



Decoding the D365 Landscape

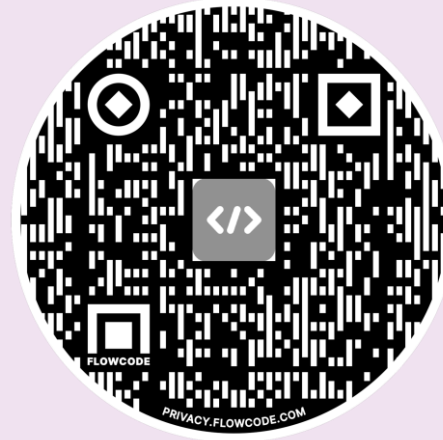
**Business Central, Finance & Supply Chain, and the
Microsoft Business Application Ecosystem**



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- Blogs:
 - <http://d365fscblog.com>
 - <http://msftcloudblogs.com>
 - [No Null Points Blog](#)
- Security Class: <http://d365fosecurity.com>
- [LinkedIn](#)
- [Microsoft MVP Profile](#)

Background:

- Awarded Microsoft MVP in Business Applications since 2019
- Been working with AX since 2013 and D365FO since 2016
- Have spoken at Summit (US & Europe), Focus, and local chapters around AX/D365FO security and have done webinars around native controls in both versions





What We'll Cover Today

01 **ERP 101**
Terminology & foundations

02 **The D365 Family**
Where BC and F&SC fit in the suite

03 **Business Central**
Modules, strengths & limits

04 **Finance & Supply Chain**
Enterprise-grade ERP

05 **BC vs. F&SC**
Side-by-side comparison

06 **Ecosystem & Architecture**
Entra ID, Power Platform & Azure

07 **Copilot & AI**
Features, cost & roadmap

08 **Q&A**
Open discussion



ERP 101 – Key Terms / Ideas

What is an ERP?

Enterprise Resource Planning (ERP) is software that integrates core business processes — finance, operations, supply chain, HR, and more — into one connected system.

Instead of disconnected spreadsheets and siloed tools, an ERP gives everyone a single source of truth.

Why Microsoft's ERP?

- ✓ Native integration with Microsoft 365, Teams & Azure
- ✓ Copilot AI built into the base license
- ✓ Cloud-first SaaS — no server infrastructure to manage
- ✓ Global compliance, multi-currency, multi-language

Key Terms to Know

Module:	A functional area (Finance, Sales, Inventory...)
Entity:	A company or legal entity within the system
Tenant:	Your organization's Microsoft cloud environment
Environment:	A production or sandbox instance of D365
ISV / Add-on:	Third-party apps extending D365 via AppSource
Partner:	Microsoft-certified consultants who implement D365
F&O / F&SC:	Shorthand for Finance & Supply Chain Management
BC:	Shorthand for Dynamics 365 Business Central



The Dynamics 365 Family

One suite. Many apps. BC and F&SC are Microsoft's two ERP offerings — everything else is CRM or specialist.

ERP · SMB

Business Central

All-in-one ERP for small & mid-sized businesses

ERP · Enterprise

Finance & Supply Chain

Enterprise ERP for complex global organizations

Other Dynamics 365 Apps (CRM & Specialist)

Sales

Customer Service

Field Service

Customer Insights

Project Operations

Commerce

Human Resources

Guides / Remote



Dynamics 365 Business Central

The all-in-one ERP for growing businesses

SMB • <\$150M Revenue

Finance

GL, AP/AR, budgeting, cash flow

Sales & CRM

Quotes, orders, customer management

Purchasing

POs, vendors, payables

Inventory

Stock, warehousing, item costing

Projects

Job costing & project tracking

Manufacturing

Light production & bill of materials

Strengths

- Fast implementation — 3 to 6 months typical
- Familiar Microsoft 365 look and feel
- Lower cost of ownership vs. enterprise ERP
- Copilot AI included in base license (2026)

Considerations

- Not designed for complex multi-entity orgs
- Light manufacturing — limited process mfg.
- Advanced reporting needs Power BI add-on
- Ceiling on customization vs. F&SC for large orgs

learn.microsoft.com/en-us/dynamics365/business-central/welcome



Dynamics 365 Finance & Supply Chain

Enterprise-grade ERP for complex global operations

Enterprise – Global Orgs

Finance

Multi-entity GL, consolidation, compliance

Supply Chain Mgmt

Procurement, inventory, logistics

Manufacturing

Process & discrete mfg., formulas, co-products

Project Operations

Project contracts, resources, billing

Asset Management

Maintenance, work orders, asset lifecycle

Human Resources

Core HR, compensation, leave management

Strengths

- Full multi-legal entity & global compliance
- Deep manufacturing — process, discrete & formulas
- Advanced financial reporting & consolidation
- Highly configurable for complex business models

Considerations

- Higher cost — implementations start at \$1.5M+
- Longer timelines — 12 to 24+ months typical
- Steeper learning curve for end users
- Requires dedicated partner or IT support

learn.microsoft.com/en-us/dynamics365/finance/



BC vs FSC – Side by Side

Criteria	Business Central	Finance & Supply Chain
Target Company	SMB — 10 to ~500 employees	Enterprise — 500+ employees
Revenue Range	Typically under \$150M	\$150M+ (no upper ceiling)
Implementation	3–6 months \$50K–\$500K	12–24+ months \$1.5M–\$2.5M+
Multi-Entity	Basic (same tenant/currency)	Full multi-legal entity & currency
Manufacturing	Light / discrete	Deep process & discrete mfg.
Customization	Extensions via AL code	X++ code / Power Platform
Copilot / AI	Included in base license	Included in base license
Best For	Growing businesses wanting fast ROI	Complex, regulated, global operations

Source: learn.microsoft.com/en-us/dynamics365



Licensing & Pricing Basics

How D365 ERP is licensed — the tiers, the user types, and what drives cost

Business Central Licensing

- Essentials: finance, sales, purchasing, inventory & projects
- Premium: adds manufacturing & service management
- Team Members: low-cost read, approve & light-task access
- Priced per named user, per month — billed through Microsoft 365
- Copilot included; extra AI capacity is a separate add-on

Finance & Supply Chain Licensing

- Base license per named user, per month (enterprise tier)
- Lower-cost 'attach' licenses for additional D365 apps
- Activity / Operations users for lighter, task-based access
- Volume pricing typically negotiated through your partner
- Copilot included; Copilot Studio is a separate license

What Actually Drives Your Cost

License fees are only part of the picture — plan for full total cost of ownership:

- > User mix: map who needs full vs light licenses before you buy
- > Services: implementation, data migration & integrations usually dwarf license fees
- > Ongoing: sandboxes, storage, ISV add-ons & AI capacity add up over time



Migration & Upgrades

How organizations move onto D365 — and the myth of the 'BC to F&SC upgrade'

Moving onto Business Central

- Common from QuickBooks, Xero or spreadsheets as firms grow
- Guided data migration tools for master & opening data
- Cloud migration tooling for on-prem NAV / BC customers
- Typical timeline 3–6 months; phased go-live is common
- Old customizations rebuilt as AL extensions — not lift-and-shift

Moving onto Finance & Supply Chain

- Common from AX 2012, legacy ERP or many consolidated systems
- Lifecycle Services (LCS) & Dataverse tools run the project
- Data migration is a major workstream — cleanse before you move
- Typical timeline 12–24+ months; often region-by-region
- X++ customizations & ISVs re-evaluated vs standard features

Key Consideration:

There is no upgrade path from BC to F&SC — they are separate products on different architectures. If a business outgrows BC, moving to F&SC is a fresh implementation, not an upgrade. Choose the right platform up front based on where the organization is heading, not just where it sits today.



The Microsoft Ecosystem – How D365 Connects

Microsoft Entra ID

Identity, SSO & user provisioning
MFA, conditional access, DLP governance

Power Platform

Power Apps, Power Automate, Power BI
Dataverse — low-code extensibility hub

Dynamics 365

Microsoft 365

Outlook, Teams & SharePoint integration
Native — no extra connector needed

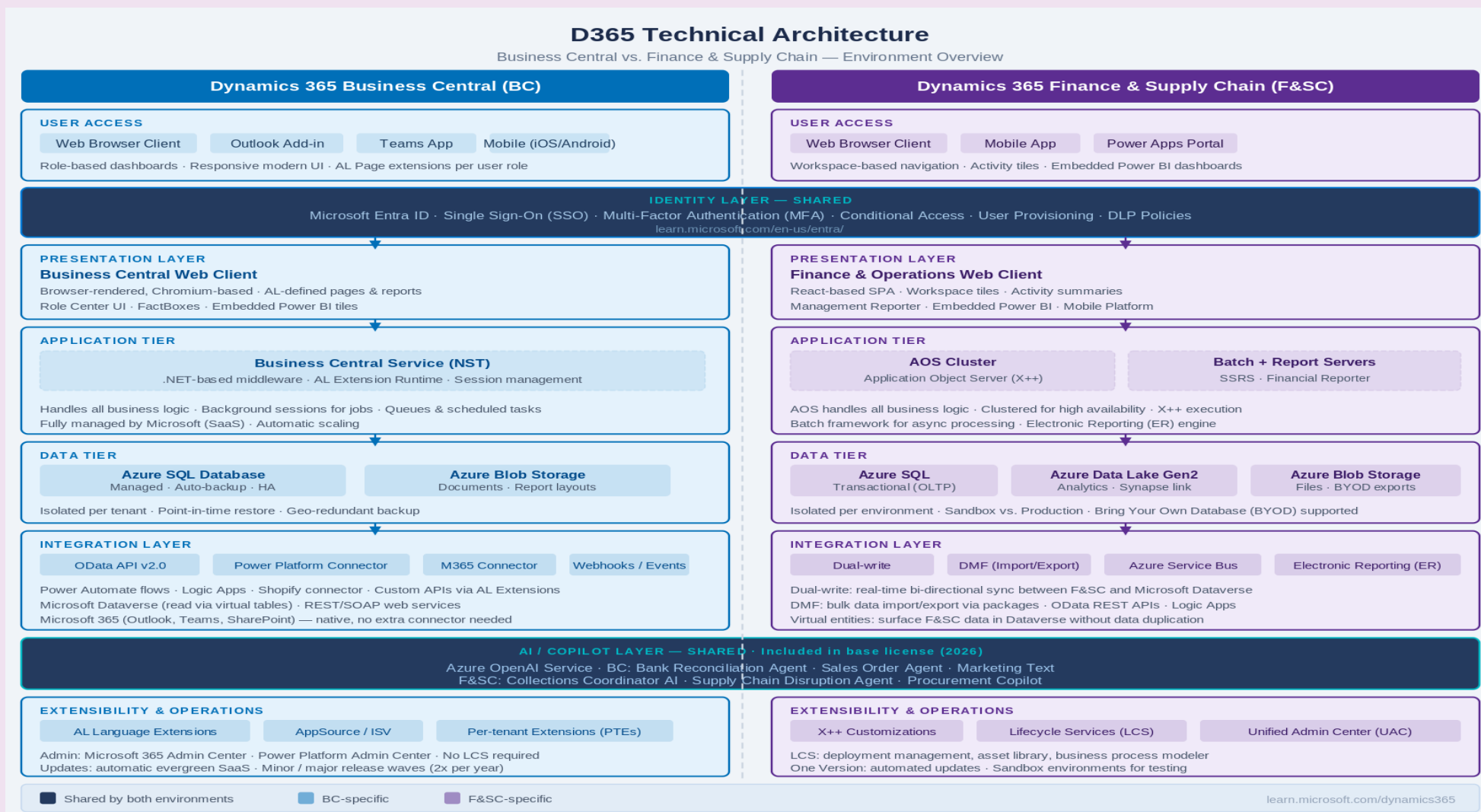
Azure

Cloud infrastructure & Azure SQL
Azure OpenAI — powers Copilot AI

Entra ID: learn.microsoft.com/en-us/entra/ | Power Platform: learn.microsoft.com/en-us/power-platform/



Under the Hood – D365 Technical Architecture





Reporting & Analytics

Where D365 data lives, and how you turn it into reporting and insight

Where the Data Lives

- Business Central: its own cloud database, surfaced via APIs
- Finance & Supply Chain: SQL-based, on the Dataverse model
- Dataverse: the shared data hub across Dynamics & Power Platform
- Data can be exported to a data lake for large-scale analytics
- Standard APIs & OData feeds connect external systems

Reporting & Analytics Options

- Built-in reports, financial statements & account schedules
- Power BI: interactive dashboards on live D365 data
- Microsoft Fabric & OneLake: the 2026 direction for analytics
- Excel integration for ad-hoc analysis and edit-in-Excel
- Embedded analytics & Copilot 'analyze data' on list pages

Getting Reporting Right

Good reporting is a design decision, not an afterthought — plan for it early:

- > Own the model: decide what lives in D365 vs a downstream lake or warehouse
- > Governance: reporting inherits your security model — manage who sees what
- > Skills: Power BI & Fabric skills are increasingly part of every D365 team



Security & Compliance

The access model that keeps ERP data safe — and auditors satisfied

Access & Identity

- Role-based security — roles grant permissions, users get roles
- Entra ID handles sign-in, MFA & conditional access
- Least privilege — grant only the access each job needs
- BC uses permission sets; F&SC uses duties, privileges & roles
- Review and recertify who has access to what, regularly

Compliance & Audit

- Audit trails & change tracking on key financial records
- Financial controls to support SOX and similar frameworks
- Data residency, retention & privacy via the Microsoft cloud
- Segregation of duties rules flag risky access combinations
- Third-party tools automate access reviews & SoD analysis

Key Consideration:

Segregation of duties (SoD) is where the real risk hides. The biggest ERP threat is often not an outside attacker but one internal user who can both create a vendor and pay it, or post and approve the same transaction. SoD rules catch these toxic combinations — build SoD and access reviews in from day one; retrofitting controls after go-live is far more painful.



Copilot and AI in D365

Included in the base license for both BC and F&SC — as of 2026

The shift: Chat assistant (2023) → Agentic AI that executes multi-step ERP workflows autonomously (2026)

Business Central

Bank Reconciliation Agent

Auto-matches transactions, suggests ledger accounts, flags discrepancies

Sales Order Agent

Reads emails, generates quotes, processes PDF attachments autonomously

Marketing Text Copilot

AI-drafted product descriptions for eCommerce (Shopify integration)

Custom AI Agent Builder

Build your own agents in natural language — no AL code needed

Finance & Supply Chain

Collections Coordinator AI

Summarizes overdue invoices, drafts personalized collection emails

Supply Chain Disruption Agent

Flags weather/geo risks, auto-drafts partner alert emails

Procurement Copilot

Classifies PO changes by risk and impact, streamlines approvals

In-App Help & Guidance

Context-aware AI assistance grounded in official Microsoft docs

learn.microsoft.com/en-us/dynamics365/copilot/ai-get-started | learn.microsoft.com/en-us/copilot/roadmap/copilot-for-dynamics365



Copilot in Business Central

Embedded throughout every role — no separate app, no extra license required

● Chat with Copilot

Ask natural language questions about business data — Copilot answers from records you have access to

● Bank Reconciliation Agent

Inspects unmatched transactions, identifies matches by date/amount/description, flags discrepancies for review

● Payables Agent (2026 GA)

Monitors email for vendor invoices, analyzes content with AI, prepares draft invoices for human approval

● Sales Line Suggestions

Creates sales order lines from natural language or structured input — reduces manual entry and lookup time

● Autofill with Copilot

Fills blank editable fields from BC data, AI inference, or web-sourced context — one field or in bulk

● Marketing Text (Shopify)

Generates engaging product descriptions for online shops with one click, using item attributes as the prompt

learn.microsoft.com/en-us/dynamics365/business-central/copilot-overview



Copilot in Finance & Supply Chain

AI woven into Finance, AR, GL, Supply Chain, and Warehouse workflows

Collections Coordinator Summary

AI-generated AR summary + personalized overdue reminder letters — reduces time spent reviewing accounts receivable

Account Reconciliation Agent

Continuously monitors subledger vs. GL — surfaces differences proactively and resolves them on your behalf

Customer Page Summary

AI-written context summary at the top of the customer record — instant situational awareness when opening a file

Workflow History Summary

Natural language summary of workflow history for any document type across Finance — speeds audit review

AI Summaries on Key Pages

Context-aware overviews on POs, warehouse counts, and vendor invoices — personalized by user role and access

Demand Planning with Copilot

Analyze plan shifts, trends, and anomalies via predefined questions — results in natural language and charts

learn.microsoft.com/en-us/dynamics365/copilot/ai-get-started



How Embedded is Copilot?

What's built in, what costs extra, and what adoption actually requires

Built Into the Product

- Appears in sidebars, ribbons & a dedicated Copilot chat pane
- Look for the sparkle icon — marks every Copilot-enabled feature
- Context-aware: knows the page and record you are currently viewing
- Available in browser, mobile app, and Teams (Business Central)
- No separate app, no additional credentials needed

Licensing & Cost Reality

- Included in BC Essentials / Premium license — no add-on needed
- Included in Finance & Supply Chain licenses — no add-on needed
- Fair-use quotas apply — Microsoft has not published hard limits
- Custom agents beyond built-ins: Copilot Studio license required
- Admin: enable / disable per-feature in M365 Admin Center

Real Adoption Costs to Plan For

Copilot is in the base license — but quality AI output requires investment:

- > Data quality: Copilot is only as accurate as the data in D365 — clean master data is a prerequisite
- > User training: employees must learn which features exist and how to critically validate AI suggestions
- > Change mgmt: AI reshapes workflows — plan process redesign alongside every feature rollout



Copilot & AI – What's on the Roadmap

2026 release wave highlights and what's coming next for both platforms

Business Central — 2026 Wave 1

Payables Agent (GA)

End-to-end AP automation — monitors mailbox, extracts invoices, queues for human approval

Sales Order Agent

Enhanced processing for attachments, PDFs, and structured email order workflows

Copilot Extensibility

AL developers can build custom Copilot skills and connect to external services

Analyze Data — More Pages

Natural language data analysis expanded to additional list pages and reports

Finance & Supply Chain — 2026 Wave 1

Account Reconciliation Agent

Proactive subledger vs. GL — turns period-end bottleneck into continuous readiness

Data Quality Agent (SCM)

Improves demand planning data accuracy for more reliable AI-driven forecasting

Workload Insights

Deeper warehouse AI — available work, workforce, and pending task intelligence

Collections Coordinator

Enhanced AI reminder letters and expanded accounts receivable summary coverage

On the Horizon — Both Platforms

Cross-system agents (D365 + M365) | Natural language ERP navigation | Industry-specific agents | No-code custom agent builder

Voice & document scanning input | Autonomous multi-step workflows spanning D365, M365, and Power Platform

learn.microsoft.com/en-us/copilot/roadmap/copilot-for-dynamics365



Partner vs In-House Resources

Understanding who does what in a D365 implementation

Microsoft Partner

- Certified SIs authorized by Microsoft
- Handle discovery, design, configuration & go-live
- Provide ongoing support & managed services
- Deep functional expertise in specific industries
- Required for most F&SC — common for BC

In-House IT / Business Team

- Day-to-day admin, user management & security
- Power Platform customizations (low-code)
- Report building in Power BI
- More common in BC environments post go-live
- F&SC in-house teams typically need X++ skills

Key Consideration:

The partner relationship doesn't end at go-live. Ongoing optimization, upgrades, and feature adoption typically require continued partner engagement — especially for F&SC. Plan for this in the budget.



Getting Started

01

Place the organization on the map.

Use the qualification trio — revenue, global footprint, process complexity — to land on BC or F&SC before anything else.

02

Spin up a free trial and get hands-on.

Both BC and F&SC offer trial environments. Follow the Microsoft Learn paths and try the Copilot features for yourself.

03

Line up the right people early.

Identify your implementation partner and your in-house owners for admin, security & reporting. Plan for the whole ecosystem, not just the ERP.

Resources: [D365 Training Hub](#)

[Copilot in D365](#)



Key Takeaways

01

BC is for growing businesses. F&SC is for complex enterprises.

Ask: what's the revenue, global footprint, and process complexity? That conversation starts the qualification.

02

D365 is an ecosystem, not just a product.

Entra ID, Power Platform, Microsoft 365, and Azure are tightly woven in. Your implementation plan covers all of them.

03

Copilot AI is live — and it's more than a chatbot.

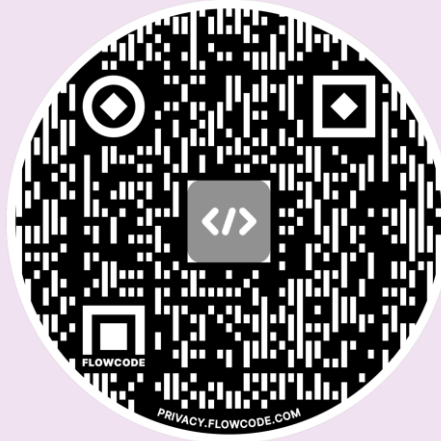
Agentic AI is executing real ERP workflows today. Understanding it is a competitive advantage for both partners and end users.

Resources: [D365 Training Hub](#)

[Copilot in D365](#)



Questions?



Alex Meyer

- Email: alex.meyer@delinea.com
- Blogs:
 - <http://d365fscblog.com>
 - <http://msftcloudblogs.com>
 - [No Null Points Blog](#)
- [LinkedIn](#)