

# Statement of Direction



Microsoft Dynamics AX  
December 2014

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# Statement of direction

Welcome to the Microsoft Dynamics AX statement of direction. This document provides insight into our current development plans through the year 2016. Whether you are a new or existing customer or channel partner, this information will help you plan and get the most from your investments.

Over the past few years Microsoft Dynamics AX has evolved to be the default enterprise resource planning (ERP) choice for many organizations. Our focus on innovation and offering business value to our customers has resulted in a community that has grown to over 20,000 customers with an extensive channel partner ecosystem. New customers and partners are joining every day. We believe this success is due, in large part, to three factors:

- The dedication, industry expertise, and solutions being delivered throughout our valued ecosystem.
- Our ongoing commitment to help our customers protect their investments by continuing to optimize Microsoft Dynamics AX for the target markets.
- An industry strategy that enables the ecosystem to create the solutions customers need, and our continued investments in industry-specific capabilities.

Looking ahead, we will continue to focus on these three factors by innovating, improving, and extending Microsoft Dynamics AX in the markets we serve today while enabling new scenarios that help customers improve time-to-value as well as adopting workloads targeted to address specific business issues.

On behalf of the entire Microsoft Dynamics AX team, thank you for considering Microsoft Dynamics AX.

# Mobile-first, cloud-first world

Our product direction is greatly influenced by the world we live in. At Microsoft, we refer to a mobile-first, cloud-first world. Forrester research published in 2014 reports that 53 percent of information workers are using three or more devices in their jobs today. The illustration below, published in a research paper by IDC (2014), shows the enormous opportunity of the cloud in the coming years.

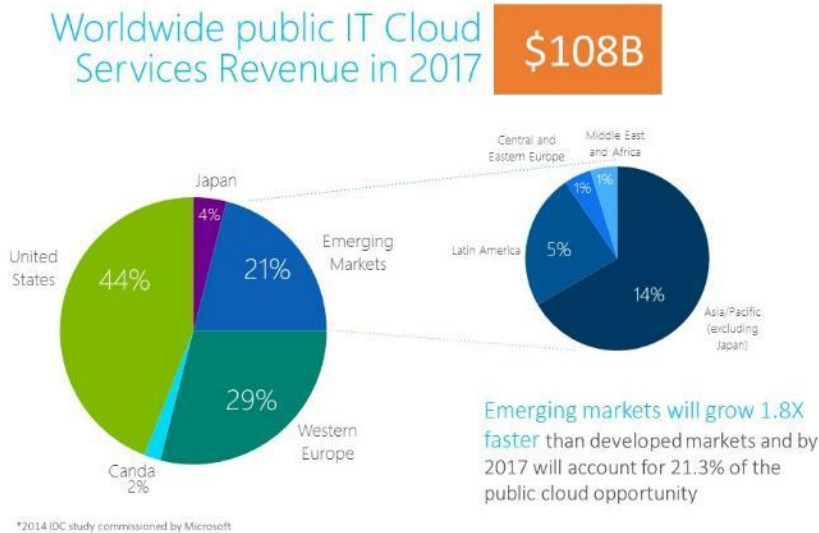


Figure 1: The cloud opportunity

These trends influence the way people communicate, consume information, and behave, from consumers shopping for their next purchase to employees making decisions on a daily basis. Nowadays a consumer commonly starts a purchase online, gets more information on the phone, and then picks the purchase up in the store. We will optimize our products and services for users' "mobility experiences," from sensors to small-screen devices to large-screen formats on plant floors.

Mobile and cloud are related: the cloud can be seen as the engine that fuels the device experience. When developing new products, we know it is paramount to take advantage of all the computing power available to the user and provide the best contextual experience. A great example is [Delta Airlines'](#) initiative to reimagine the inflight experience with mobile devices. These mobile devices provide flight attendants with service and customer information at their fingertips, empowering them to delight passengers with a personal experience.

The rise of Big Data, machine learning, and the Internet of Things allows organizations to completely rethink the way they do business today. Organizations that are able to instantly collect and transform this data and present it to people in the organization will enable new delivery and business models. For example, a large elevator manufacturer uses sensors installed in elevators to signal and predict services exactly when they are needed: not too soon, not too late.

In this rapidly changing economy, as the borders between work and private life slowly fade, Microsoft is determined to empower every individual in every organization to do more and achieve more. In the words of our CEO, Satya Nadella (2014): "We live in a mobile-first and cloud-first world. Computing is ubiquitous and experiences span devices and exhibit ambient intelligence. Our passion is to enable people to thrive in a mobile-first and cloud-first world."



# Microsoft cloud for business

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. In this rapidly changing business environment, organizations have a significant opportunity to transform customer experiences and innovate business models through new ways to take advantage of cloud services.

The pervasive usage of the cloud services in business applications offers opportunities for both business and IT. The office of the CIO has an enormous opportunity, because the cloud can contribute to the flexibility and efficiency of the organization's IT foundation and the IT organization can focus on new business initiatives.

Business expansions, such as penetration into new markets, can easily be facilitated with a hyper-scalable, global infrastructure. The IT support of new business initiatives now become operational instead of capital expenditures. More importantly, the cloud gives IT the opportunity to outsource operational tasks and focus on initiatives to grow and transform the organization. While the cloud is often seen as a disruptive technology, the organization's journey to the cloud should be the opposite. Cloud infrastructure and services can be added easily to on-premises systems, and organizations can choose and change the mix of deployment scenarios in their hybrid environment over time. For example, an organization with a multisite, single instance on-premises ERP solution is able to extend that infrastructure by adding development and test environments in the cloud. The organization might also reduce the risks by adding disaster recovery or increase agility by supporting business operations in an emerging market with a cloud environment.

The cloud computing conversation today centers on deployment to the cloud to reduce costs. But there is more to the cloud. At Microsoft, we view the cloud as an opportunity to reimagine business applications that deliver rich experiences with services, information, and capabilities from cloud and on-premises solutions in ways that are too costly or impractical today. The cloud enables a distributed workforce to be more productive and connected. The cloud also helps sales and marketing teams to find new channels and connect with new customers. Product development can rethink products and services and shift the portfolio to digital services. A retailer can include an engine for adding product recommendations to the website by bringing machine learning as a web service to structured data in the business application (read the case study of food retailer [JJ Food Services](#)).

To deliver the innovation that enables new business scenarios, we intend to extend the interoperability available today with leading business and productivity applications from Microsoft, including: Microsoft Dynamics CRM Online, Microsoft Office 365, and services from Microsoft Azure SQL Database, IoT, and Azure Machine Learning.

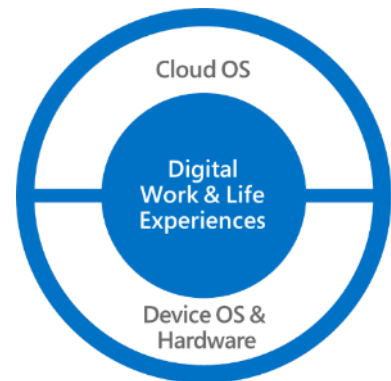


Fig 2: The company's three priorities

Our customers can experience many of the benefits of cloud computing today, including:

- Running business applications in the Microsoft cloud: Customers now have a way to focus more on supporting the business transformation through technology adoption instead of managing application infrastructure.
- Simplifying the application lifecycle: Using Microsoft Dynamics Lifecycle Services, which are available as an online service, strongly improves the predictability and quality of implementation projects and helps minimize the IT burden across the application lifecycle.
- Improving insights into the business and driving rapid business innovation by combining unstructured data through Azure Machine Learning, IoT, and BigData with structured data from the business application: Organizations that are able to collect and transform data to be used in combination with business process data can significantly improve predictions and business outcomes.
- Extending processes to mobile devices: By providing an API and documentation on how to use the Azure Service Bus for web access management (WAM) deployments, we enable our customers and channel partners to easily build their own scenarios for mobile device experiences.

The pervasive usage of the cloud can be seen throughout the Microsoft portfolio. When zooming into the Microsoft cloud for business, customers can choose from our comprehensive offering that consists of three components:

- An open and flexible **cloud platform** that supports a heterogeneous environment of apps, devices, data, and infrastructure. The hybrid cloud platform makes it easier and faster to: build, manage, and deploy apps, get insights from “all” data, and take control of the many devices and “things” in your business environment.
- A **cloud productivity** suite that delivers the services people need today to do their best work, anywhere, anytime. With a great productivity experience, this cloud suite delivers the familiar Office for all devices, along with a full range of communications and collaboration tools.
- Customer-centric **cloud business applications** in Microsoft Dynamics AX and Microsoft Dynamics CRM deliver amazing customer experiences by engaging with customers on their terms, running dynamic operations, and expanding business easily.

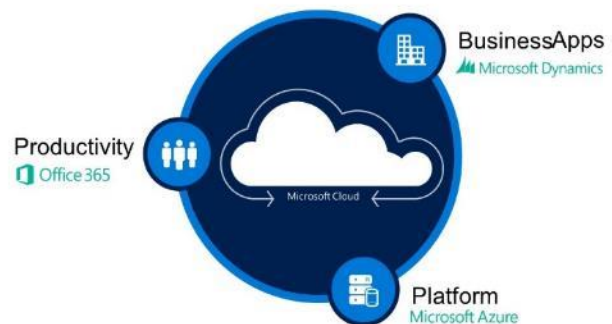


Figure 3: Microsoft Cloud for Business

# Amaze your customers

Traditionally, enterprise resource planning (ERP) applications were known for their transactional efficiency. These applications have supported core back-office business processes like finance, human resources, and procurement for years. In a world where IT drives changes in consumer and organization behavior, Microsoft strives to enable organizations to move beyond just automating business processes to creating intelligent, customer-focused business processes.

Our suite of Microsoft Dynamics products is designed to help organizations deliver an amazing customer experience. They provide intelligence to processes that support the company's earliest interactions with a customer. For instance, our newly released Modern POS (point of sale) in Microsoft Dynamics AX allows a sales associate in the store to provide a more informed service to the customer. The associate can see what the customer purchased before and any items the customer added to the shopping cart in the online store. When helping the customer choose a product, the sales associate can offer to let the buyer read customer reviews from the company's website on the associate's mobile device, all within a unified experience.

Equally important are the operational processes needed to deliver the products and services to the customer. There are many touch points between customer and organization in the (digital) supply chain process. These touch points, also referred to as Moments of Truth, have a significant impact on the total customer experience. With the fast pace of change in the industry, we believe the supply chain needs to be an integrated system to ensure that an organization has visibility into the operational process at any time and real-time availability of products and services.

Our R&D investments have therefore expanded from supporting efficient business processes in the back office to supporting operational processes that help organizations amaze customers with great experiences and deliver on the promises made through sales, service, marketing, and commerce.

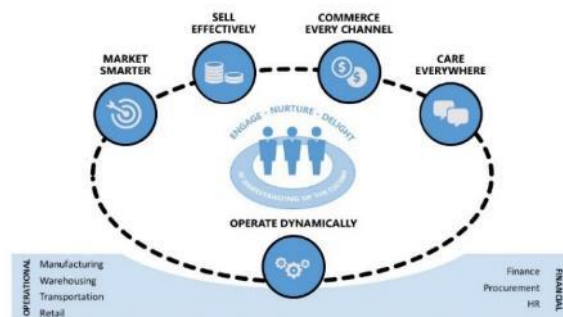


Fig 4: Deliver Amazing Customer Experiences



Fig 5: Deliver on your promises by fulfilling dynamically

# Modern user experience

A simple user experience is paramount for the adoption of IT and therefore innovation driven by people in organizations. User experiences need to be designed for the individual's tasks at hand. The RoleTailored user experience in Microsoft Dynamics AX introduced a ground-breaking way for user interactions, focused on assisting a single role to do a better job and make more informed decisions. The basis of this experience is familiarity—information workers comfortable with Windows and Office feel right at home.

However, the proliferation of devices, new form factors, and interaction paradigms have now moved to new levels, with further and deeper consumer-style expectations for adoption, consumption, and interaction. A new generation of users, not typically faced with the benefits and challenges of using traditional ERP, will be reachable with the new modern user experience in the next generation of Microsoft Dynamics AX. These users will have to be met with interactions and experiences that match their jobs, the way they work, and where they work—be it the truck driver who has to deliver shipments, the shop-floor worker who has to keep track of individual production runs, or the sales associate in a retail store who is expected to know everything about customers as they enter the store in addition to having a detailed understanding of the products being sold that extends beyond the associate's own opinion.

To accomplish this, we are introducing a new, HTML5-based user experience that will optimize for device format, method of interaction (touch vs. keyboard), and browser type, based on the experience gained with apps for Windows and Windows Phone to continuously provide highly visual, productive, and engaging user interactions.



*Figure 6: Practice Manager Dashboard in Microsoft Dynamics Business Analyzer*

The new user experience will apply social principles for communications, collaboration, and system-level interactions and notifications.

Organizations can proactively seek out and capture new levels of Big Data intelligence through sensor technologies included in products they sell and in the assets they use in operations, opening up a revolutionary new level of insights and scenarios for operational efficiencies along with new types of customer servicing and interactions. Combining this new insight with structured data in business applications and making that data easily accessible through a modern user experience will have a significant impact on productivity.



# Reinvent productivity

Building on the Microsoft Dynamics business vision, we are determined to equip our customers with the Microsoft cloud for business that helps organizations re-imagine their business and face a rapidly changing economic climate. To do that, we are enabling our customers to focus on differentiating high-value productivity scenarios along with more routine scenarios and tasks that can be continually optimized and perfected.

Domain	Description of domain capabilities
<b>Retail</b>	<ul style="list-style-type: none"> <li>• Modern POS (Point of Sale) on multiple device types and form factors</li> <li>• Assisted sales and centralized store management</li> <li>• E-commerce and social media</li> <li>• Omni-channel management and merchandising</li> <li>• Order management and fulfillment</li> <li>• Catalog management and call center</li> </ul>
<b>Sales, service and marketing</b>	<ul style="list-style-type: none"> <li>• Integration with Microsoft Dynamics CRM (online and on-premises) through the connector</li> <li>• Sales force and marketing automation</li> <li>• Lead and opportunity management</li> <li>• Sales and case management</li> <li>• Service management</li> <li>• Rebates, royalties, and trade allowance management</li> </ul>
<b>Manufacturing</b>	<ul style="list-style-type: none"> <li>• Lean, process and discrete manufacturing</li> <li>• Master planning and order promising</li> <li>• Product configuration</li> <li>• Shop floor management</li> </ul>
<b>Supply chain management</b>	<ul style="list-style-type: none"> <li>• Inventory management and demand forecasting</li> <li>• Multisite advanced warehouse management</li> <li>• Order promising</li> <li>• Distribution planning</li> <li>• Transportation management</li> <li>• Quality management</li> </ul>
<b>Procurement and sourcing</b>	<ul style="list-style-type: none"> <li>• Direct and indirect procurement</li> <li>• Purchase requisitions</li> <li>• Supplier relationship management</li> <li>• eProcurement and vendor self-service portal</li> </ul>
<b>Project accounting</b>	<ul style="list-style-type: none"> <li>• Project accounting and invoicing</li> <li>• Grants management</li> <li>• Project cost control</li> <li>• Work breakdown structure</li> <li>• Interoperability with Microsoft Project</li> </ul>
<b>Human capital management</b>	<ul style="list-style-type: none"> <li>• Core Human Resource management</li> <li>• Talent management</li> <li>• Workforce management</li> <li>• Travel and expense</li> <li>• Payroll (United States only)</li> </ul>
<b>Financial management</b>	<ul style="list-style-type: none"> <li>• General ledger</li> <li>• Accounts receivables and payables</li> <li>• Commitment accounting</li> <li>• Cash and bank management</li> <li>• Shared services and consolidation</li> <li>• Budget planning and control</li> <li>• Compliance management</li> </ul>
<b>Business intelligence and reporting</b>	<ul style="list-style-type: none"> <li>• Standard and analytical reports with Microsoft SQL Server Reporting Services</li> <li>• RoleTailored, predefined data cubes</li> <li>• Dashboard views with KPIs</li> <li>• Self-service reporting</li> </ul>

Table 1: Microsoft Dynamics AX At-a-glance



The business logic and data model currently available in Microsoft Dynamics AX 2012 is unique in the vendor landscape. The capabilities, described on the previous page, are all shipping together, fully integrated yet separately deployable. Rich pre-built industry capabilities for process, discrete and lean manufacturing, wholesale distribution, retail, public sector, and service industries alongside cross-industry capabilities including warehousing, transportation, human resources and finance are merged in a unified data model. This approach enables fast return-on-investment (ROI) and allows for innovation within businesses without being restricted by capabilities typically only available in certain industry packages.

This business logic and application data model will be the foundation for future versions. Microsoft will continue to add new capabilities that are relevant for these focus industries. In addition, the extensibility model for business partners and customers will remain a focus area.

## Composable workloads

We realize that there are many organizations around the world that will be able to benefit from the latest business applications without necessarily deploying the full set of capabilities from day one.

Traditionally, businesses have had to choose between best-of-breed solutions and application suites. The first approach presents enormous integration and usability challenges because the separate workload solutions rarely come from the same application vendor. It is this approach that has led organizations into trouble. With a landscape of hundreds of legacy systems, the best-of-breed approach leaves these organizations completely paralyzed and IT teams focused on “keeping the lights on.” Such a landscape of systems does not naturally promote a cross-channel view of the customer, nor does it provide a holistic view of the supply chain.

Suites naturally deliver integration, but cannot offer the flexibility to be deployed in phases. We are determined to continue the path we’re currently on with Microsoft Dynamics AX, and help organizations to adopt and deploy what they need, when they need it, where they need it. The flexibility, integration framework, and licensing of Microsoft Dynamics AX allows organizations to do a phased implementation today, and replace legacy systems one at the time. Future releases will provide all capabilities in a single box—fully integrated yet separately deployable.

## Service adoption and lifecycle management

Today, many organizations take advantage of the application lifecycle management capabilities in [Microsoft Dynamics Lifecycle Services](#) to drive repeatable and high-quality implementations. In future releases of Microsoft Dynamics AX, we aim to provide a simpler experience, all the way from discovery of capabilities,

exploration, trial, and purchase, to using it alongside other services from Microsoft that make up the entire Microsoft cloud for business, which includes Office 365, Microsoft Dynamics CRM, Microsoft Azure, and more. We will provide an aligned and integrated sign-up and management experience that includes elements such as guided-tours and preconfigured industry-oriented and task-oriented templates.

After appealing and relevant templates have been selected, users can be guided through initial exploration and usage, and with a rich set of telemetry capabilities, we'll be able to proactively assist users in the most relevant and contextual way should they require assistance, tips, or hints. The same set of telemetry capabilities will allow proactive health monitoring of deployments—especially relevant for private cloud deployments in customers' own datacenters.

Upon initial exploration and application of templates, customers and partners will have the full set of configuration capabilities available to them. In particular, we expect that organizations will identify areas of the business application that are critical in the enablement of driving business innovation for them and will use the full powers of the collaborative application lifecycle management to reengineer, design, document, deploy, and maintain capabilities that provide them with true business differentiation and innovation, seamlessly integrated with standard capabilities of the business application.

## Roadmap 2014 to 2016

We are committed to provide customers and partners with a predictable release cadence that helps organizations adopt and take advantage of the latest innovations quickly and frequently. This is reflected in the roadmap of both the in-market product, Microsoft Dynamics AX 2012, and the next release. We plan to have both releases in market at the same time until we have full parity between the two. Although we are committed to provide choice of deployment, support for hybrid scenarios, and a toolset that helps organizations navigate between these scenarios over time, the initial release of Microsoft Dynamics "AX 7" is planned on the Microsoft cloud only. The following sections include detailed information about the planned releases.<sup>1</sup>

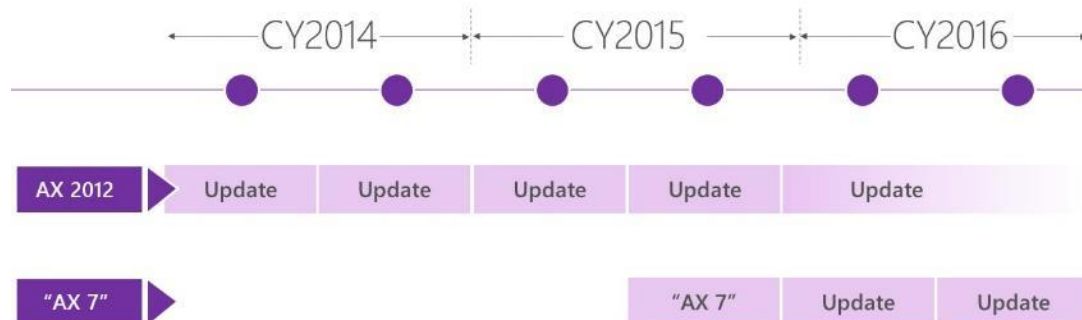


Figure 6: Roadmap 2014 to 2016

<sup>1</sup> 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.

A new update and servicing experience will support organizations to ease the adoption of enhancements and, therefore, the speed at which new technologies can be adopted. This new update experience allows for easy discoverability of the relevant enhancements in the cloud, is aware of the context of the deployment, and provides an auto-merge with custom or ISV code.

## Microsoft Dynamics AX 2012 R3 CU8

In this cumulative update, released November 2014, we continue investments in retail and supply chain to enable individuals in organizations to engage with customers on their terms across web, social, mobile, and in-store experiences and run dynamic operations that deliver on promises made to customers.

### *Retail*

Provide better in-store (and digital) customer experiences with the following:

- New Modern POS (point of sale) client for multiple tablet PCs and Windows Phone form factors providing store associates with customer and product information at their fingertips.
- Connected and disconnected mode for the Point-of-Sale through local data storage on the devices will ensure continuous system uptime. This supports both planned and unplanned offline scenarios.
- Support for hardware stations with natively integrated device peripherals such as printers, cash drawers, and barcode scanners will help to improve the speed of transactions. Multiple store associates with mobile devices can now access resources on a single shared station, lowering the cost of additional peripherals in addition to providing an alternative to costly mobile device sleeves. An enhanced payment SDK simplifies payment setup and deployment and provides additional flexibility to build solutions for the ever-evolving payment space, including payment requirements on mobile devices. In addition to the preconfigured, SharePoint-based e-commerce solution, we plan to release the publishing and check-out experiences as a set of controls, to provide our customers with the flexibility to use these with other commerce technologies.
- Simplified configuration option and store operations through Retail Essentials.

### *Supply chain management*

Run agile supply chain operations with the following:

- Enhanced Warehouse Management capabilities include support for product variants in the warehouse, partial and batch reservations, and enhanced retail-specific scenarios such as x-docking of packages and handling of retail kits, in addition to further manufacturing integration.
- In Transportation Management, we plan to include automatic order consolidation into shipments to ease the handling of large numbers of orders. Enhancements are also made to the user experience of specifically accessorial and fuel charges and shipping constraints capabilities
- Further optimization of the production planning and recurring by-products will help improve the agility of the organization.

### *Other advancements*

- Enhancing the Payroll capabilities (for the United States only) with support for retroactive pay and support for regular rate of pay and premium pay calculations.
- Including new capabilities in Human Resource Management with support for benefits accrual by hour, lump sum, or comp time; support for the Family and Medical Leave Act; and improvements to the Employee self-service portal.
- Including RFQ change management and notification, authentication of vendor account users using ACS, and simplified vendor registration in the Vendor RFQ services.
- Create vendor invoices for one-time vendors without creating a purchase order.

### *Lifecycle services*

Define processes, develop high-quality solutions, and operate at low cost. Releases of Lifecycle Services take place in a monthly rhythm. We plan to release the following capabilities in the CU8 timeframe:

- Drive predictable implementations with methodology automation. Support best-practice implementation methodologies, including Microsoft Dynamics SureStep Agile.
- Ease business process modeling through the release of documented business processes in standard Microsoft Dynamics AX (800 business processes documented), Microsoft Visio integration, artifact management, search and custom metadata, requirements gathering, and TFS online integration.
- Simplify copying system configurations between legal entities (companies) within an environment and between environments (for example, development and test) in Microsoft Dynamics AX using Data Import Export Framework entities.
- Benefit from the latest guidance at cloud speed with ongoing updates of rules in the following Microsoft Dynamics Lifecycle Services: Customization Analysis, System Diagnostics, and Upgrade Analysis Services.
- Drive down time-to-resolution when facing issues with cloud-powered support; reimagine your support experience by searching issues, entering support incidents, and spin up a copy of your installation in the Microsoft datacenters (without data and customizations) for analysis by the support engineers and consistent communication between you and the involved parties.

### *Microsoft cloud options and technology<sup>2</sup>:*

- To further automate and ease the deployment of Microsoft Dynamics AX on Microsoft Azure, we will add new types of topologies to the Azure deployment portal, including retail-specific demo and test, and high-availability scenarios.
- Continued compatibility and interoperability support for Microsoft products, including support for Visual Studio 2013, TFS online, Office 2013 SP1, SharePoint 2013 SP1, and .NET 4.5.2.

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<sup>2</sup> additional information on Microsoft Dynamics AX 2012 is available on [Microsoft.com/dynamics/ax](http://Microsoft.com/dynamics/ax), including [full system requirements](#), [product localization and language availability](#) and [what's new](#). To follow regular product news and updates, visit our [Microsoft Dynamics AX product blog](#).

# Microsoft Dynamics “AX 7”

The advancements in business logic and data model, cloud and modern apps, services and device scenarios, all lay the foundation for the next release of Microsoft Dynamics AX, code-named Microsoft Dynamics “AX 7.” With breakthrough application lifecycle management, it is designed to help organizations adopt “what you need, when you need it.” This section will provide you with an overview of the modern user experience, high-value scenarios, lifecycle management, and the development environment.

## *Modern, web-based user experience*

With this release, we plan to evolve the design principles from previous releases and introduce a context-sensitive user experience based on HTML5 client technology. This new client technology provides benefits for the business user, IT administrator, and developer.



Figure 7: Screenshots of the new user experience in Microsoft Dynamics “AX 7”

The modern user experience embraces a modern client architecture with a full web experience which will empower the mobile workforce with full capabilities of the suite and access to business data and processes anytime, anywhere.

In addition, this user experience takes the role centers, embedded BI, and forms to a new level with the introduction of Workspaces and dashboards; we bring task management directly to people with an immersive, task-specific experience including the pervasive use of visualization, analysis, and social concepts. We plan to deliver clean, simple, modern applications that fundamentally ease the completion of the user’s work and provide an experience that people will love!

Workspaces can be created for the multitude of different repeatable tasks that exist in an organization—for example, “Period End Close” (see figure 7) where the entire process of managing this repeatable task can be defined, tracked, and optimized from within the business application, where currently such tasks are normally left to external checklists and manual processes.

Depending on the user’s profile, Workspaces can be considered integrated parts of a bigger workflow or they may in fact be considered individual apps, directly accessible from the user’s desktop or device of choice. An app-host will ensure access to the native controls of the operating system and the device while providing easy access to the application. This empowers the business user to use the full capabilities of modern devices including collaboration, productivity suite, search, and so on. We will even take this further with the upcoming release of the Microsoft [Windows 10](#) client operating system. Besides the support of Windows, we also plan to release the app for iOS and Android operating systems. The new client technology eases app management and usage on devices in a bring-your-own-device (BYOD) scenario as it is designed to span across multiple devices and form factors. The client is optimized to run within the

firewall as well as outside, and is easy to deploy. It will support the latest versions of popular browsers, including Internet Explorer and Chrome. The application will recognize the device format and automatically adjust the form's density.

If an extension to the user interface is needed, the majority of these can be done in the development environment of Microsoft Dynamics "AX 7," without the need for the application developer to invest in new tools.

#### *High-value scenarios*

The business logic and data model available with the latest release of Microsoft Dynamics AX 2012 all set the stage for continued future innovation in Microsoft Dynamics "AX 7." This is an important design principle for organizations that want to develop customizations on Microsoft Dynamics AX 2012 R3 that they can use when they upgrade to Microsoft Dynamics "AX 7" in the future.

This release will also continue to provide a rich industry foundation that can be extended by partners. The extensibility capabilities in the product will still be available in Microsoft Dynamics "AX 7". In addition, we plan to ship a toolset to support ISVs with the code upgrade of their solutions. The continuation of the data model architecture helps with a relatively quick upgrade.

Organizations planning to enhance sales and marketing processes should investigate our Microsoft Dynamics CRM and Marketing offerings. We are committed to enhance the integration with Microsoft Dynamics CRM—both on-line and on-premises.

#### *Best-in-class lifecycle management*

Microsoft Dynamics Lifecycle Services (LCS) is the default application lifecycle management to design, develop, and operate Microsoft Dynamics "AX 7" regardless of deployment choice. LCS provides a smooth journey from digital discovery through trials and test drives, sign-up and provisioning, simple deployment, and seamless technology updates.

We'll offer a choice of automated deployment scenarios on Microsoft Azure including demo, development, test, high availability, and disaster recovery. Organizations will benefit from best-practice guidance incorporated in these topologies and also have the option to make changes when they want.

The set of services in LCS will expand and provide best-practice guidance, sequencing of tasks, and automation of activities to achieve a predictable and high-quality implementation.

#### *Microsoft cloud options and technology – cloud-optimized platform based on a Microsoft toolset.*

We realize that for most organizations the journey to the cloud will be an on-going, phased approach. We are committed to provide choice of deployment, support for hybrid scenarios, and a toolset that helps navigate between these scenarios over time.

Initially, we plan to release Microsoft Dynamics "AX 7" to the Microsoft cloud. In addition to the current in-market product, the new release will include sophisticated deployment tools as described under "Best-in-class lifecycle management," earlier in this statement of direction. Organizations can benefit from a private cloud solution from Microsoft and still enjoy the flexibility and richness of the full suite.

To support a hybrid cloud solution, Azure Active Directory will function as the identity broker. This provides a single identity for Microsoft online business services like Office 365, Microsoft Dynamics CRM, and Microsoft Dynamics AX.

The development experience in the release is based on the rich metadata of Microsoft Dynamics AX. Visual Studio will become the primary development environment for Microsoft Dynamics AX. Moreover, a full Microsoft .NET runtime enables seamless interoperability between X++ and other .NET languages, enhanced debugging, and improved runtime performance. Unifying the professional developer's environment in Visual Studio simplifies development with TFS integration (source control, test execution, and so on) and exposes it to an ecosystem of third-party Visual Studio productivity extensions.

## Beyond Microsoft Dynamics "AX 7"

Our investments will continue to evolve this product in a mobile-first, cloud-first world.

In addition to the full suite, we will start to release composable business applications for specific business domains and processes. These are individual services that are designed together but can be deployed independently. Organizations can implement these composable workloads to support a specific domain relatively quickly by utilizing the typical benefits of a cloud-based point solution.

This also offers customers a choice for how they consume the solution—as an integrated suite in a business or subsidiary, or "what is needed, when it's needed, where it's needed." The more services that are deployed, the more the implementation will resemble a full integrated suite. With a consistent user experience and a unified technology platform, organizations can reduce the number of legacy systems in their organization and increase the speed of business transformation—whether this is an expansion into new markets or opening a new channel to customers. The flexibility of a composable suite enables organization to grow and transform their business on their terms.

We plan to provide our customers and partners with choice and flexibility of deployment scenarios. In the future, we will add more choice of deployment scenarios. Also, customers will be able to consume products as a business service from Microsoft where we manage the services on behalf of an organization in a Microsoft datacenter.

More details on the updates to Microsoft Dynamics "AX 7" can be expected in a new Statement of Direction that is planned to be published in Q2 of calendar year 2015.

# Commitment to our customers

Our commitment to our channel partners reflects the value that they add to your business. We seek to complement that value by offering information and content through [CustomerSource](#), a web portal that provides a wealth of product information, online training, and access to the wider community of customers.

In addition, [service plans](#) from Microsoft will help you maximize the value of your solution, protect the investments, and improve the productivity of your organization. One of the benefits of our service plans is the availability of software updates and upgrades, like hotfixes, cumulative updates, tax and regulatory updates, and major releases. The plans include a 10-year [support lifecycle commitment](#) for major releases to help you control the timing of when you move to the next release and better align with your business plans and requirements.



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