



Upgrading Dynamics AX to Dynamics 365 for Finance and Operations (AX7)

Frequently Asked Questions (FAQs)

This document was developed to answer frequently asked questions related to upgrading from Dynamics AX 2009 and Dynamics AX 2012 to the new Dynamics 365 for Finance and Operations (formerly AX7). The short form answers to these questions is provided below. Please continue to read the full document for more detailed answers to each question.

Quick Replies

1) Do I have to upgrade to Dynamics 365 in the cloud?

A: No, you are not being forced to upgrade. However, read further to understand why you may want to.

2) What are the benefits of upgrading to Dynamics 365?

A: Dynamics 365 offers many new features and platform innovations, real-time BI, ease of access, reduced IT maintenance, and easier upgrades.

3) If I migrate to the cloud, can I move back to an on-premise deployment in the future?

A: Yes! Microsoft has a specific program that allows for this. Read further for additional information.

4) Can I still customize the application and interface to 3rd party systems in the cloud?

A: Yes! Continue to read to learn more about the same flexibility you've had with Dynamics AX.

5) Can I still have access to my data in the cloud?

A: Yes! While you interact with your data differently, it's still yours and you still have access to it.

6) What is the general process of upgrading my system to Dynamics 365?

A: SAGlobal has a defined process for upgrading to Dynamics 365. Read below for additional details.

7) What happens to my existing Dynamics AX licenses when I upgrade to Dynamics 365?

A: Your licenses transition to Dynamics 365. Read more to learn how your investment is preserved.

8) What happens to my Dynamics AX customizations when I move to Dynamics 365?

A: This depends on which version of AX you're currently on. Read further for more details.

9) What happens to my existing reports and BI content when I move to Dynamics 365?

A: This also depends on your current Dynamics AX version. More details are provided below.

10) What happens to my interfaces to other systems when I upgrade to Dynamics 365?

A: Most likely, these will need to be redeveloped on the new technology. Read further for details.

11) How long will a typical upgrade to Dynamics 365 take?

A: This can range from 3 to 9 months depending on the nature of your upgrade.

12) How do we ensure that our employees are ready to use Dynamics 365 at cutover?

A: SAGlobal can help you craft a complete training strategy to help your users master the new system.

13) How much will the upgrade to Dynamics 365 cost our organization?

A: This varies depending on the nature of your upgrade. Read more for budgetary guidance.

14) What if my organization can't, or doesn't want to, move to the cloud?

A: Continue to read for the latest details on Microsoft's on-premise roadmap.

In-depth Replies

① Do I have to upgrade to Dynamics 365 in the cloud?

No, there is not a requirement to upgrade to Dynamics 365 in the cloud. However, Microsoft believes that there are some distinct advantages to migrating to the cloud, some of which are detailed below. Aside from pursuing these benefits, customers should consider the support lifecycle for the version of Dynamics AX they are currently on. Customers currently on Dynamics AX 2009, Dynamics AX 2012, and Dynamics AX 2012 R2 will see their Mainstream Support period expire in 2018. Therefore, they should weigh the consequences of utilizing Dynamics AX outside of the Mainstream Support cycle, and may want to consider planning to upgrade to Dynamics 365 prior to the expiration of this support. More information on the Dynamics AX support lifecycle can be found at <https://support.microsoft.com/en-us/lifecycle>

② What are the benefits to upgrading to Dynamics 365?

Moving to Dynamics 365 can offer significant benefits to many organizations. While it would be difficult to list all of these benefits, some of the more significant benefits can include:

- ✓ Improved accessibility – Dynamics 365 in the cloud offers a much more simplified architecture that provides easier access via a pure browser-based user interface, eliminating the need for Remote Desktop/Citrix and the Enterprise Portal (SharePoint) with previous Dynamics AX versions.
- ✓ Cross-platform UI support – Dynamics 365 utilizes a native HTML5 browser-based user interface, which can run on any device (PC, tablet, phone), any platform (Windows, Mac, etc.), and any browser (IE, Chrome, Safari, Firefox, etc.). This simplifies access to the application from any type of user device.
- ✓ Reduced IT maintenance – When deploying Dynamics 365 in the cloud, not only do you eliminate on-premise servers and systems that require maintenance, but Microsoft takes responsibility for monitoring and updating the underlying platform (Windows, SQL Server) and the application itself (with your assistance). This Microsoft servicing reduces the need for your IT staff to maintain your ERP system.
- ✓ Easily stay up to date – By moving into the new Dynamics 365 cloud paradigm, you gain the choice and ability to easily stay up to date with straightforward, cost effective platform updates (every 3 months) and application updates (every 6 months), eliminating the need for costly, disruptive major version upgrades every few years.
- ✓ Functional enhancements – Microsoft has been aggressively investing in R&D for Dynamics AX over the years, and moving to Dynamics 365 will provide additional features and capabilities that your organization can take advantage of.
- ✓ Real-time Business Intelligence – Dynamics 365 now includes a real-time, in-memory BI solution that provides up-to-the-minute information around how your business is performing, with new tools (Power BI) for visualizing this data and creating dashboards.
- ✓ Platform innovations – By moving to Dynamics 365, you can take advantage of many new capabilities in the Microsoft cloud, including a common data model with Dynamics CRM and Office 365, the use of PowerApps for easily creating mobile apps, the use of Flow for easily creating workflows and notifications, and the ability to leverage advanced analytics scenarios via Cortana Intelligence Suite.

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③ If I migrate to the cloud, can I move back to an on premise deployment in the future?

Yes, Microsoft is offering customers the flexibility to bring their Dynamics AX application back on premise (when it's available in the future) if the cloud is not the right platform for their organization. This can be accomplished by way of a "Software Assurance Reattach", which essentially brings you back onto a traditional Dynamics AX maintenance plan, thereby giving you the ability to run the application on premise. Please see the answer below for more details on the timing of this on premise availability.

④ Can I still customize the application and interface to 3rd party systems in the cloud?

Yes! This has always been a core differentiating factor of Dynamics AX, and this ability still exists in the cloud. The means by which you customize the application have changed somewhat (coding is done via extensions now instead of over-layering), and the specific tools that are used to integrate with 3rd party systems have changed slightly (OData connections, RESTful web services, JSON, DIXF), in order to preserve the ability to easily take the ongoing updates. However, the flexibility that clients have always enjoyed to modify the application to meet unique needs and to exchange data with outside systems and data sources is still very much intact.

⑤ Can I still have access to my data in the cloud?

Yes! While you interact with your data differently, it's still yours and you still have access to it.

⑥ What is the general process of upgrading my system to Dynamics 365?

SAGlobal has developed a process for upgrading clients from prior Dynamics AX versions to Dynamics 365. This process has five major phases, which include an Evaluation Phase, an Analysis Phase, a Technical Upgrade Phase, a Readiness Phase, and a Cutover Phase. The major activities that take place within these phases are described further in the diagram below. SAGlobal is happy to have a one-on-one discussion with your organization to further describe the details around how these upgrades are executed.

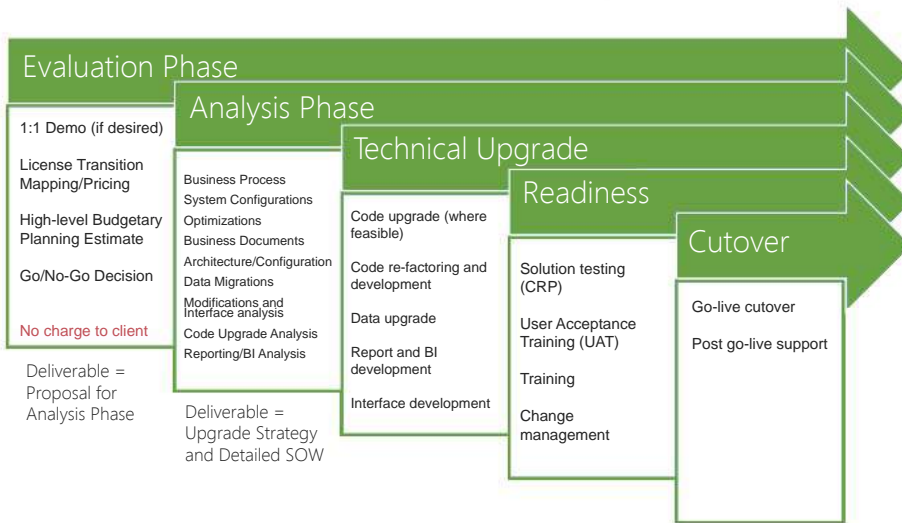
⑦ What happens to my existing Dynamics AX licenses when I move to Dynamics 365?

Customers that have purchased Dynamics AX licenses will be able to transition their existing licenses into Dynamics 365 licenses, and will receive a discount on Dynamics 365 to compensate them for making these past purchases. Please note that as a cloud service, Dynamics 365 is priced on a subscription basis, meaning that you pay a per user, per month fee to access Dynamics 365. Microsoft is offering existing customers that are active on a Dynamics AX maintenance plan a 40% discount off the standard Dynamics 365 pricing. Microsoft is providing two choices for how to transition your existing licenses:

- ✓ A "From SA" SKU, which allows you to drop your existing maintenance payments and move fully to the cloud service at a reduced price.
- ✓ A "Cloud Add-on" SKU, which allows you to continue paying your Dynamics AX maintenance and add the Dynamics 365 SKUs on top of this maintenance at an even further reduced cost.

For more details on how your organization's Dynamics AX licenses will transition to Dynamics 365 and which option may be the most beneficial and cost effective, please reach out to your SAGlobal Account Manager.





⑧ What happens to my Dynamics AX customizations when I move to Dynamics 365?

This will depend on which version of Dynamics AX you're currently on. For clients who are on Dynamics AX 2009 and early versions of Dynamics AX 2012, the application foundation has now undergone multiple major iterations, and your customizations will most likely need to be re-developed in Dynamics 365. However, since there have now been several major releases of Dynamics AX since your version was released, the application provides much more standard functionality than it did at that time, and you may no longer require all of these customizations. This can be further determined during the Upgrade Analysis phase.

For clients that are on Dynamics AX 2012 R3, which has a similar data structure to Dynamics 365, Microsoft provides a code upgrade tool that will upgrade your custom code to be compliant with Dynamics 365. Please note however, that the new customization paradigm in Dynamics 365 (extensions vs. over-layering) will require some refactoring of this upgraded code to bring it fully in line with Dynamics 365 standards. This is a one-time effort as part of your initial migration to Dynamics 365.

More details on the specifics of how your code may upgrade can be determined after a code analysis is completed during your Upgrade Analysis engagement.

⑨ What happens to my existing reports and BI content when I move to Dynamics 365?

The answer to this question will depend on the version of Dynamics AX you're currently on, and the specific reporting and BI tool(s) that you're using. Microsoft's code upgrade tools for AX2012 R3 customers may upgrade some SSRS reports, and Microsoft is providing a tool to convert BI cubes to the new BI technology. However, the completeness of these upgrades will need to be evaluated on a case-by-base basis.

As a general statement, there will minimally be some work to refactor reports and BI content as you move to Dynamics 365 from any prior version of Dynamics AX.

This will be even more pronounced for clients on older iterations of Dynamics AX 2012 and AX 2009 where the tools and data structure have changed significantly



from these versions. Determining the best path for reporting and BI in Dynamics 365 is an important part of the Upgrade Analysis engagement.

⑩ What happens to my interfaces to other systems when I upgrade to Dynamics 365?

The answer to this question will depend on which version of Dynamics AX you're using, and which tool or technology you've used to enable these interfaces. Customers on Dynamics AX 2009 and earlier versions of AX 2012 will most likely need to redevelop these interfaces, since there is not a code upgrade tool and because the interface technology has changed significantly since Dynamics AX 2009.

Customers using AX2012 may be able to upgrade the code related to some of these interfaces, depending on the technology that is being used. For example, the DIXF is still available in Dynamics 365, and some of this work from Dynamics AX 2012 may be upgradeable. However, if you're using XML documents and/or web services to facilitate interfaces, these will most certainly need some re-work as Dynamics 365 now leverages a newer generation of these tools to enable interfaces.

Developing a plan around ensuring that critical interfaces are maintained in Dynamics 365 is an important element of the Upgrade Analysis engagement.

⑪ How long will a typical upgrade to Dynamics 365 take?

The answer to this question will depend on the nature of your organization's upgrade – there isn't a single answer that applies to all customers. For example, is your organization simply looking for a technical uplift of your Dynamics AX system to Dynamics 365, with limited business process optimization as part of the process? Or is your organization looking at this upgrade as an opportunity to make significant improvements in your current business processes?

There are many technical implications to these timelines as well. For example, do you use Dynamics AX today mostly out of the box? Or have you made significant investments to develop custom modifications, interfaces, and reports/analytics that will need to be re-factored during the upgrade?

For organizations that use Dynamics AX mostly out of the box and are looking to make minimal changes to their business processes, an upgrade could take as little as 2 to 3 months. However, for larger organizations that have a lot of customizations and that want to use the upgrade as an opportunity to re-engineer their core business processes, the upgrade process could take as long as 6 to 9 months when including the time and effort to redesign business processes, retrain employees, etc. As an average, SAGlobal is estimating somewhere between 3 and 6 months from start to finish for most organizations.

Please note that once you have re-platformed to Dynamics 365 in the cloud, the timelines for planning, testing, and executing these ongoing updates and upgrades will be measured in days or weeks, and not in months as your first upgrade to Dynamics 365 will require.

For more context around estimated timelines for your organization to upgrade to Dynamics 365, please reach out to your SAGlobal Account Manager for details.

⑫ How do we ensure that our employees are ready to use Dynamics 365 at cutover?

Ensuring that your user population is prepared to use Dynamics 365 is an important



element of any upgrade project. SAGlobal can assist with various levels of training, ranging from a train-the-trainer model that begins very early in the upgrade process, all the way to more hands-on end user training during the Readiness phase prior to go-live. An important tool that Microsoft provides for training users on Dynamics 365 is an updated version of the Task Recorder tool. The Task Recorder can still be used to record processes and generate Word documents with training instructions, however the new generation of Task Recorder provides much better usability (ability to edit recordings) and a great new feature for producing “task guides” that live within the Dynamics 365 user interface and provide step-by-step instructions for completing your business processes. This is a great new tool for training your users how to work within Dynamics 365.

⑬ How much will the upgrade to Dynamics 365 cost our organization?

As with the timelines, there is not a single answer to this question. And the answer could differ significantly depending on whether you are currently using Dynamics AX 2009 or Dynamics AX 2012. Aside from transitioning your Dynamics AX software licenses and beginning to pay your subscription fees for Dynamics 365, your organization will require both functional consulting and technical consulting services from SAGlobal to execute this upgrade. The first major step in the upgrade is for SAGlobal to perform a detailed Upgrade Analysis, where we analyze your code, your data, your interfaces, your reporting/BI content, and your business processes in order to provide a detailed Statement of Work and strategy for your organization’s upgrade.



For more context around estimated costs for your organization’s upgrade, please reach out to your SAGlobal Account Manager.

⑭ What if my organization can’t, or doesn’t want to, move to the cloud?


While SAGlobal believes that most organizations can realize significant business benefits by moving to Dynamics 365 in the cloud, it’s true that some organizations simply cannot host their ERP system in the cloud for various compliance, regulatory, or data sovereignty reasons. Other organizations may just philosophically disagree with a strategy to move to the cloud, although these cases are becoming less prevalent as the cloud matures.

For organizations that prefer to continue hosting Dynamics 365 in their data center, Microsoft continues to update their roadmap for on-premise capabilities in Dynamics 365. Microsoft is currently planning and developing both on-premise and hybrid deployment scenarios for Dynamics 365. The on-premise model will be similar to prior generations of Dynamics AX, whereas the hybrid model introduces an architecture where some elements of the application live in the cloud for disaster recovery, manageability, and advanced intelligence capabilities, and other elements of the application live on the customer’s premises to allow for local operations. The exact nature and timing of these releases remains a very fluid situation. For the latest updates to this roadmap, please reach out to your SAGlobal Account Manager to inquire if additional details are available.



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