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## Microsoft Touts Vertical Apps

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By Renee Boucher Ferguson

At Microsoft's Worldwide Partner Conference in Boston July 11-13, the company again is hoping to go vertical via its massive Microsoft Business Solutions partner channel to become a bigger enterprise resource planning player.

At the Worldwide Partner Conference in Minneapolis last year, the push from on high was to create a sea change within the MBS partner channel, prodding partners through new programs such as IBI, or the Industry Builder initiative, to develop more vertically oriented applications and align sales around "classic" Microsoft technologies from .Net to Visual Studio.

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\_Gil sprayed the office with something he made. Something he calls "Instant Flexibility." Smells weird.

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Microsoft again is evangelizing IBI, announcing on July 10 four new partners—Atos Origin, Infonizer, TXT e-Solutions and WellPoint Systems—and their industry-specific modules developed under the IBI umbrella.

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Microsoft CEO Steve Ballmer will host a kickoff event July 10 for Dynamics AX (formerly Microsoft Axapta) 4.0, whose partners are part of IBI. Also on July 10, Microsoft will announce a new pricing structure, Business Ready Licensing, that vastly simplifies software licensing for channel partners and their customers.

[Click here](#) to read more about Dynamics AX 4.

Business Ready Licensing scraps the concept of buying ERP software based on modules and instead charges for the number of concurrent users actually using the software. At the same time, the new licensing structure homes in on three areas of common functionality.

Microsoft Dynamics Business Essentials Edition is designed for companies that need core financial management and trade software. Microsoft Dynamics Advanced Management Edition is geared toward customers who need complex, highly functional financial and accounting software to manage supply chain, manufacturing and project accounting needs, with business intelligence and reporting capabilities.

Lastly, Microsoft Dynamics Advanced Management Enterprise extends the Advanced Management Edition with more supply chain management functionality, field service, configuration, manufacturing

and development capabilities on a flat-fee basis.

The announcements are all part of Microsoft's efforts to bring together its fragmented partner channel and better compete with SAP and Oracle in the hotly contested midmarket and enterprise ERP market with more vertical functionality.

The efforts, at least for IBI partners, are paying off.

"Some partners feel hurt in their revenue [with a shift toward verticalization], but it is just a protective measure," said Aad De Jong, vice president of product management at To-Increase BV, a Veenendaal, Netherlands, ISV and early IBI partner. "You have to look outside the door, where competitors like Oracle and SAP are laughing their heads off if we don't come up with solutions like this. I'm very happy Microsoft did this. It's the only way to survive."

What IBI provides for ISVs and VARs is a methodology for selling software that's more in line with Microsoft's overall directive: technology purchases based on business processes and roles rather than on specific technologies such as supply chain management—an approach that helps partners pair Dynamics applications with Microsoft's classic products.

The program offers partners a number of Microsoft services, such as marketing support and lead generation. It also offers customers support for third-party applications—a key differentiator, given Microsoft's reliance on channel partners to sell MBS applications.

"An Industry Builder approach disbands all the fear that the SAP and Oracles of the world put out here that customers are going through a bit of Russian roulette to independently contract with multiple vendors with multiple integrations," said Todd Sterrenberg, vice president of channels at Manhattan Associates, a Microsoft IBI partner, in Atlanta. "IBI dispels some of the risks that SAP or Oracle might want to put into the value proposition that Microsoft is pulling together."

But it's not all smooth sailing from a Microsoft perspective. Even though IBI was announced last year, to date, only one of the five MBS Dynamics suites—Dynamics AX—has joined the program. On the fence are Dynamics GP (formerly Microsoft Great Plains), Dynamics SL (formerly Microsoft Solomon), Dynamics NAV (formerly Microsoft Navision) and Dynamics CRM (customer relationship management).

That could change any day, according to Mark Jenson, general manager of Dynamics AX.

"IBI is still something that the other product lines are contemplating," said Jenson in Redmond, Wash. "GP targets enterprise, so it would be logical for that to happen, whereas a product like SL isn't targeted as aggressively in the midmarket."

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