



# MICROSOFT DYNAMICS 365 **BUSINESS CENTRAL**

Guide to Functions



## Welcome to Dynamics 365 Business Central

Are you struggling to manage your growing business across finance, sales, service, and operations teams? Over the last decade, the way we work, where work is done, and business models have change exponentially. Now is the time to move to the cloud and get the right solutions in place to empower your people to deliver more value to your customers-no matter where they are working from. This quick-start guide provides a high-level overview of the capabilities within Microsoft Dynamics 365 Business Central.

The guidance here will allow you to assess your business's unique nuances and identify the next steps to selecting a comprehensive business management solution. Business Central provides the collaborative capabilities needed to connect your teams using a single solution, so everyone across the organization is empowered to adapt faster, work smarter, and perform better.

## Financials

Accelerate financial close, improve forecasting, and get real-time performance metrics while fostering compliance and security across subsidiaries.

## General ledger

Set up companies and post to the general ledger through general journals. Use features for VAT and sales tax, recurring journals, and background posting of journals.

Posting and reporting can be done in one additional reporting currency. Use built-in reports, customized reports (both RDCL and Word), and easily refresh data in Microsoft Excel, and Power BI reports and charts.

View and edit the data in most general ledger pages using Microsoft Excel.

## Deferrals

Set up deferral templates that automate the process of deferring revenues and expenses based on a schedule. Recognize revenues and expenses in periods other than the period in which the transaction is posted.

## Budgets

Track business progress using budgets in the general ledger. Use budgets in financial reports, user-defined analysis in account schedules, or in data sent to Power BI for data sharing and analysis.

Import budget information to and from Microsoft Excel for enhanced calculation capabilities when you prepare budgets.



## Dimensions

Use unlimited dimensions in transactions in all ledgers for important parts of your business, such as departments, projects, sales channel, and geographical areas. Set up rules for how to combine dimensions and dimension values.

Control the use of dimensions and increase the reliability of output based on dimensions. Assign default dimensions values to master data such as general ledger accounts, customers, vendors, fixed assets, resources, and items. Set up rules to prioritize the use of default values.

Use data from dimensions in reports for filtering, account schedules to analyze your general ledger, and in data sent to Power BI.

## Multiple currencies

Conduct business with customers and vendors in any number of currencies. Use multiple currencies on sales and purchase documents, bank transactions, and payables and receivables payments. Store currency details for transactions in receivables, while payables are stored in local and foreign currencies. Adjust currency values in local and foreign currencies for unrealized gains and losses to keep aging reports correct for receivables and payables.

## Cost accounting

Gain insight into costs through the visibility of actual and budgeted costs of operations, departments, products, and projects. Combine base data in general ledger transactions with dimensions with known future costs and define a hierarchy of cost centers and cost objects. Allocate costs using allocation runs with different allocation keys and methods.

Analyze general ledger actuals and budgets in user defined scenarios. Explore the scenarios to gain insight into the business that are not immediately reflected in your chart of accounts.





## Financials: Multi-site capabilities

### Cash flow forecast

Predict how your company's liquidity will evolve over time. Forecast expected cash receipts and disbursements plus available liquid funds.

Create basic cash flow forecasts that can be extended and adjusted. Use an assisted setup guide to complete tasks and take advantage of automatic daily or weekly data updates. Include data from jobs and taxes as sources for the cash flow forecast. Use Azure ML capabilities to generate cash flow predictions using Business Central data.

### Bank account reconciliation

Import bank statement data from electronic files sent from you bank in ISO20022/SEPA format or other file types. Reconcile bank statement data automatically to open bank account ledger entries and keep track of all bank statements.

Filter bank statement information to view only the transactions that need attention. Summarize outstanding bank information and drill-down to the details of each bank transaction.

### Bank account management

Create, operate, and manage multiple bank accounts for diverse business needs and different currencies.

### Electronic payments and direct debits

Create payment proposals based on vendor documents and generate bank payment files in ISO20022/SEPA format. Or use the AMC Banking Service to generate electronic payment files in the format your bank requires. Create direct debit collections for a bank direct debit file in ISO20022/SEPA format.

## Easy payment process for your customers

Provide efficient payments submissions to your customers by adding online payment services links to invoices in Business Central (online version only).

Use the PayPal extension for access to a trustworthy global payment service that offers multiple ways to accept payments, including credit card processing and PayPal accounts.

## Reconciliation of incoming and outgoing bank transactions

Import bank transaction data from electronic files sent from your bank in ISO20022/SEPA format or other file types. Apply transactions automatically to open customer and vendor ledger entries and create your own matching rules. Review proposed applications and account matches. Change the algorithm behind the record matching by modifying, removing, or adding rules.

Reconcile bank payments from the Payment Reconciliation Journal in one step, and in one place.

## Check writing

Print checks as automated electronic checks or to write them manual, both with flexible options for voiding, reprinting, using check forms with preprinted stubs, and testing before printing. Consolidate payments to a vendor in a single check.





## Reporting and data analysis

Small and mid-sized companies rely on built-in analytics and reporting that they can use out-of-the-box to help keep track of their business. Business Central supports common business processes and more complex processes for such organizations. Each of these processes comes with reports and analytics tools, and you can also do ad-hoc analysis directly from your Home page.

## Financial reporting (Accounts schedules)

Use account schedules as a powerful financial reporting tool. Accountants and controllers can include essential business data from the chart of accounts, budgets, cash flow accounts and cost types in financial reports.

Use the data to efficiently monitor the health of the business and provide valuable input for business decision makers. Define row and column layouts and combinations to generate the report you need. Calculate totals and sub-totals and control the print output, for example, to compare current and historical budget figures.

## Sales

Empower your sales team to take better care of customers by establishing best practices using familiar productivity tools to managing the entire sales process from within Microsoft Outlook.

## Contact management

Maintain an overview of your contacts and personalize your approach to each one. Record contact information for all business relationships, and specify the individual people related to each contact. Be alerted if you enter duplicate contact information. Get a precise view of prospects and customers by categorizing your contacts based on weighted profiling questions (assign the weights of two questions to identify the value of a third question).

Divide customers into ABC segments and rate results to target contacts for campaigns. Easily create quotes for prospects and send sales documents for specific contacts.

## Interaction and document management

Record interactions that you have with your contacts, such as telephone calls, meetings, or letters, and attach documents such as Word, Excel, or TXT files. Automatically log other interactions, such as the sales orders and quotes that you exchange contacts, and revisit them if needed.

## Campaign management

Organize campaigns for segments of your contacts that you define based on reusable criteria, such as sales, contact profiles, and interactions, and reuse existing segments. Send documents to people of different nationalities in their native language by using Campaign Management with Interaction/Document Management.

## Email logging for Microsoft Exchange Server

Log all inbound and outbound email messages sent through Business Central or Microsoft Outlook®. Logging can be manual, or automated. Use a server based solution with Microsoft Exchange Server to keep email messages in their native environment and ease administration.

## Opportunity management

Keep track of sales opportunities. Section your sales processes into different stages to get an overview of and manage your sales opportunities.





## Better together with Microsoft Dynamics 365 Sales

Enable integration between Dynamics 365 Business Central and Sales for a more efficient lead-to-cash process. Empower users to make more informed decisions without switching products. Gain efficiency by ensuring tight integration between accounts and customers and adding cross-product features for the lead-to-cash flow.

Use the assisted setup guide connect Business Central with corresponding records in Sales.

Work with prices in currencies that differ from the local currency, using the coupling of the sales price list record in Business Central with the price list in Sales.

Check for available product inventory directly from Sales and synchronize sales orders to Business Central for fulfillment, invoicing and payments

### Sales: Delivery management

#### Sales order management

Manage quotes, blanket orders, and order processes. Create partial shipments, ship and invoice separately, create prepayment invoices for the sales order, and use quotes and blanket orders.

#### Sales invoicing

Set up, post, and print customer invoices and sales credit memos.

## Sales line pricing and discounting

Manage flexible item price and discount structures that differentiate between special agreements with customers and groups and are conditioned by parameters such as minimum quantity, unit of measure, currency, item variant, and time period.

Offer the lowest price on sales lines when the sales order meets the conditions you specify on for sales prices. Update the price agreements by using the sales price worksheet.

## Campaign pricing

Connect prices and line discounts to sales campaigns to give special pricing and discounts to customers and contacts in campaign segments. Specify periods for which prices are valid. Apply campaign pricing and discounts to sales and service orders.

## Alternative shipping addresses

Set up multiple ship-to addresses for customers who receive goods at more than one site. The person creating a sales order or invoice can specify exactly where to send it.

## Sales return order management

Create return orders to compensate customers who received incorrect or damaged items. Then receive returned items and link to a replacement sales order. Create a partial return receipt or combine return receipts on one credit memo.

## Bulk invoicing from Microsoft Bookings

For companies using Microsoft Bookings in Office 365, it's possible to do bulk invoicing. The Un-invoiced Bookings page in Microsoft Dynamics Business Central provides a list of the company's completed bookings. In this page you can quickly select the bookings you want to invoice and create draft invoices for the services provided.

## Sales invoice discounts

Calculate invoice discounts automatically. Set up any number of invoice discount terms, including a certain minimum amount, discount percentage, and/or a service charge. The discount is calculated on the individual item lines and becomes part of the net sum of the invoice. Calculations can be done in both local and foreign currencies.





## Supply chain management

Deliver products on time and adapt to changing business models with visibility across purchasing, manufacturing, inventory, and warehouses.

## Purchase invoicing

Set up, post, and print purchase invoices and purchase credit memos.

## Purchase order management 🌈

Manage quotes, blanket orders, and purchase order processes. Creating a purchase order differs from creating a purchase invoice directly. The quantity available is adjusted as soon as an amount is entered on a purchase order line, but it is not affected by a purchase invoice until it is posted. Easily manage partial receipts, receive and invoice separately and create prepayment invoices for the purchase order, use quotes and blanket orders in the purchase phase. Quotes and blanket orders do not affect inventory figures.

## Alternative vendors

Manage purchase of the same item from different vendors. Set up alternative vendors for items, specify typical lead times, and record price and discount agreements with each vendor.

## Purchase return order management

Create a purchase return order in order to compensate your own company for wrong or damaged items. Items can then be picked from the purchase return order. You can set up partial return shipments or combine return shipments in one credit memo and link purchase return orders with replacement purchase orders.

## Purchase invoice discounts

Calculate invoice discounts automatically. The discount can differ from vendor to vendor with different minimum amounts (also in different currencies) and different rates, depending on the size of the invoice. The discount is calculated on the individual item lines and becomes part of the net sum of the invoice.

## Vendor catalog

Offer items to customers that are not part of regular inventory, but can be ordered from vendors or manufacturers on a one-off basis. Register these items as non-stock items but treat them like regular items.

## Purchase line discounting

Manage multiple item negotiated purchase price discounts as based on such parameters as minimum quantity, unit of measure, currency, item variant and time period. The best unit cost, as based on the highest discount, is calculated for the purchase line when the order details meet the conditions specified in the purchase line discounts table.

## Alternative order addresses

Set up multiple addresses to manage orders from vendors who have more than one shipping site. These additional locations can then be selected by the purchasing agent when creating a purchase order or invoice.

## Supply chain management: Inventory control

### Inventory management

Set up stock items and specify properties such as unit of measure, costing method, inventory posting group, and unit cost and price. Post item transactions, such as sales, purchase, and negative and positive adjustments from item journals. Store quantity and cost records of posted transactions in the inventory ledger, and use it as the basis for valuation and other costing calculations.

Set up non-inventory and services in the same way as stock items and use them in sales, purchase, or consumption transactions, but without need to keep track of stock and costing.

### Multiple locations

Manage inventory in multiple locations, such as production plants, distribution centers, warehouses, show rooms, retail outlets, and service cars. Inventory on each location can have its own location-specific financial dimensions or posting rules. Enable CFO or financial leaders to get information about inventory using financial reporting.

### Stock-keeping units

Manage stock-keeping units (SKUs). Identical items with the same item number can be stored in different locations and managed individually at each location. Add cost prices, replenishment, manufacturing information, and so on, based on the location.





## Item categories

Group items in a hierarchy and define custom categories that include specific attributes.

## Item attributes

Add custom data, such as color, country of manufacture, size, or product dimensions, to applicable items, to supplement built-in global item fields. Use Azure AI to let Business Central analyze images of your items and automatically suggest attributes.

Define types of attribute options, including list and text, and integer and decimal that can include units of measure. Translate attribute names and options to multiple languages.

Block attributes or attribute options from being used, if for example, they no longer are applicable.

## Item tracking

Manage and track serial and lot numbers. Assign serial or lot numbers manually or automatically, receive and ship multiple quantities with serial or lot numbers from a single order line entry.

Use the additional customizable item tracking dimension to keep track of simple WMS packages or pallets.

## Item variants

Item variants are a great way to keep your list of items under control, especially if you have a large number of items that are almost identical—for example, when they vary only in color. Rather than setting up each variant as a separate item, you can set up one item and then specify the various colors as variants of the item. Variants are supported in all areas of product including manufacturing and planning, unlocking scenarios in industries where for example, inventory is tracked by revision.

## Location transfers

Track inventory as it moves from one location to another. Account for the value of inventory in transit and at various locations.

## Shipping agents

Set up multiple shipping agents (for example, UPS, DHL, external carriers, or your own carrier) and relate their services (express, overnight, standard) with shipping time. Associate default shipping agents and their services with individual customers or specify those details on sales orders and transfer orders to improve accuracy of order promising.

## Calendars

Set up calendars with working and non-working days. Assign a base calendar to customers, vendors, locations, companies, shipping agent services, and the service management setup and make changes when needed. Use calendar entries in date calculations on sales, purchase, transfer, production, and service orders, and the requisition and planning worksheets.

## Item charges

Manage item charges. Include the value of additional costs such as freight or insurance in the unit cost or unit price of an item.

## Item references

Identify the items a customer is ordering based on item numbers other than your own. Store and easily access cross-reference information from customers, vendors, and manufacturers, as well as generic numbers, universal product codes (UPCs), and European article numbers (EANs).

## Item substitutions

Link items that have the same or similar characteristics to suggest alternatives for out-of-stock items on orders. Provide extra service to customers by offering lower cost alternatives.

## Item budgets

Define sales and purchase budgets on the customer, vendor, and item levels. Prepare and record a sales budget that can serve as input to decision makers in operational areas such as purchasing and logistics. Get information about expected demand and use it in business discussions with customers.

Finalize budgets and track the actual sales performance by calculating the variance. Export budget figures to Excel for flexible calculations in the budgeting process.

## Analysis reports

Provide decision makers with insightful details that inform day-to-day decisions regarding sales, purchases, and product portfolio management. Build on item entries to provide customizable analytics that let you add and combine analysis objects, such as customers, items, and vendors, according to your needs.

## Cycle counting

Manage cycle counting to verify inventory record data used to maintain and increase inventory accuracy. You can set up cycle counting on the item or SKU level





## Supply Chain Management: Planning and availability

### Supply planning

Plan material requirements based on demand with support for master production scheduling and materials requirements planning. Generate optimal suggestions for replenishing inventory transfers based on the item's current and future demand and availability, as well as a variety of planning parameters, such as minimum and maximum quantities and reorder quantities.

Use automatic orders for assembly, purchase, production, and transfers, and action messages to balance supply and demand. Use time buckets when planning material requirements.

### Sales and inventory forecasting

Get deep insight into potential sales and a clear overview of expected stock-outs by using the Sales and Inventory Forecast extension. Leverage its built-in Azure AI capabilities to generate reliable forecasts that make it easier to manage replenishment.

### Demand forecasting

Manage demand forecasting based on items. Input demand (sales) forecasts for products and components in a more convenient way (daily, monthly, quarterly). Create production and purchase orders that consider the demand forecast, available inventory, and plan requirements.

### Order planning

Plan supply for all types of demand on individual orders using a simple supply planning tool.

### Calculate availability on the fly

Once quantity is entered in any type of order: purchase, sales, production or transfer, the system immediately updates the availability information, notifying the user who enters the order about current and future situation. Be fully equipped with information about inventory availability by date, event, variant, location, even bill of material and unit of measure.



## Drop shipments

Handle orders that ship directly from the vendor to the customer without having to physically stock items in your inventory. Keep track of order costs and profit. Link sales orders to purchase orders to control the sequence of posting tasks.

## Project management

Ensure successful project execution and profitability with planning, resourcing, tracking, costing, billing, accounting, and real-time intelligence.

## Basic resources

Keep track of resources and prices. Register and sell resources, combine related resources into one resource group, or track individual resources. Divide resources into labor and equipment and allocate resources to a specific job in a time schedule.

## Capacity management

Plan capacity and sales and manage usage statistics and the profitability of resources. Create your plan in a calendar system with the required level of detail and for the period you need. Monitor resource usage and get a complete overview of resource capacity including availability and planned costs on orders and quotes.

## Jobs:

Track usage on jobs and data for invoicing the customer. Manage fixed-price jobs and time-and-materials jobs:

- Create a plan for a job with multiple tasks and task groupings. Each task can have a budget and can be done for whatever period you need.
- Copy a budget from one job to another and set up a job-specific price list for item and resource charges and general ledger account expenses for the customer.
- View suggested WIP and recognition postings for a job.
- Plan and invoice job in multiple currencies.
- Use the Job Quote report to quickly email a customer the price for a project.
- Split work between project managers, who create plan for job, warehouse workers who deal with picking inventory for jobs and staff performing the work.

## Multiple costs

Manage alternative costs for resources and resource groups. Costs can be fixed, percentage based, or an additional fixed charge. Define as many work types as you need

## Service management

Deliver better service experiences with planning, dispatching, and service contract management.

## Planning and dispatching

Assign personnel to work orders and log details such as work order handling and work order status. For dispatching, manage service personnel and field technician information, and filter according to availability, skills, and stock items. Gain an overview of service task prioritization, service loads, and task escalations

## Service item management

Record and keep track of all your service items, including contract information, component management, and BOM reference and warranty information. Use the Trendscape Analysis feature to view key performance indicators for service items during various periods.

## Time sheet

Register time spent and get manager approval using the simple and flexible Time Sheet. Time Sheet integrates with Service and Project Management and can include resources.

## Service contract management

Set up agreements with the customers about service levels:

- Maintain information on contract history, contract renewal, and contract templates.
- Manage warranties for service items and spare parts.
- Record details on service levels, response times, discount levels, and the service history of each contract, including service items and parts used and labor hours.
- Measure service contract profitability.
- Generate service contract quotes.



## Service order management

Register post-sales issues including service requests, services due, service orders, and repair requests. Let customers initiate service requests or create them automatically according to the terms of service agreements.

Register and manage equipment loans to customers. Get a complete history of service orders and service order quotes through the Service Order Log.

## Service price management

Set up, maintain, and monitor service prices. Set up price groups based on criteria, such as the service item (or several item groups), the service tasks, or the type of fault for a period of time or for specific customers or currencies. Define price calculation structures that include all parameters involved in providing service, such as the parts used, the types of work, and the service charges. Automatically assign the correct price structure to service orders that match the price group criteria. Assign fixed prices, minimum prices, or maximum prices to price groups and view statistics about profitability.

## Warehouse management

Reduce operations costs with efficient warehouse operations that help you ship orders on time and deliver on promised customer outcomes.

## Levels of warehouse management

Configure warehouse processes as required for each location. Decide whether to use bins or not, should warehouse team work with separate documents or update sales and purchase orders. Should pick and shipment be separate steps or can be performed in one go.

## Inventory pick and inventory put-aways

Create pick lists from sales orders and put-away work from purchase orders to assign tasks to warehouse team, who can complete picking and put away work without opening sales and purchase orders.





## Bin

Organize your warehouse by assigning items to bins, the smallest unit in the warehouse logical structure. Use item journals to assign bin directly on document lines. Default or fixed bins will speed up document processing

## Bin setup

Set up and maintain bins by defining both the layout of your warehouse and the dimensions of your racks, columns, and shelves. Give input to planning by defining characteristics for bins.

## Internal pick ups and put-aways

Create pick and put-away orders for internal purposes, such as testing put-away for production output, without using a source document (such as a purchase order or a sales order).

## Manufacturing

Enable proactively manufacturing operations to improve throughput, quality and uptime, while reducing costs and delivering on customer expectations.

## Warehouse receipt

Manage receipts from a separate user interface in a multi-order environment. Create a put-away work directly from warehouse receipts or use put-away worksheet to create multiple put away tasks.

## Warehouse shipment

Manage warehouse shipments from a separate user interface in a multi-order environment. Create picking lists from shipments or pick worksheet.

## Directed pick up and put-away

Receive and put away items in bins according to put away templates, and pick items based on zone and bin rankings. Use worksheet to move items between bins to optimizes the picking process and the use of space. Avoid wasting time by utilizing cross-docking. Deal with different units of measures for same items.

## Assembly management

Specify a list of sellable items, raw materials, sub-assemblies, and resources as an assembly bill of materials that make up a finished item or a kit. Use assembly orders to replenish assembly items. Capture customer requirements for the kit's bill of materials directly from sales quotes, blanket orders, and order lines in the assembly-to-order processes.

## Standard cost worksheet

Give company controllers a reliable and efficient way to maintain accurate inventory costs. Work with standard cost updates in Business Central in the same way you would in an Excel spreadsheet. Prepare for cost updates without changing data until you're ready.

## Product bill of materials

Create bills of materials and calculate their standard costs. Keep track of different versions and know which components were valid at a specific moment of time and for specific production batch.

## Scrap

Scrap can be inevitable in the manufacturing process. But making sure it is properly recorded is essential to proper inventory and cost management.

## Machine centers

Add machine centers as capacities in the manufacturing process. Manage capacity for each machine or production resource on a detailed level for machine centers, and on a consolidated level for work centers. Use machine centers to store default information about manufacturing processes, such as setup, wait, and move times and default scrap percentages.

## Version management

Create versions of manufacturing bills of materials and routings.

## Production orders

Create production orders and post consumption and output. Calculate net requirements based on production orders. Use a manual supply planning tool as an alternative to automatic planning. Get visibility and tools to manually plan for demand from sales lines and to create supply orders.

## Finite loading

Manage finite loading of capacity-constraint resources. Account for capacity constraints for periods to avoid overloading work centers.





## Basic capacity planning

Add capacities (work centers) to the manufacturing process. Set up routings for production orders and material requirements planning. View loads and the task list for the capacities.

## Subcontracting

Delegate all or part of operations to external work centers. Use separate location and transfer order to track raw materials. Register performed work with purchase orders.

## Automatic components and capacity consumption

Reduce data entry, and have accurate stock and WIP information in the same time. Use routing codes to link components with specific operation to minimize waste by implementing just-in-time principles.



## Thank you!

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Leverage these additional resources to further explore the benefits of Dynamics 365 Business Central.



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