

## Compare Microsoft Dynamics 365 Business Central and Oracle NetSuite:

## A Guide for C-Level Executives





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## Introduction

Selecting the right Enterprise Resource Planning (ERP) system for your company is one of your most important business decisions. Your ERP doesn't just manage your finances; it touches virtually every department, from the warehouse to sales.

Two popular cloud-based ERP solutions— Microsoft Dynamics 365 Business Central and Oracle NetSuite—are leading choices among growing small and mid-sized businesses (SMBs). Both applications can handle much larger enterprises than the typical definition of an SMB.

While Business Central and NetSuite offer equivalent capabilities, they have significant architectural differences. This guide compares key factors such as pricing, scalability, deployment options, customization, user capacity, and feature sets to help executives decide when choosing between these two applications as their next ERP.

## Overview of Microsoft Dynamics 365 Business Central and Oracle NetSuite

**Microsoft Dynamics 365 Business Central** (**D365 BC**) is part of the Microsoft Dynamics 365 suite of products and offers a comprehensive ERP solution for SMBs. Built on Microsoft's Azure platform, it integrates natively with the Microsoft ecosystem (e.g., Office 365, Power Platform, and Azure AI tools), making it a compelling choice for companies already invested in Microsoft technologies.

**Oracle NetSuite** is a cloud-native ERP solution designed for SMBs. As the name implies, NetSuite is an integrated suite of separate applications that includes financials, customer relationship management (CRM), eCommerce, human capital management (HCM), and more. It targets fastgrowing companies and subsidiaries of large enterprises looking to streamline operations and gain real-time visibility.



## Pricing

#### Microsoft Dynamics 365 Business Central:

- Pricing Model: Tiered licensing with Essentials and Premium editions.
  - Essentials: \$70/user/month.
  - Premium: \$100/user/month (includes manufacturing and service management).
  - Team Member License: \$8/user/month for light users.
- **Implementation Costs:** Generally lower than NetSuite; however, all ERP implementations vary based on user requirements and the complexity of the project.

#### Oracle NetSuite:

- Pricing Model: Subscription-based, with a base license fee plus per-user fees.
- **Typical Costs:** Typically starting around \$999/month for the base license, with user fees of \$99/user/ month.
- **Add-Ons:** Additional modules (for example, CRM, WMS, HCM, eCommerce, advanced financials, and third-party apps) come at extra costs.
- Implementation Costs: Can be high depending on the complexity of the project.

**Verdict:** Business Central typically offers more transparent and affordable pricing, particularly for SMBs with standard ERP needs.

## **Scalability**

#### Microsoft Dynamics 365 Business Central:

- Scales well from SMB to large enterprises.
- Includes comprehensive multi-entity, subsidiary, and intercompany consolidation capabilities.
- Integrates seamlessly with Microsoft 365 (Word, Excel, Outlook, Teams, etc.), Microsoft Power Platform, and Microsoft Azure tools.

#### **Oracle NetSuite:**

- Can scale from small businesses to large enterprises.
- Supports multiple subsidiaries, currencies, and tax requirements.
- Robust multi-entity and intercompany consolidation features.

**Verdict:** NetSuite comes with capabilities for multinational operations, although Business Central offers equivalent functionality with the use of add-on applications. Business Central excels within growing mid-sized companies because of its ease of use and integration with other Microsoft technologies.

## **Cloud vs. on-premises deployment**

#### Microsoft Dynamics 365 Business Central:

- Available both as a cloud-hosted and on-premises solution.
- On-premises implementations are supported for regulated industries or firms with specific IT requirements.
- The cloud (SaaS) version receives frequent updates and tightly integrates with Microsoft 365 and Azure services.

#### Oracle NetSuite:

- Fully cloud-native; no on-premises deployment option.
- Automatic updates and patches are handled by Oracle.



**Verdict:** Business Central offers more deployment flexibility, which is important for businesses with regulatory or data sovereignty needs.

## Tenancy

In cloud applications, multitenancy means all customers share the same software and infrastructure and receive automatic updates; however, their data is logically isolated from the other "tenants." A single-tenant model means that each customer has dedicated hardware and control.

#### Microsoft Dynamics 365 Business Central:

 Microsoft Dynamics 365 Business Central supports single-tenant and multitenant deployments, with single-tenant being the default deployment architecture. The on-premises version suits regulated industries or firms with specific IT requirements.

#### **Oracle NetSuite:**

- Oracle NetSuite describes itself as "a multitenant, vendor-managed cloud solution with endless room to support growth."
- Oracle NetSuite's multitenant architecture can be a limitation at larger scale. High transaction volume might require a higher "service tier," which might involve a substantial price increase.
- Multitenancy does not work for companies when that option is prohibited by regulatory compliance or business requirements.

**Verdict:** Again, Business Central offers more deployment flexibility. Choosing NetSuite might cost more if a single-tenant implementation is required.

## **Customization and extensibility**

#### Microsoft Dynamics 365 Business Central:

- Customizable through AL language extensions and the Power Platform (Power Automate, Power BI, Power Apps).
- Native integration with other Microsoft services.
- Strong debugging capabilities, including Visual Studio's Code Debugger, snapshot debugging, event recorder, and Azure telemetry tools. Business Central even allows custom or third-party solutions to be debugged.

#### Oracle NetSuite:

- Customizable using SuiteScript (JavaScript-based), SuiteFlow, and SuiteBuilder.
- Debugging tools are limited to the integrated development environment (IDE) and log files.
- Customizations might require specialized development skills.

**Verdict:** Both ERPs are highly customizable, from simple drag-and-drop tools to sophisticated eventbased customizations for unique business requirements. However, Business Central provides a more accessible and integrated development and debugging environment for most companies, especially those already using Microsoft products and tools.



## Third-party app marketplaces

Oracle Microsoft Business Central and NetSuite both offer third-party applications developed by Independent Software Vendors (ISVs) through marketplaces. In fact, all ERP vendors rely on third parties to provide "last mile" services to solve specific industry solutions, such as credit card acceptance, EDI, eCommerce connectors, etc.

- <u>Microsoft AppSource (Business Central)</u>: Hosts a vast library of over 6500 extensions and industry-specific apps. Seamless integration with the Microsoft ecosystem (Azure, Microsoft 365, and Power Platform) enhances extensibility.
- <u>SuiteApp Marketplace (NetSuite)</u>: Offers approximately 700 third-party applications for NetSuite developed by Independent Software Vendor (ISV) partners.

**Verdict:** Microsoft Dynamics 365 Business Central has nearly ten times as many third-party add-on product options for industry-specific solutions as Oracle NetSuite.

## Number of users and licensing flexibility

#### Microsoft Dynamics 365 Business Central:

- Scales from one to thousands of users.
- Flexible licensing with team member options for occasional or light users.
- Seamless integration with Microsoft Azure Active Directory for access control.

#### **Oracle NetSuite:**

- Scales from one to thousands of users.
- All users, including light users, typically require full licenses.

Verdict: Business Central offers better cost-efficiency for businesses with a mix of user types.

## **Feature comparison**

#### Microsoft Dynamics 365 Business Central:

- Comes with comprehensive financial capabilities.
- Premium edition includes inventory, project, manufacturing, and service management.
- Microsoft Copilot AI capabilities in Business Central are more mature than the AI capabilities available in Oracle NetSuite.

#### **Oracle NetSuite:**

- Comes with comprehensive financial capabilities.
- Includes inventory and project management, but manufacturing and service management require the purchase of additional modules.
- NetSuite also offers native integration with its CRM, eCommerce, and HCM applications; however, these applications are sold separately.

**Verdict:** Although they don't offer the same features and functions, they provide equivalent features and capabilities. Microsoft has more mature, integrated AI capabilities throughout all its products than Oracle.

### **Ecosystem and vendor support**

#### Microsoft Dynamics 365 Business Central:

- Expansive Microsoft partner network
- Active community of developers and ISVs
- Deep documentation and learning resources are available via Microsoft Learn

#### **Oracle NetSuite:**

- Large ecosystem of certified partners and consultants
- Strong global support infrastructure
- Support tiers are available based on subscription level

Verdict: Both ecosystems are strong, but Microsoft's partner and support ecosystem is broader due to its dominance across various software categories.



## Implementation time and complexity

Implementation time for both Business Central and NetSuite is highly dependent on the complexity of the project and the need for custom development. In most cases, both applications will take between four to twelve months to complete the project. Check with your partner(s) for a firm estimate of time.

**Verdict:** Verdict: Implementation times for both products are variable but generally take less than 12 months to complete.

## Security

Both applications offer comparable security features, including identity access management (IAM), role-based access control (RBAC), mult-factor authentication (MFA), single sign-on (SSO), and data encryption. Both support multiple security options, including SOC 1, 2, and 3, GDPR, HIPAA, and more.

#### Microsoft Dynamics 365 Business Central:

- Offers enterprise-level security when running on the Microsoft Azure cloud platform, including centralized identity management and user administration across multiple applications with EntralD (formerly Azure Active Directory).
- <u>Microsoft</u> promises a Service Level (uptime) of 99.9% for online services on Azure.
- Business Central and Microsoft 365 can share a common Azure tenant to administer and assign licenses.

#### **Oracle NetSuite:**

- Runs exclusively on the Oracle Cloud Infrastructure (OCI), which provides enterprise-level security features, including failover support, backup and recovery, intrusion detection, and more.
- NetSuite promises a Service Level (uptime) of 99.7%.
- Although NetSuite runs on OCI, it does not share administration with other Oracle products or services.

Verdict: Both NetSuite on OCI and Business Central on Azure offer comparable security features in both the application itself and the platform on which it is implemented. However, Business Central on Azure allows users to administer licenses across all their Microsoft cloud products using EntralD.

## 6 Questions to ask your NetSuite vendor

Before buying NetSuite, make sure you get answers to the following questions. They are good questions to ask your software vendor no matter who you purchase your ERP from. However, these questions are particularly suited for customers considering a purchase of Oracle NetSuite based on comments from former NetSuite users.

#### How do I export my data?

Why ask: NetSuite limits users to CSV files for most data exports.
Why this is important: Users should be able to export their ERP database in a relational format if they decide to migrate to another ERP.
What to look out for: Make sure the vendor shows you how to export data—
YOUR data, not a pre-canned demonstration—from the ERP application.

#### What are Service Tiers?

Why ask: Besides monthly fees, NetSuite charges extra if users move to higher service tiers based on transaction volume, disk usage, number of users, etc.Why this is important: Service tiers can be prohibitively expensive as users move to higher tiers.

What to look out for: Make sure you understand what service tiers are, which service tier you are in, and the costs if you are forced to move into a higher tier.

#### What happens to my monthly cost when I renew?

**Why ask:** NetSuite frequently offers significant discounts on the initial contract to lure a company to sign.

**Why this is important:** Once the contract is signed, subsequent renewals often jump by a large percentage each year.

What to look out for: Make sure you read the fine print and understand the total cost you are obligated to pay each year when the contract renews. Also, know how much the fee can increase with each renewal.

## What reporting capabilities and dashboards are available, and how easy can I customize them?

**Why ask:** NetSuite has many beautiful reports. However, modifying them to fit your business needs is not always that simple.

Why this is important: If reports and dashboards cannot be easily modified, the application's value for decision-makers will be limited.

What to look out for: If you have specific business report requirements, make sure your vendor walks you through the steps required to create them in the application.

#### Does the demonstration address our requirements?

Why ask: All ERP vendors, not just NetSuite, like to show off their product's features. But you have to ask: Will we actually use this feature?
Why this is important: Bells and whistles make the demo look great, but seeing the functionality you need demonstrated first is more important.
What to look out for: Provide a list of the features and functions you require the

vendor to demonstrate beforehand to ensure the software meets your needs.

## How much is your support, and what are your service commitments for each level of support?

**Why ask:** You will always want to have some level of support for your ERP investment, regardless of vendor.

Why this is important: Even some of the most ardent NetSuite fans complain about the company's support. G2 reviewers favored Business Central's support over NetSuite's. From G2: "...Responsive customer support is crucial for resolving issues quickly, making Dynamics 365 a more reliable choice for ongoing assistance [vs. NetSuite]."

What to look out for: Make sure you understand the costs associated with ongoing support, what that support includes, and the guaranteed response times you can expect with that support.

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### Making the right choice

For executives evaluating ERP solutions, the decision between Microsoft Dynamics 365 Business Central and Oracle NetSuite should be based on strategic priorities, internal IT capabilities, budget, and growth trajectory. Both platforms are leaders in the cloud ERP space, and with the right implementation partner, either can provide transformative value. As with any enterprise system, the key lies in aligning the ERP capabilities with your business strategy.

# Let us show you what Business Central can do for your business

Need help navigating your ERP journey? ArcherPoint has decades of experience implementing Dynamics 365 Business Central across industries. <u>Contact us</u> today to discuss your unique business requirements and see how we can accelerate your transformation with the right ERP solution.