Total Economic Impact

The Partner Opportunity For Microsoft Dynamics 365

A Total Economic Impact™ Partner Opportunity Analysis

A FORRESTER TOTAL ECONOMIC IMPACT STUDY COMMISSIONED BY MICROSOFT, JULY 2025

FORRESTER®

Introduction

Customer interest in AI and its adoption in the workplace is growing, transforming revenue opportunities for Microsoft Dynamics 365 partners. The rising customer demand for AI in business applications, including enterprise resource planning (ERP) and customer relationship management (CRM) solutions, combined with Microsoft's investment in AI across Dynamics 365 and the broader ecosystem have led to more opportunities. With AI, partners are winning more deals, creating new revenue streams, improving margins, and delivering better outcomes for their customers. Those partners that followed best practices and invested in their Microsoft relationships and internal capabilities, particularly those related to AI, reported profitable practices in fiscal year (FY) 2025 and forecast continued growth in FY 2026.

Business applications, particularly ERP and CRM, have evolved significantly in recent years. Customer interest in these solutions has grown, along with the need for partner support. AI is a key driver of this evolution. While ERP and CRM adoption was already high, AI has amplified customer interest. Customers now see modern, cloud-based ERP and CRM solutions like Dynamics 365 as central to realizing value with AI. With partner guidance, customers also understand that realizing AI's benefits requires broader investments in data hygiene and security as well as a well-integrated ecosystem.

These customer trends present a significant revenue opportunity for Dynamics 365 partners. As customers seek to adopt new ERP and CRM solutions or migrate existing ones, deployment opportunities are expanding. Partners must now integrate AI into their services offerings. Advisory services are becoming increasingly important to guide customers on their AI journeys. Solutions development — with repeatable IP, custom solutions, and advanced integration work — is also gaining traction, with partners anticipating creating more ERP and CRM agents. Additionally, many partners are looking to grow managed services to support customers post-deployment.

In order to understand the impact of these trends on the partner ecosystem, Microsoft commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential business opportunity partners may realize by building and scaling Microsoft Dynamics 365 practices. Dynamics 365 includes different products across different solution areas. This year's case study focuses on the partner opportunities in the ERP and CRM solution areas:

- **ERP.** Forrester defines ERP as the core enterprise applications used for financial management and business operations.[1] This solution area includes Dynamics 365 Finance and Dynamics 365 Supply Chain Management.
- **CRM.** Forrester defines CRM as the business processes and technologies that support the key activities of targeting, acquiring, servicing, retaining, and collaborating with customers.[2] This solution area includes Dynamics 365 Sales, Dynamics 365 Customer Service, and Dynamics 365 Contact Center.

Expected ERP revenue opportunity per user (with attach rates applied)

$135.20 per user per month

ⓘ

Expected CRM revenue opportunity per user (with attach rates applied)

$39.80 per user per month

ⓘ

This study focuses on what has changed for Dynamics 365 partners in FY 2025 and the outlook for FY 2026. This includes 1) what customers want from Microsoft partners, 2) how partners make money, and 3) the best practices and investments that create success.

To better understand the revenue streams, investments, and risks associated with a Dynamics 365 practice, Forrester interviewed representatives from 14 partners with practices in one or more of the aforementioned solution areas. These interviews build on interviews with Microsoft partners that were conducted in previous years as well as with dozens of organizations that buy partners' services.

Forrester created a partner opportunity model for enterprise customers based on what leading partners achieved in FY 2025 and, to a lesser extent, what they expect to achieve in FY 2026. This model quantifies the opportunities for deployment, advisory services, solutions development, and managed services. Accounting for attach rates, Forrester found that the expected revenue opportunity for a new enterprise customer is $135.20 per user for ERP and $39.80 per user for CRM or $175.00 in total.[3]

> *"AI with Microsoft Dynamics 365 is helping us grow and win deals, bottom line."*

Market Trends
The Customer Perspective

This section incorporates Forrester's research and survey data to understand what is driving customers' demand in terms of their priorities and the services they are looking for. "The State Of Technology Services, 2025, Part 1: Co-Innovation Services" Forrester report revealed that AI is, by far, the top emerging technology for which organizations are planning to use third-party services over the next 12 months.[4]
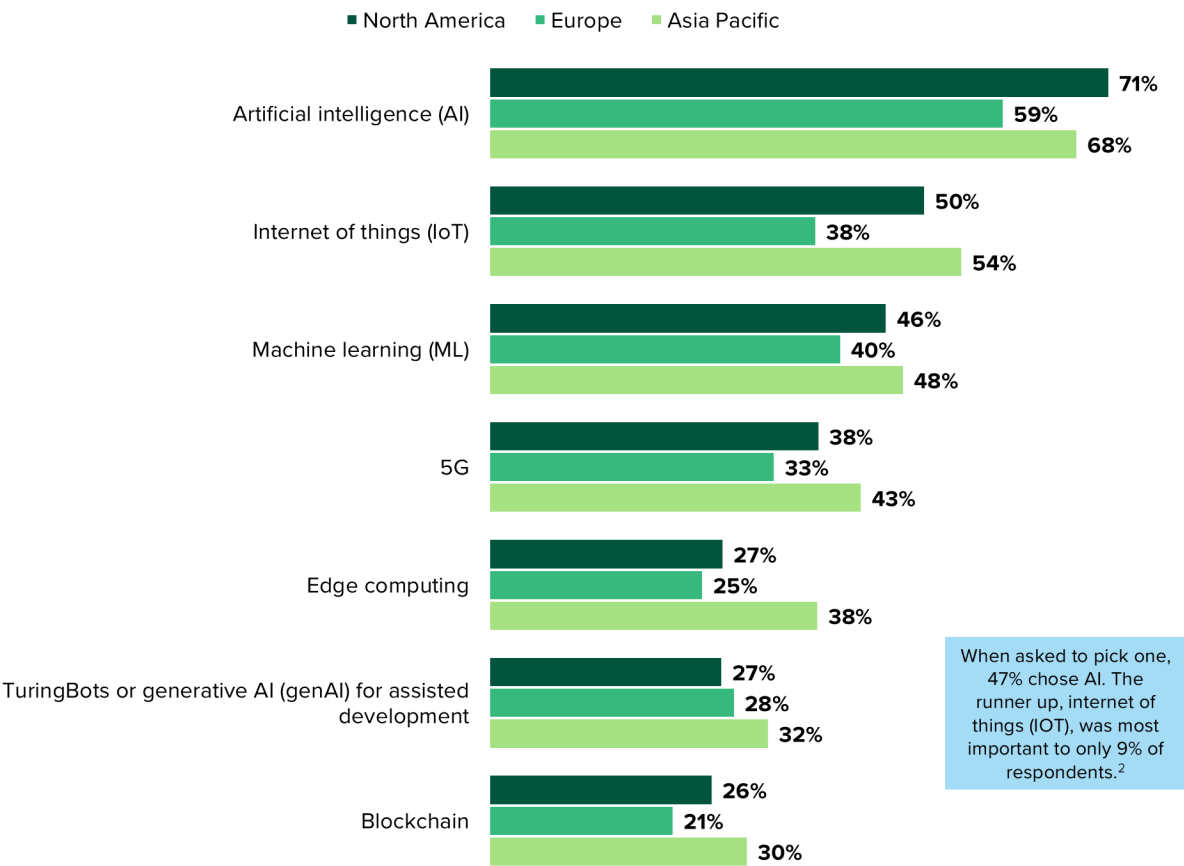
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Page 4

Enterprises Around The World Turn To Service Providers For AI Help

"For which of the following emerging technologies do you expect your organization to use third-party service providers in the next 12 months?"[1]
(Multiple responses accepted)

■ North America   ■ Europe   ■ Asia Pacific

Technology	North America	Europe	Asia Pacific
Artificial intelligence (AI)	71%	59%	68%
Internet of things (IoT)	50%	38%	54%
Machine learning (ML)	46%	40%	48%
5G	38%	33%	43%
Edge computing	27%	25%	38%
TuringBots or generative AI (genAI) for assisted development	27%	28%	32%
Blockchain	26%	21%	30%

When asked to pick one, 47% chose AI. The runner up, internet of things (IOT), was most important to only 9% of respondents.[2]

Note: Not all response options are shown.
1. Base: 695 to 909 enterprise services decision-makers; sample varies by region
2. Base: 2,301 global decision-makers whose organization is planning to use third-party services for emerging technologies in the next 12 months
Source: Forrester's Business And Technology Services Survey, 2024

Furthermore, customers expect to invest more in third-party services over the next 12 months, with business applications, including ERP and CRM, driving the most engagement with partners.[5]

Relatedly, Forrester's Priorities Survey, 2025, which polled 5,449 business and technology professionals, asked about the most important initiative actions their IT organizations will undertake in the next 12 months. The top response, cited

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Page 5

by 68% of respondents, was to "upgrade, refresh, modernize, or consolidate business apps and software infrastructure"; 50% identified "implement AI-enabled/generative AI tools for business applications" as the most important technology priority over the next 12 months.[6]

This data aligns with trends highlighted in these Forrester reports: "Enterprise Resource Planning Market Insights, 2024" and "Customer Relationship Management Market Insights, 2024." They show strong adoption of ERP and CRM across industries as well as increasing budgets for these applications in recent years. Among global software decision-makers whose organizations are adopting ERP, their top priorities include "grow revenue," "employee productivity," and "business process efficiency," among others.[7] For those whose organizations are adopting CRM, key goals include "grow revenue" and "improve customer experience," among others.[8] For more insights into the customer perspective, please refer to other Forrester TEI case studies, including "The Total Economic Impact™ Of Microsoft Dynamics 365 ERP."[9]

📢 **Definition**

Microsoft Business Applications Services (MBAS)

Forrester defines MBAS as "a portfolio of capabilities to help customers achieve business agility and cloud-fueled digital transformation using Microsoft's enterprise business applications including Dynamics 365 and Microsoft Power Platform via process consulting, experience design, migration, and ongoing support services, often complemented with services such as process automation, data analytics and insights generation, web/mobile app development, and industry clouds."[10]

The Partner Perspective

Partners shared their views on the high-level trends that are driving growth and what they believe will be even more important during the next year:

- **AI is driving more business for partners, and Dynamics 365 is helping them win more of that business.** Partners told Forrester that AI is the most significant factor impacting their businesses, and they expect this trend to continue in FY 2026. AI is fueling increased interest in adopting both ERP and CRM, resulting in more opportunities for partners. Moreover, partners explained how AI is helping them win more of these opportunities: One partner estimated a 10% to 15% higher win rate.

  Partners attributed this success to their demonstrated AI expertise, combined with their industry knowledge, and to the role of AI with Dynamics 365 as a differentiator from competing ERP and CRM solutions. To extend these advantages, partners are training their teams; investing in their own AI capabilities, especially by industry; and showcasing AI features within Dynamics 365, Microsoft 365 Copilot and Copilot Studio, and agentic AI to customers.

> *"Microsoft's AI enhancements to Dynamics 365 have made competitive conversations much easier."*

- **Partners are optimistic about expanding existing revenue streams and creating new ones.** In addition to AI driving more Dynamics 365 opportunities and improving win rates, partners described how their services offerings are evolving and how they are starting to include more AI-related services. While deployment services remain important,

partners highlighted the growing importance of managed services and advisory to help customers use AI with Dynamics 365. Customers are increasingly willing to invest in advisory services to guide them on their AI journeys.

Partners also noted very early momentum in building custom copilots and intelligent agents tailored to specific roles and industries. To support this shift, they are prioritizing AI training and educating employees to focus on business outcomes rather than purely technical expertise.

> *"The biggest opportunity and strategy for us around agents will be if we can have an AI factory that builds agents for bigger customers. We can assess and build agents each month and have a dedicated revenue stream for that."*

- **AI is blurring the boundaries between Microsoft practices, leading to more pull-through service opportunities.** AI is influencing not only Dynamics 365 but also Power Platform, Modern Work, Security, and Azure. New Dynamics 365 customers require data readiness, modernization, governance, and security as foundational elements for successful AI adoption. In addition, agent development often involves Copilot Studio, Power Platform, and Azure, particularly for partners with advanced development capabilities.

  As a result, partners are seeing greater cross-practice service opportunities. For example, one partner reported that security services were attached 100% of the time for Dynamics 365 customers adopting AI, compared with just 20% for those not adopting AI. Partners view this integration as a long-term opportunity, given the critical role ERP and CRM solutions play in customer operations. Forrester has completed separate partner opportunity analyses for Security and Modern Work; partners with practices in those areas may find them valuable.[11]

> *"Clients realize that their bespoke, poorly integrated systems are a terrible environment for AI. The business case for having everything centralized on Microsoft is that it makes AI so much easier. That is a huge driving force for clients."*

- **Partners are adopting AI internally to better support their customers.** To build expertise and speak with authority about AI, partners told Forrester they are adopting a "customer zero" mentality, adopting AI with Dynamics 365 internally. This approach helps validate use cases and demonstrate value. Partners are also incorporating AI into their service delivery to reduce costs and enhance value, as discussed in the Forrester report, "GenAI Is Disrupting Professional Services."[12] One partner estimated that AI has increased its gross margins by 10% or more.

> *"We're in a prime position to be a consultative advisory partner to customers on this AI journey because we've experienced so many various use cases as an end user of this technology."*

- **Microsoft partner programs accelerate practice growth.** As they discussed their Dynamics 365 practices, partners shared how Microsoft supports their growth through workshops, programs, funding opportunities, and more. For example, funded engagements for various solution plays help establish long-term customer relationships. Partners also expressed appreciation for Microsoft's ongoing investment and innovation in AI, which supports their practices'

success. (Partners shared with Forrester recommendations on how to improve support and programs, which were shared with Microsoft.)

> *"We appreciate Microsoft's continual investment and where Microsoft is going with AI. For a large company, it evolves at the pace of a startup."*

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Page 8

The Partner Opportunity

The trends discussed above resulted in increased revenues across all solution areas in FY 2025, both in terms of total revenue potential (i.e., what partners are offering) and the expected revenue associated with the likely bundles of services and products that customers are buying (attach rates applied).

With Microsoft's roadmap and support as well as partners' investments in AI, interviewees are expecting year-over-year growth for both ERP and CRM solution areas in FY 2026. Many interviewees shared growth expectations of 10% or more for their practices.
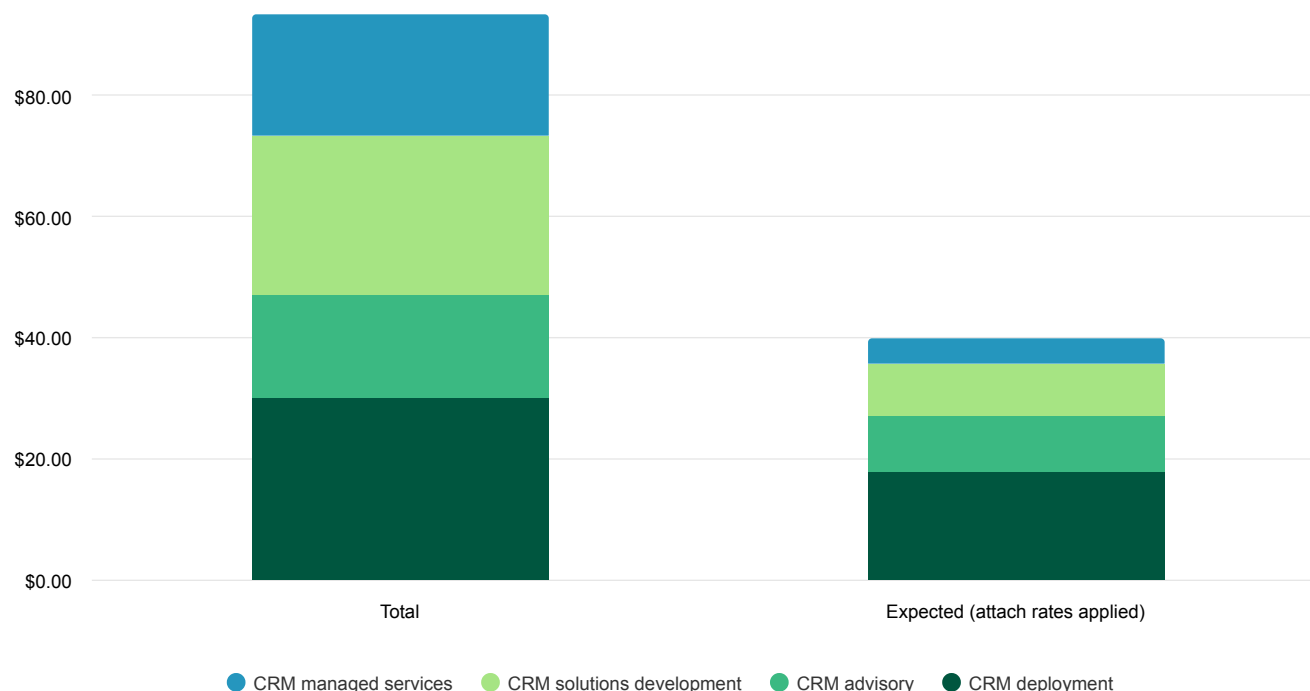
Microsoft Dynamics 365 Expected Revenue Opportunity Mix

32%

68%

● ERP   ● CRM
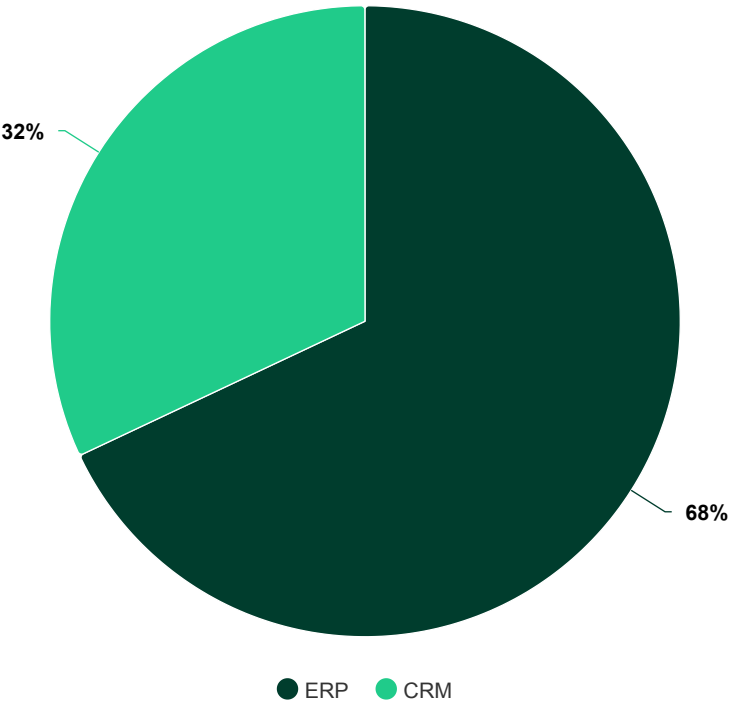
Microsoft Dynamics 365 ERP Partner Opportunity

Microsoft Dynamics 365 CRM Partner Opportunity

Forrester also broke down the expected revenue opportunity across four service areas: deployment, advisory, solutions development, and managed services.

- **Deployment opportunities have increased.** Deployments are the typical technological entry points for new customer engagements. They include setup, initial integration and system configuration, and data migration. AI is accelerating the adoption of ERP and CRM solutions, with partners capturing more of this business due to AI in Dynamics 365, Copilot and Copilot Studio, and role-based copilots, leading to more deployment revenue.

- **Advisory services have grown in importance.** Advisory services include upfront strategy and planning work as well as adoption, process redesign, governance, training, and change management services. As customers prepare for AI and seek to use it effectively, advisory services have become increasingly important, presenting larger and more frequent opportunities for partners.

- **Solutions development will grow with agents.** Solutions development encompasses repeatable intellectual property (IP) created by partners — either as standalone offerings for sale or to enhance the efficiency of deployments and managed services. It also includes custom solution development and advanced integration work. While much AI-related development is still in the early stages, partners expect this work to attach more often over time.

- **Managed services will evolve.** Managed services are critical for helping partners scale and build predictable, recurring revenue streams. They offer greater upselling opportunities, provide potentially higher margins, and support repeatable business models. They include ongoing technical and compliance support, usage monitoring

and reporting, administrative work, and more. Many partners are increasingly attaching these services and also anticipate evolving opportunities to support customers' Dynamics 365 AI journeys post-deployment.

Revenue Opportunity By Partner Solution Area			
Solution area	Total revenue per user per month	Blended attach rate	Expected revenue per user per month
ERP	$238.75	57%	$135.20
CRM	$93.40	43%	$39.80
Total	**$332.15**	**53%**	**$175.00**

Revenue Opportunity By Partner Service			
Partner service	Total revenue per user per month	Blended attach rate	Expected revenue per user per month
Deployment	$127.10	68%	$86.00
Advisory	$62.25	62%	$38.70
Solutions development	$82.80	41%	$34.30
Managed services	$60.00	27%	$16.00
Total	**$332.15**	**53%**	**$175.00**

ERP

The ERP solution area involves helping customers deploy Dynamics 365 solutions, such as Dynamics 365 Finance and Dynamics 365 Supply Chain Management, for financial management and business operations. In addition to deployment, partners advise on how to get the maximum value from solutions, develop custom solutions for customers, integrate with other systems, sell IP to accelerate implementations, and are beginning to develop custom agents. Post-deployment, they offer managed services to help customers maximize the value of ERP. These offerings are evolving due to AI. Partners value the ERP solution area for fostering long-term customer relationships and enabling significant pull-through work across Microsoft practices, including the CRM solution area.

- **ERP deployments are still strong.** The shift to cloud-based business applications and AI advances have resulted in continued opportunities for partners to deploy ERP solutions. Many partners reported greater customer interest in ERP due to AI, noting that qualified opportunities often convert to closed deals given how critical ERP solutions are for enterprises. One global systems integrator shared that 90% of qualified ERP opportunities result in deployments, with a 75% win rate for its practice with Dynamics 365. Partners also credited Microsoft's AI success and product development as well as their own demonstrated AI expertise for more won deals, with one citing a 73% win rate for qualified opportunities.

Partners reported that ERP projects are typically larger than CRM projects, with deployment spend often exceeding $1 million and reaching $5 million or more for large enterprises. Revenue is influenced more by client and project complexity than by user count. This work also attaches at a high rate, given how critical ERP solutions are for customers and how well partners are selling Dynamics 365 as that solution for customers. Partners are also using AI internally to create repeatable templates, tools, and processes, resulting in higher margins on this work.

- **ERP advisory is of increased importance.** Customers want to understand the impact of ERP deployments and maximize their investments. Compared with the past, there is now more upfront work in the planning phase for AI-readiness assessments, AI strategy and roadmapping services, data and infrastructure advisory, AI governance, risk, and compliance advisory, and change management planning — which is leading to more revenue. Partners often begin with Microsoft-funded engagements and continue advising throughout and after deployment. Advisory revenue for ERP typically exceeds that of CRM, with some assessment work reaching $300,000 or more for large, complex enterprises.

- **Solutions development offers upcoming opportunities for ERP agents.** Partners develop IP to accelerate ERP deployments and migrations, reduce risk, and speed up Dynamics 365 adoption. One partner reported saving three to four months on deployment timelines thanks to its IP, boosting customer satisfaction and accelerating license consumption. These complementary solutions generate recurring revenue and help partners win deals by showcasing industry expertise. Looking ahead, partners expect to customize and configure ERP-focused agents, unlocking new revenue streams that will attach more with agent adoption.

  Partners use varied pricing models for these solutions, including one-time fees, recurring charges, or bundling costs into deployment projects. ERP solutions' development revenue often exceeds that of CRM and varies based on the scope and complexity of the work.

- **Managed services support long-term customer relationships and generate recurring revenue.** Many partners are expanding their managed services offerings to better serve clients post-deployment. They also benefit by securing recurring revenue in a challenging macroeconomic environment. With AI, partners can help clients find continuous ways to realize value, including ongoing ERP-related business process optimization. Attach rates vary, reaching more than 50% depending on an offering's maturity. Pricing models include fixed monthly or annual fees or a percentage of deployment costs.

Microsoft Dynamics 365 ERP Partner Opportunity
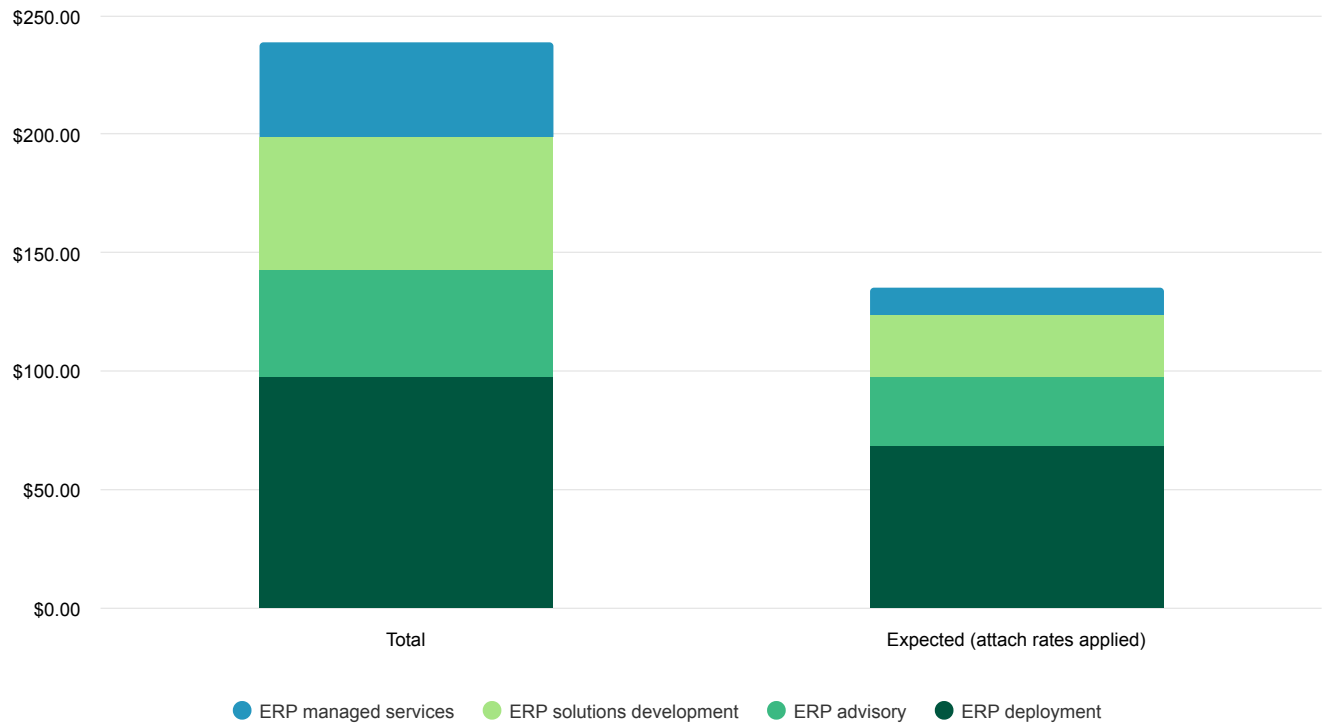
Revenue Opportunity By Partner Service: ERP			
Partner service	**Total revenue per user per month**	**Blended attach rate**	**Expected revenue per user per month**
Deployment	$97.20	70%	$68.05
Advisory	$45.15	65%	$29.50
Solutions development	$56.40	45%	$25.65
Managed services	$40.00	30%	$12.00
Total	**$238.75**	**57%**	**$135.20**

> *"We're focusing heavily on finance transformations in Dynamics and just came from a meeting with a client on how we're driving AI agents into the FP&A process. Although it starts with Dynamics, it very quickly mushrooms into a broader conversation with the other service practices. AI has become the glue that brings more of our different service lines together."*

CRM

The CRM solution area involves helping customers deploy Dynamics 365 products to target, acquire, service, retain, and collaborate with customers. These products include Dynamics 365 Sales, Dynamics 365 Customer Service, and Dynamics 365 Contact Center. In addition to deploying a CRM solution with Dynamics 365, this solution area includes advisory services, solutions development, and managed services. Notably, partners have begun developing CRM-focused agents for their clients, and customers are increasingly recognizing the value of AI in CRM. As with ERP, partners find that CRM engagements often lead to broader Microsoft practice opportunities, resulting in an even greater extended partner opportunity.

- **CRM deployment opportunities have increased.** AI is driving more CRM deployments and migrations for partners as customers recognize the business impact of AI with CRM. In addition, partners told Forrester that they are having "easy compete conversations" when selling against other CRM solutions thanks to Microsoft's strong positioning with Dynamics 365 and its AI innovations.

  Although CRM projects are typically smaller than ERP projects, partners noted that CRM deals tend to close more quickly. Deal sizes can reach up to $1 million, depending on the complexity of the engagement and the number of Dynamics 365 solutions involved. As with ERP, partners are also starting to use AI internally to drive higher margins. And for partners selling licenses, CRM solutions often present a larger license opportunity than ERP due to higher user counts.

- **Advisory is of increased importance for CRM.** Customers want guidance from partners; in particular, they need to learn how to use AI with Dynamics 365 and understand its impact. Partners told Forrester that Microsoft Copilot and AI are a natural part of CRM storytelling, often leading to advisory-driven wedge engagements that transition into deployments. Partners frequently initiate client engagements with Microsoft-funded programs and then continue advising throughout deployment with change management and post-deployment services, too. For example, partners discussed conducting CRM envisioning workshops and AI-readiness advisory work. As with ERP, CRM-related advisory work attached more often than not and was typically $50,000 or more per workshop.

- **Solutions development for CRM-focused agents is in the early stages but underway.** Industry-specific IP serves as a key differentiator for partners and supports recurring revenue. While it's still early, some partners are beginning to configure or build custom CRM-focused agents tailored to client, role, and industry needs. Although currently a minor revenue stream, this service is expected to grow significantly, with one partner projecting triple-digit growth in FY 2026. As with ERP, accelerators are also helping customers realize value faster and helping partners win deals when migrating clients from other solutions.

- **Managed services are expected to evolve.** Partners told Forrester that they are looking to grow their managed services offerings to support long-term CRM client needs and reduce volatility in a challenging macroeconomic environment. Looking ahead, partners see opportunities to support CRM agents and create new ones to solve business challenges on an ongoing basis. Attach rates vary by partner, depending on the maturity of their managed services offerings, and revenue is typically less for CRM managed services than for separate ERP managed services.

Microsoft Dynamics 365 CRM Partner Opportunity
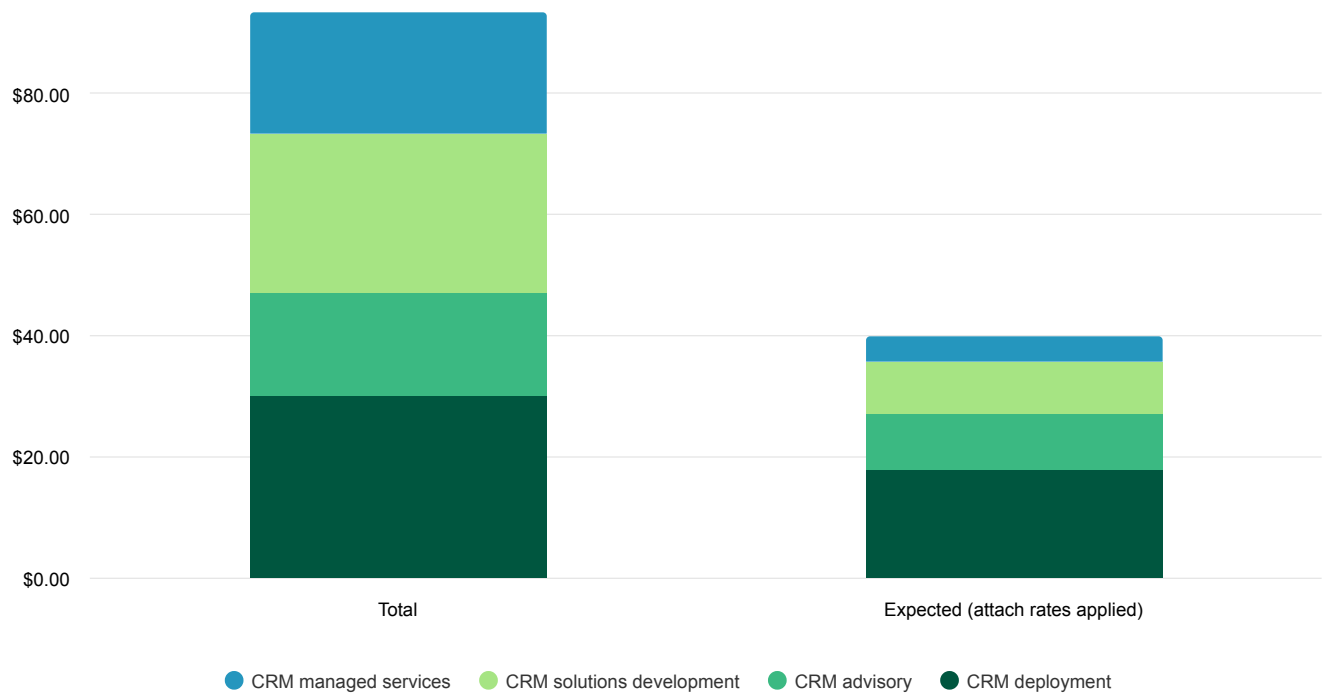
Revenue Opportunity By Partner Service: CRM

Partner service	Total revenue per user per month	Blended attach rate	Expected revenue per user per month
Deployment	$29.90	60%	$17.95
Advisory	$17.10	54%	$9.20
Solutions development	$26.40	33%	$8.65
Managed services	$20.00	20%	$4.00
Total	**$93.40**	**43%**	**$39.80**

> "We're winning CRM deals because Copilot is a differentiator within sales, customer service, and field service."

Partner Investments And Best Practices

Each year, Forrester asks representatives of partner organizations about the new best practices and investments fueling their success with go-to-market approaches and delivery. This year, partners mostly spoke about what they are doing to succeed in the new AI-first environment. They said they are:

- **Evolving their Microsoft practices for AI.** Partners are restructuring their sales and delivery models to better support customers on their AI journeys. AI is transforming not only Dynamics 365 but also Modern Work, Azure, and Security, demanding cross-practice skills and collaboration. While each partner's approach varies, they all focus on how to meet customers' holistic Dynamics 365 needs.

  In addition to evolving across solution areas, partners are evolving across service types. For example, in solutions development, they are investing in building custom copilots tailored to client needs. For advisory, they are enhancing their capabilities around AI to support process optimization, data readiness, AI readiness, change management, governance, and more.

  "We see a need for agents, so we set up a center of excellence to create agents by industry."

  "We are building role-based copilots for roles such as project managers, finance managers, and others. We are thinking about what actions would benefit them and creating those intelligent agents."

- **Investing in talent.** As their practices evolve, partners emphasized hiring top talent and investing in continuous learning. This includes both technical training and developing the ability to engage customers from a business value perspective. Specifically, partners participated in Microsoft's certification programs and valued the funding they received from Microsoft to complete courses. For hiring, they also targeted individuals with not only business applications experience but also AI experience as well as industry and function knowledge.

  "We've hired new talent for our presales team, our sales team, and our consulting organization. The profile of the talent we are hiring has evolved to make sure that we are bringing on people with a background in AI. ... We need to level up on data, AI, and analytics."

- **Focusing on customers and successful business outcomes.** The rapid evolution of AI means partners are prioritizing customer outcomes over specific technologies. They focus on understanding business goals and demonstrating measurable value as they engage with clients. Specific examples of this include using industry teams, templates, and IP; taking outcome-centric rather than product-centric approaches to relationships; and co-creating

with customers when appropriate. This often results in quick wins and extends beyond deployment into longer-term managed services, solutions development, and advisory engagements that help clients keep improving.

> *"In the past, our conversations were application-driven. Now, we are talking about customers' business needs and how we can help them."*

- **Strengthening differentiation with an industry focus and AI leadership.** Partners told Forrester that demonstrating expertise, especially with AI, has supported their success. Many have further increased their strengths in specific verticals and created industry-specific IP to help customers meet industry standards and succeed. They are now expanding this expertise by integrating AI both horizontally and vertically, including embedding AI into their proprietary solutions.

> *"We differentiate through an industry lens. AI is going to match up with that, too, in terms of how we leverage it by industry."*

- **Working more closely with Microsoft to maximize AI opportunities.** Partners emphasized that engagement with Microsoft is critical to their success. As AI and customer expectations evolve, alignment with Microsoft across solutions, services, sales, and marketing is more important than ever. Partners also ensure they meet specialization requirements and actively participate in eligible partner programs.

> *"It's very important to stay close to what's happening at Microsoft and what's happening with Microsoft both in terms of the market and inside the organization as a Microsoft partner."*

Conclusion

Partners have built strong Dynamics 365 practices. While the shift of ERP and CRM solutions and customers to the cloud continues, AI has been key to recent growth: This includes AI capabilities within Dynamics 365, Copilot and Copilot Studio, agents, and partners' demonstrated AI expertise. Growing customer interest in cloud-based and AI-enabled ERP and CRM solutions has resulted in more opportunities for partners — and they're winning more of these opportunities with Microsoft's support. This means not only more deployment revenue but also more opportunities for advisory, solutions development, and managed services to guide customers to long-term success.

Overall, partners not only experienced success in FY 2025 but also anticipate accelerating momentum for long-term growth. They value Microsoft's investments in Dynamics 365 and partner programs and are optimistic about the future. Partners expect AI, especially agentic AI, to drive further growth with more customer advisory and agent development. Those that follow the best practices outlined in this case study and continue to invest in and evolve their Dynamics 365 practices with AI in mind will be best positioned to capitalize on the partner opportunity in FY 2026.

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TEI Framework And Methodology

From the information provided in the interviews with partners of various sizes from around the globe, Forrester constructed a Total Economic Impact™ framework for those partners considering building and growing one or more Dynamics 365 practices.

The objective of the framework is to identify the revenue streams, investments, and best practices that affect the investment decision. Forrester took a multistep approach to evaluate the holistic opportunity for partners building and growing a Microsoft Dynamics 365 practice.

Due Diligence

Interviewed Microsoft stakeholders and Forrester analysts to gather data relative to Dynamics 365.

Interviews

Interviewed representatives at 14 partner organizations with one or more existing Dynamics 365 practices to obtain data about revenue streams, investments, and best practices.

Financial Model Framework

Constructed a financial model representative of the interviews using the TEI methodology. The model normalizes all results as a per-user per-month opportunity at an enterprise customer with 5,000 knowledge workers, including 400 ERP users and 650 CRM users, on a 36-month customer journey. "Users" specifically refers to license holders, not knowledge workers.

Case Study

Created a case study that explains the benefits and investments a partner can expect when building one or more Dynamics 365 practices. The case study also explores the best practices partners have identified that have made them successful.

Glossary

Total Economic Impact Approach

Benefits

Benefits represent the value the solution delivers to the business. The TEI methodology places equal weight on the measure of benefits and costs, allowing for a full examination of the solution's effect on the entire organization.

Costs

Costs comprise all expenses necessary to deliver the proposed value, or benefits, of the solution. The methodology captures implementation and ongoing costs associated with the solution.

Flexibility

Flexibility represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. The ability to capture that benefit has a PV that can be estimated.

Risks

Risks measure the uncertainty of benefit and cost estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on "triangular distribution."

Financial Terminology

Present value (PV)

The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.

Net present value (NPV)

The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made unless other projects have higher NPVs.

Return on investment (ROI)

A project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits less costs) by costs.

Discount rate

The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.

Payback

The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.

Appendixes

APPENDIX A

Total Economic Impact

Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists solution providers in communicating their value proposition to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of business and technology initiatives to both senior management and other key stakeholders.

APPENDIX B

Supplemental Material

Related Forrester Research

Your Microsoft Business Applications Implementation Is A Transformation Opportunity, Forrester Research, Inc., September 26, 2024

The Evolution Of Modern Business Applications, Forrester Research, Inc., June 13, 2025

Related Forrester Total Economic Impact Case Studies

The Total Economic Impact™ Of Microsoft Power Platform, a commissioned study conducted by Forrester Consulting on behalf of Microsoft, July 2024

APPENDIX C

Endnotes

[1] Source: The Enterprise Resource Planning Solutions For Service-Centric Industries Landscape, Q1 2024, Forrester Research, Inc., February 20, 2024; The Enterprise Resource Planning Solutions For Product-Centric Industries Landscape, Q1 2024, Forrester Research, Inc., February 14, 2024.

[2] Source: The Customer Relationship Management Software Landscape, Q4 2024, Forrester Research, Inc., November 21, 2024.

[3] An attach rate is the likelihood of a given service/solution being included in what a customer purchases. Attach rates are applied to solution areas (e.g., ERP and CRM) and to services (e.g., deployment, advisory, business solutions, and managed services). In other words, they're applied to the typical mix of solutions and services a customer buys. This will vary based on how a partner has entered into business applications. For example, a CRM partner will attach a lot more CRM services, while an ERP partner will attach a lot more ERP services. Use this calculation: total opportunity x attach rate = expected opportunity.

[4] The State Of Technology Services, 2025, Part 1: Co-Innovation Services, Forrester Research, Inc., March 18, 2025.

[5] Ibid.

[6] Source: Forrester's Priorities Survey, 2025, Forrester Research, Inc., March 2025.

[7] Source: Enterprise Resource Planning Market Insights, 2024, Forrester Research, Inc., November 12, 2024.

[8] Source: Customer Relationship Management Market Insights, 2024, Forrester Research, Inc., August 30, 2024.

[9] Source: "The Total Economic Impact™ Of Microsoft Dynamics 365 ERP," a commissioned study conducted by Forrester Consulting on behalf of Microsoft, April 2024.

[10] Source: The Microsoft Business Applications Services Landscape, Q4 2023, Forrester Research, Inc., October 17, 2023.

[11] Source: "The Partner Opportunity For Microsoft Security," a commissioned study conducted by Forrester Consulting on behalf of Microsoft, July 2025; "The Impact of AI On Microsoft Modern Work Partner Revenue: Microsoft 365 Copilot And Agentic AI," a commissioned study conducted by Forrester Consulting on behalf of Microsoft, July 2025.

[12] Source: GenAI Is Disrupting Professional Services, Forrester Research, Inc., December 11, 2024.

Disclosures

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This study is commissioned by Microsoft and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.

Page 24