

Microsoft Dynamics NAV Versus Microsoft Dynamics 365

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Deployment and Licensing Flexibility



Microsoft Dynamics 365 is exclusively available as a cloud offering. It is offered as software-as-a-service (SaaS), which means you do not own a license to the software, but secure the right to use the software via a subscription plan. It's important to note that Dynamics 365 is a true cloud-based solution with a multi-tenant architecture. You are joining other customers in the same computing infrastructure (think of other

cloud services such as Bing). Everyone using the software is running on the same code base.

Microsoft Dynamics NAV may be deployed on your own servers or in a private/third-party cloud (think Azure). A private cloud provides the same basic benefits of the public cloud, and several important additional advantages, including more control over your data and lessened security concerns. And Dynamics NAV can be purchased in the traditional perpetual-license fashion, or via a subscription plan. While cloud ERP applications continue to gain traction and acceptance in the market, there are sound reasons many companies elect to retain complete control of their company's most sensitive data.

Functionality

Dynamics NAV is a mature, robust, fully-integrated ERP solution with modules and feature sets to address all aspects of your business, from core financials through complex manufacturing and everything in between. Dynamics NAV has strength in the distribution sector – its expansive inventory management and cost accounting functionality are an ideal fit for wholesale distributors.

Dynamics 365 is a fresh face in the market, with a shallower set of functionalities. It is primarily focused on financial management – with sales and marketing capabilities available soon with the Dynamics 365 for Sales app. There are basic supply chain capabilities available, but the product lacks warehousing and manufacturing capabilities.

Organizations that primarily require strong financial capabilities and that aren't managing large inventories, multiple locations or manufacturing operations may find Dynamics 365 fits the bill. However, if you need enterprise-strength inventory control capabilities, Dynamics 365 is not the solution for you (at least for the foreseeable future).

Customization

The extensive customization capabilities of Dynamics NAV are well known. An international network of NAV developers has the keys to the product's codebase, opening just about every aspect of the software to customizations. There is a large pool of customizations developed by independent developers to address specific vertical industry functionality missing from the core application.

To extend Dynamics 365 for Financials, you can shop for apps on Microsoft Appsource that plug into the software and add features and functionality. The app library is growing rapidly, but remains much more limited than that of Dynamics NAV.

If your business has unique requirements not addressed by out-of-the-box software systems, Dynamics NAV provides the customization capabilities needed to deliver the functionality you need. If you are an out-of-the-box operation, consider Dynamics 365.

And the winner is?

Dynamics 365 for Financials is not a replacement to Dynamics NAV, or even a real competitor. For now, Dynamics 365 is a good fit for smaller, less complex organizations. However – and this is a big however – Microsoft is devoting extensive resources to Dynamics 365 to make it a more robust, cloud ERP solution capable of competing in the big leagues. In fact, Microsoft's roadmap for Dynamics 365 for Financials shows that they plan to include all of Dynamics NAV's capabilities in time. If your business needs true ERP today, Microsoft Dynamics NAV is your best option. We'll continue to follow developments on this topic and keep you updated.

Contact [ERPxperts SA](#) with any questions regarding Microsoft Dynamics ERP and for help selecting the ideal business management solution for your organization.