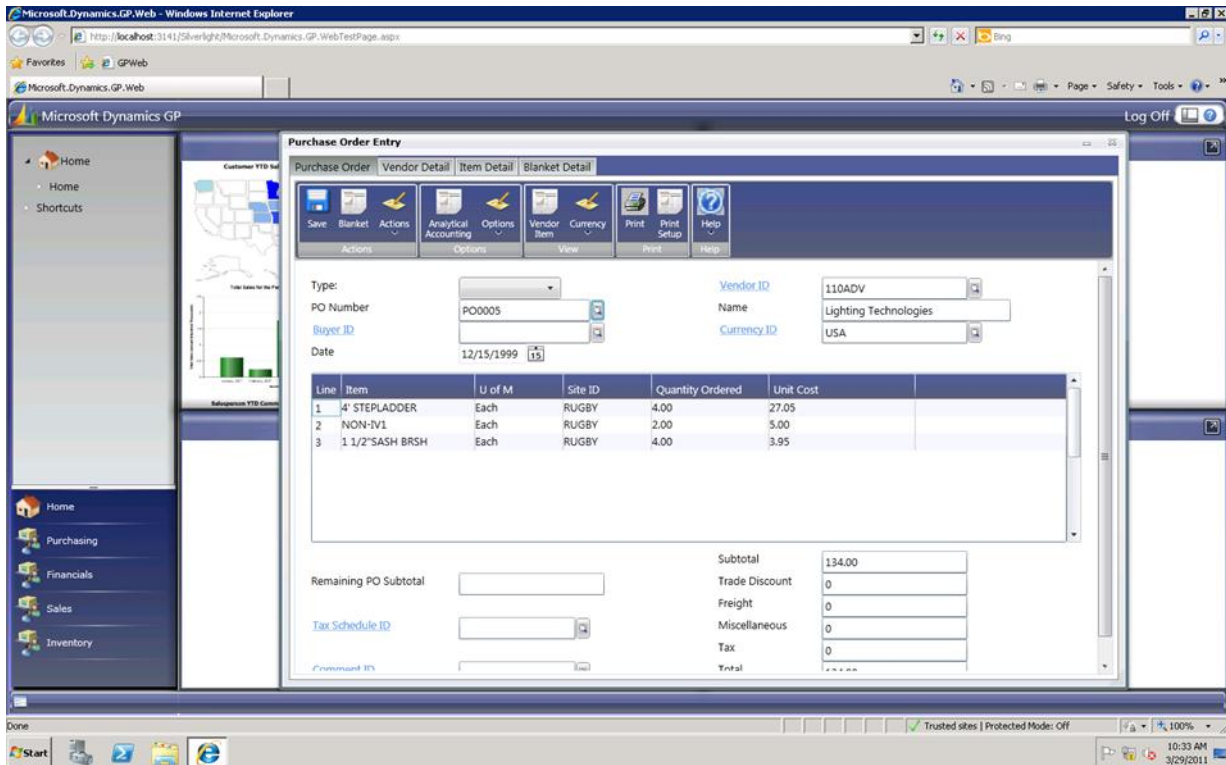


Figure 5: Microsoft Dynamics GP data Purchase Order entry (Subject to change)

We will also continue to enhance the solution in various areas of the product. Here are a few key areas of investment.

Enhance Insight

Feature	Description
Sub ledger - reconcile IV to GL	Keep control over your inventory and general ledger balances by reconciling them with a process to identify where they are not tied together, helping you keep a fully balanced inventory system adding to the receivables and payables reconcile already available
Reason codes for stock movements	Gain more insight to why things happen to your stock movements by assigning reason codes.
Bin transfer history	Gain more insight to where inventory flows in your warehouse by knowing when goods transferred from bin to bin.
Fixed Assets Historical Depreciation Reporting	Report accumulated depreciation based on historical dates to verify depreciation values through a specific date.
Enhanced document attachments	Streamline your ability to procure to pay and quote to cash with attachments and management of electronic files to purchasing and sales transactions and vendor, customer and inventory master records.

Make it Easier

Feature	Description
Select printer at time of printing documents	Gain more control and flexibility by being able to change the printer after clicking print.
Reprint PM check stub and remittance forms	Get more control with added flexibility by being able reprint payables check stubs and remittance forms.

Edit Remit to and 1099 info on payables transactions	
Multicurrency apply during RM cash entry	Reduce the number of steps when working with multi-currency transactions by applying documents in Receivable Cash Entry to invoices before posting.
Purchase Order line item tolerances	Reduce data entry error and control buying patterns by setting purchasing order tolerances.

Extend Connections

Feature	Description
Multi-tenant application support	Simplified and enhanced administration and maintenance of cloud deployments so multiple customers can run from a single application instance.
Named System database	Primarily designed for cloud deployments, the Named System Database functionality promotes greater hardware efficiency through the servicing of multiple GP installs from a single SQL instance.
Settlement date option for EFT	Be more flexible in working with people outside your organization by being able to set a settlement date for Electronic Funds Transfer.

Tables: Microsoft Dynamics GP "12" Feature List (Subject to change)

MICROSOFT DYNAMICS ERP RAPIDSTART SERVICES

Microsoft Dynamics ERP RapidStart Services significantly accelerate the configuration of Microsoft Dynamics GP. By using RapidStart, you can drive down the number of days that it takes to deploy the product and make it easier to engage the right people and different teams in your business in the implementation process.

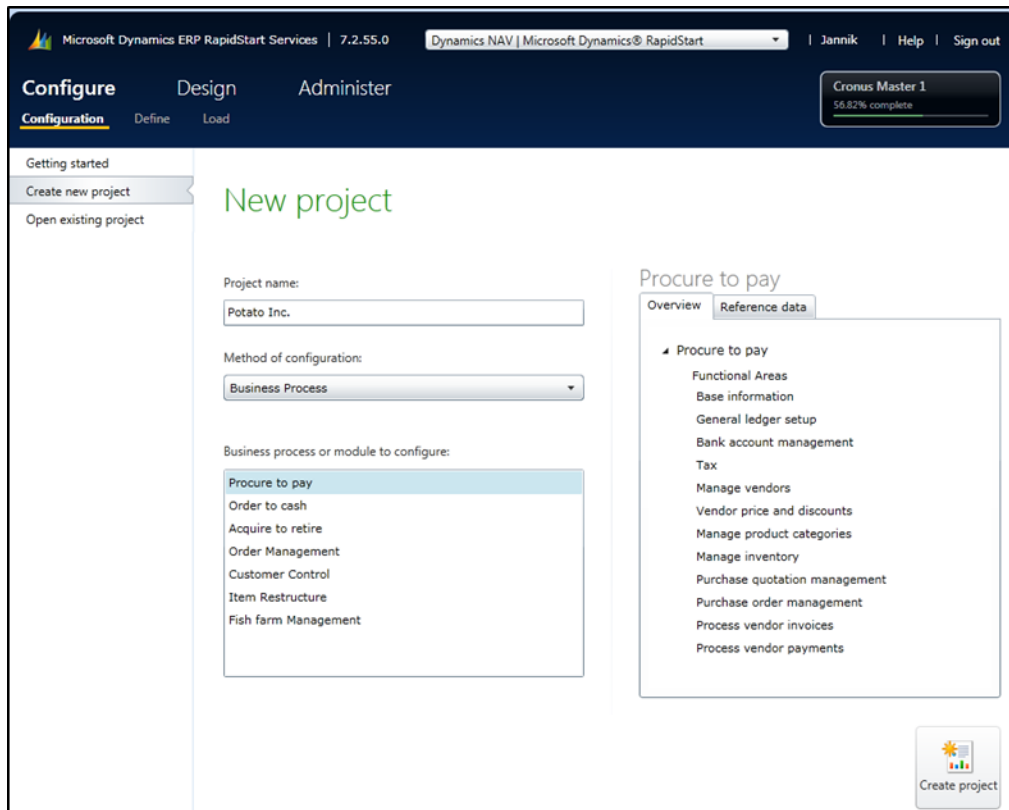


Figure 6: Microsoft Dynamics RapidStart Service Screenshot

Microsoft Dynamics RapidStart Services gives an overview of the setup process, including what information is needed before the system can be used and who is going to do what. Additionally it will be possible to select from a set of existing data templates in order to speed up the configuration for example with generic data for Postal Codes, Currencies, Country Codes and much more.

Roadmap

In 2014, we plan to release Microsoft Dynamics GP "14". In this release, we will focus on:

- Driving down the costs of both on premises deployment and cloud deployment. We will provide additional tools to help partners manage greater numbers of deployments.
- Enhancing the compelling core functionality that is available in Microsoft Dynamics GP.
- Aligning Microsoft Dynamics GP with new product releases across the Microsoft product portfolio, including Windows, Windows Server, and SQL Server.

COMMITMENT TO DEVELOPMENT

Microsoft is committed to further enhancing Microsoft Dynamics GP. We have made a significant investment in new releases and scheduled upcoming releases. Microsoft is committed to a predictable release schedule that helps customers adopt and take advantage of the latest innovations at a reasonable pace. Going forward, Microsoft may also offer a minor release between major releases for one or more functional enhancements. This will help customers benefit from product enhancements between releases without the need to install multiple solutions.

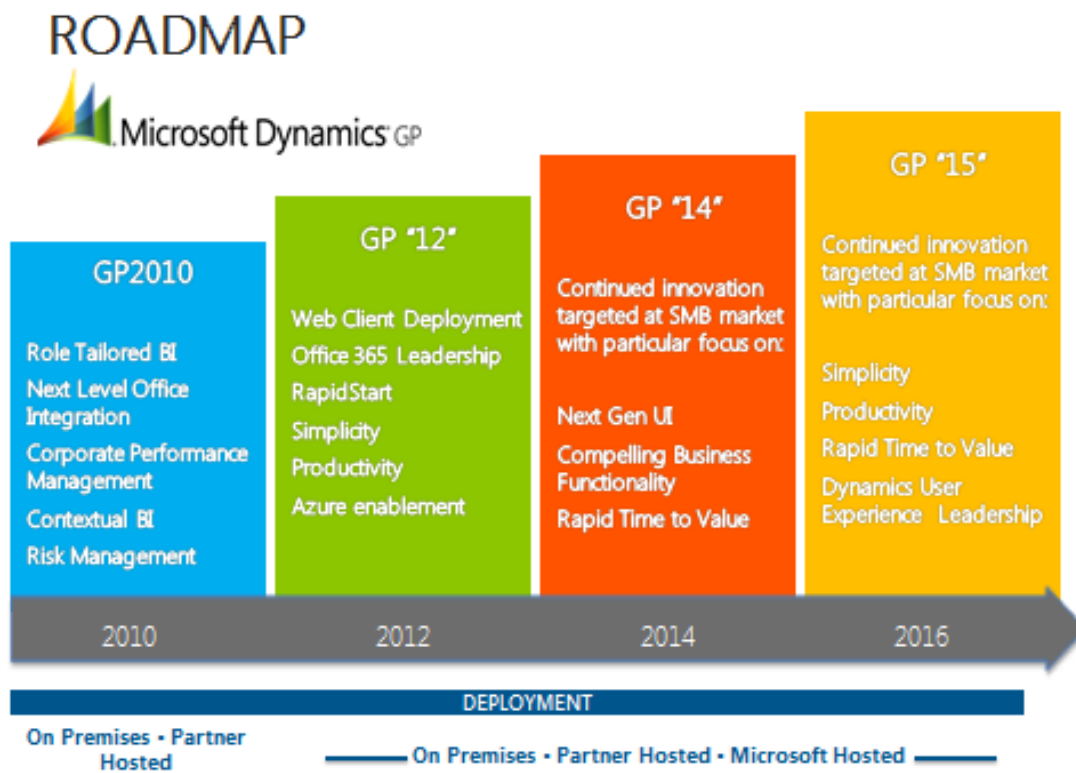


Figure 7: Microsoft Dynamics GP product release timeline

Our ambitions for Microsoft Dynamics GP extend well into the future, including the development plans that are required to support our business objectives. We will continue to ensure that Microsoft Dynamics GP has the appearance and behavior of other Microsoft products and works with Microsoft products and online services. We will continue to drive simplicity, value, and agility into all that we do. Our success relies on our ability to help you become a dynamic business.²

COMMITMENT TO SUPPORT MICROSOFT DYNAMICS GP

Major releases of Microsoft Dynamics GP, such as Microsoft Dynamics GP 2010, enjoy five years of mainstream support from the date that the version was first generally available. Mainstream support includes a commitment to provide security, tax, and regulatory changes. Beyond this five-year period, you can purchase up to an additional five years of extended support.

Product	General Availability	Exit date from mainstream support
Microsoft Dynamics GP 10	May 2007	May 2012
Microsoft Dynamics GP 2010	May 2010	May 2015
Microsoft Dynamics GP 12"	H2 2012	Five years after generally available

The Microsoft Support Lifecycle policy is designed to ensure that you can secure the return on the investment that you make in implementing any individual release. We also want to be transparent and provide greater visibility of our commitment to individual product releases and key dates when these commitments change. This will help you develop your own version upgrade plans.

For more information, see [Microsoft Support Lifecycle](#).

² Note: This represents Microsoft's current view of its product direction and should not be interpreted as a commitment on the part of Microsoft. Until Microsoft releases any version of this software in a particular country, product availability, features and dates are subject to change without notice.



- Mainstream Support Phase (5 yrs): Hot fixes, tax/regulatory releases, security updates
- Extended Support Phase (5 yrs): Hot fixes, tax/regulatory releases
- Self-Help Online Support (10 yrs +): Customized

Figure 8: Microsoft Support Lifecycle

COMMITMENT TO PARTNERS

The success of Microsoft Dynamics GP is largely due to the strength and capability of the Partner community that has developed around the product. Our Partners take many different forms – they include:

- Solution Providers, often referred to as VARs or Resellers, provide local and/or sector-specific expertise to help customers implement the product quickly and effectively.
- ISV's – who have developed their own software, based on the Microsoft Dynamics GP platform, to address the specific needs of customers in particular industries.
- Hosting Partners – who make Microsoft Dynamics GP available on a hosted basis.

Microsoft values the contribution that all these Partners have made to the ongoing success of the product. We will continue to do so.

COMMITMENT TO YOU

Our commitment to our partners reflects the value that they add to your business. We seek to complement that value by offering information and content through CustomerSource, which is a web portal that provides a wealth of product information, online training, and access to the wider community of Microsoft Dynamics GP customers.

Figure 9: Microsoft Dynamics GP CustomerSource

Dynamic Business

Dynamic Business is our vision for how for how an organization can be transformed by equipping the individuals in it. It is a vision for success and Microsoft is uniquely capable of delivering the breadth and depth of technologies businesses need to help you win, now and in the future.

Learn more about Microsoft Dynamics and read the White Paper: [Making Business Dynamic](#).

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