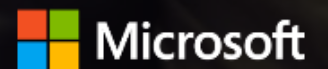


A photograph of two young women in a city street, looking at a laptop screen. The woman on the left is wearing glasses and has a joyful expression. The woman on the right is leaning in, also smiling. The background is a blurred city street with people and buildings.

A changing market landscape

ISEG School of Economics & Management

Tiago Esteves
April 2017




Index

Power to the People!

Keeping leaders up at night...

The Microsoft approach

A bit more detail

A black and white photograph of Henry Ford standing next to an early 20th-century automobile. He is wearing a dark suit, a white shirt, a dark tie, and a bowler hat. He has his hands in his pockets and is looking towards the camera. The car is a dark-colored sedan with a large front grille and two round headlights. A license plate is visible on the front of the car, reading "2-385-19". In the background, a group of people, mostly men in suits and hats, are standing and watching. The setting appears to be an outdoor area, possibly a factory courtyard or a public square.

“ It is not the employer who pays the wages. Employers only handle the money. **It is the customer who pays the wages.** ”

Henry Ford, Founder, Ford Corp.



Who we are

Source: Microsoft

Nearly 1 in 3 Azure virtual machines are Linux.

1/3

Source: Microsoft

More than 400 million devices are running Windows 10 in 192 countries across the world. (That's nearly every country on the planet.)

400

Source: Microsoft

Microsoft employees in Redmond, Washington eat about 984,000 orders of French fries each year in campus cafeterias.



Source: Microsoft

More than 1.2 billion people use Microsoft Office in 140 countries and 107 languages around the world.

1.2

Source: Microsoft

Office has been downloaded 340 million times on iPhones, iPads and Android devices.



Source: Microsoft

Forty percent of Azure revenue comes from startups and independent software vendors.

40

Source: Microsoft

With more than \$12 billion in commercial cloud annualized revenue run rate, we are on track to achieve our goal of \$20 billion in fiscal year 2018.

20

Source: Microsoft

246 million people with sight loss face daily challenges getting around. Microsoft is developing technology to help change that.

246

Source: Microsoft

Eighty percent of the Fortune 500 is on the Microsoft Cloud.

80

Source: Microsoft

Microsoft donates an average of \$2.6 million in software each day to more than 86,000 nonprofits around the world.

2.6

Source: Microsoft

Microsoft's modular data centers consume 50 percent less energy than traditional data centers.



Source: Microsoft

Microsoft has helped rescue and clean more than 10 million malware-infected computers while working with partners to disrupt malware tied to criminal organizations committing consumer, financial and advertising fraud.



Mission

Empower every person and every organization on the planet to achieve more

Worldview



Mobile-first



Cloud-first

Strategy

Build best-in-class platforms and productivity services for a mobile-first, cloud-first world



Reinvent productivity & business processes




Build the intelligent cloud platform



Create more personal computing

Ambitions

Power to the
People!



It used to be that companies could **thrive with a one-size-fits-all**, inside out approach to customers.



Technology changed that,
**shifting the power to
customers** by giving
individuals a voice.

72% of all internet users are now active on social media.
47% of Americans say Facebook is their #1 influencer of purchases.
Twitter has 4.215 million monthly active users.

Between company beliefs and customer experience, there is a **significant gap**.

Technology can help you close this gap.

Studies show there is a 72% delivery gap—between how companies judge themselves on delivering a superior value proposition (80% success) to their customers and how their customers judge them (8%) .

Bain Customer-Led Growth diagnostic questionnaire



Today, people **share more than ever** with those that they **trust**. And they **want to be delighted**.

Each interaction is an opportunity to **delight**, building **trust** and gaining **knowledge**

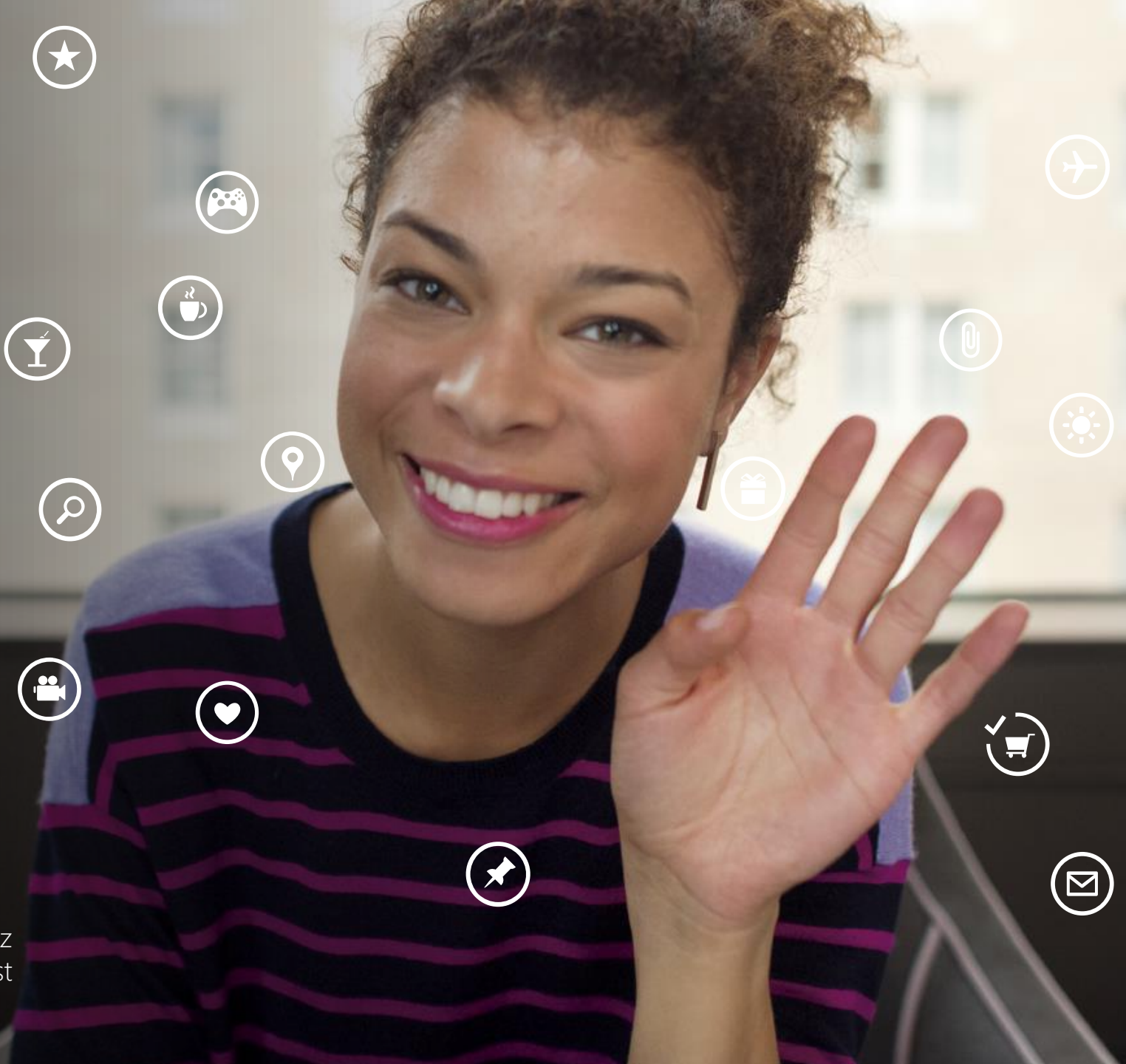
86% of customers are willing to pay more for a better customer experience.



From knowledge you can **develop insights** that enable you to deliver **experiences adapted to each customer.**

"We are shifting from a world in which we "know" because we sampled a little and extrapolated a lot – to a world in which we know."

Juan Enriquez
Futurist



Personalize every
interaction – right place,
right time, right message,
right offer.

Some 74% of adult smartphone owners get directions
or other information based on their current location.
This works out to 45% of all adults.

Pew Internet Research





Identify opportunities to
**proactively engage your
customers** and prospects.

Find the hidden patterns that enable you to **predict possible behavior** and refine your approach.

According to Interbrand, in the Age of You, the promise of big data is to enable brands to provide more of what consumers need (even before they know they need it) and, ideally, nothing that they don't.







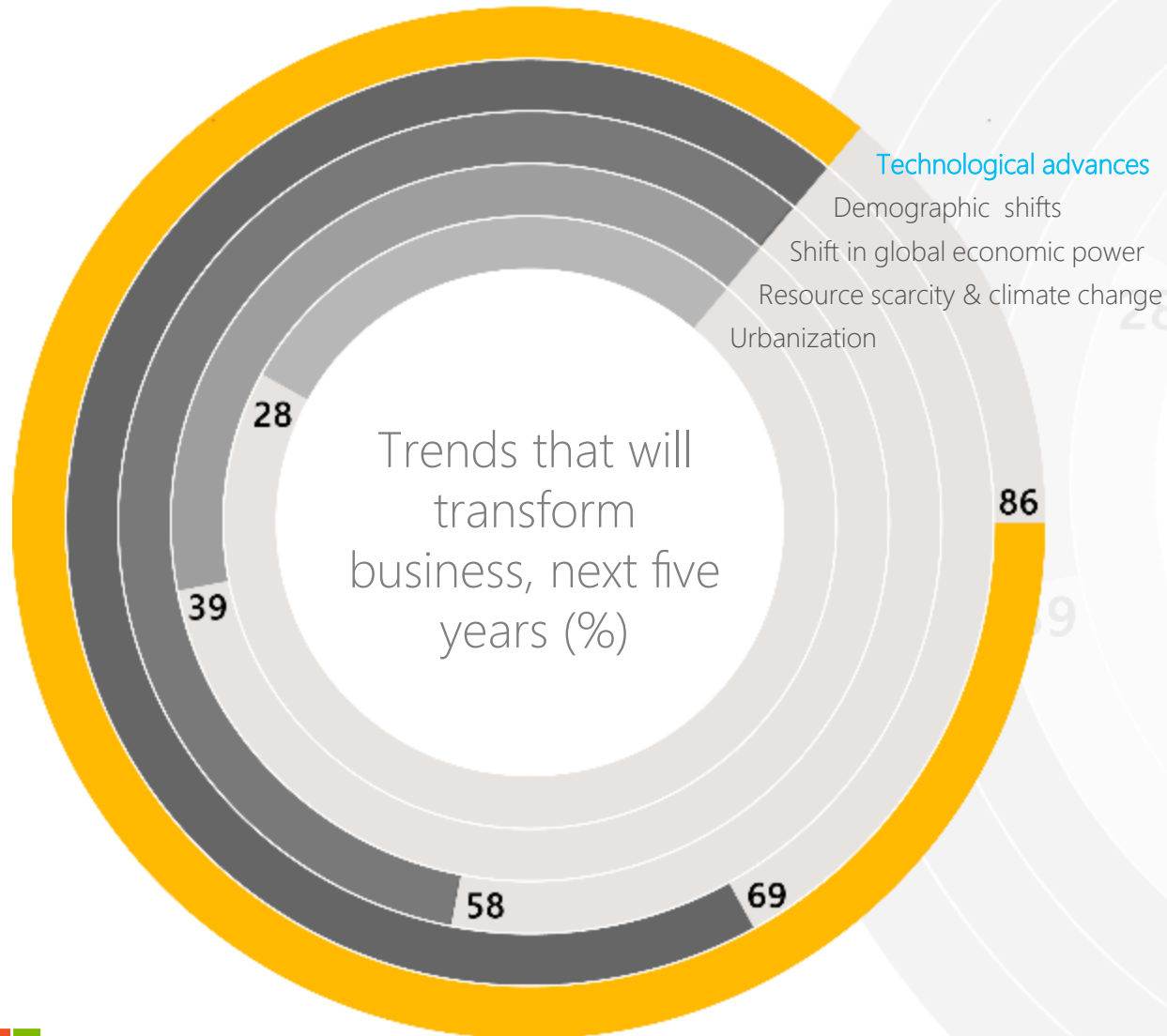
Keeping leaders
up at night...



By 2020, customer experience will overtake price and product as the key brand differentiator.

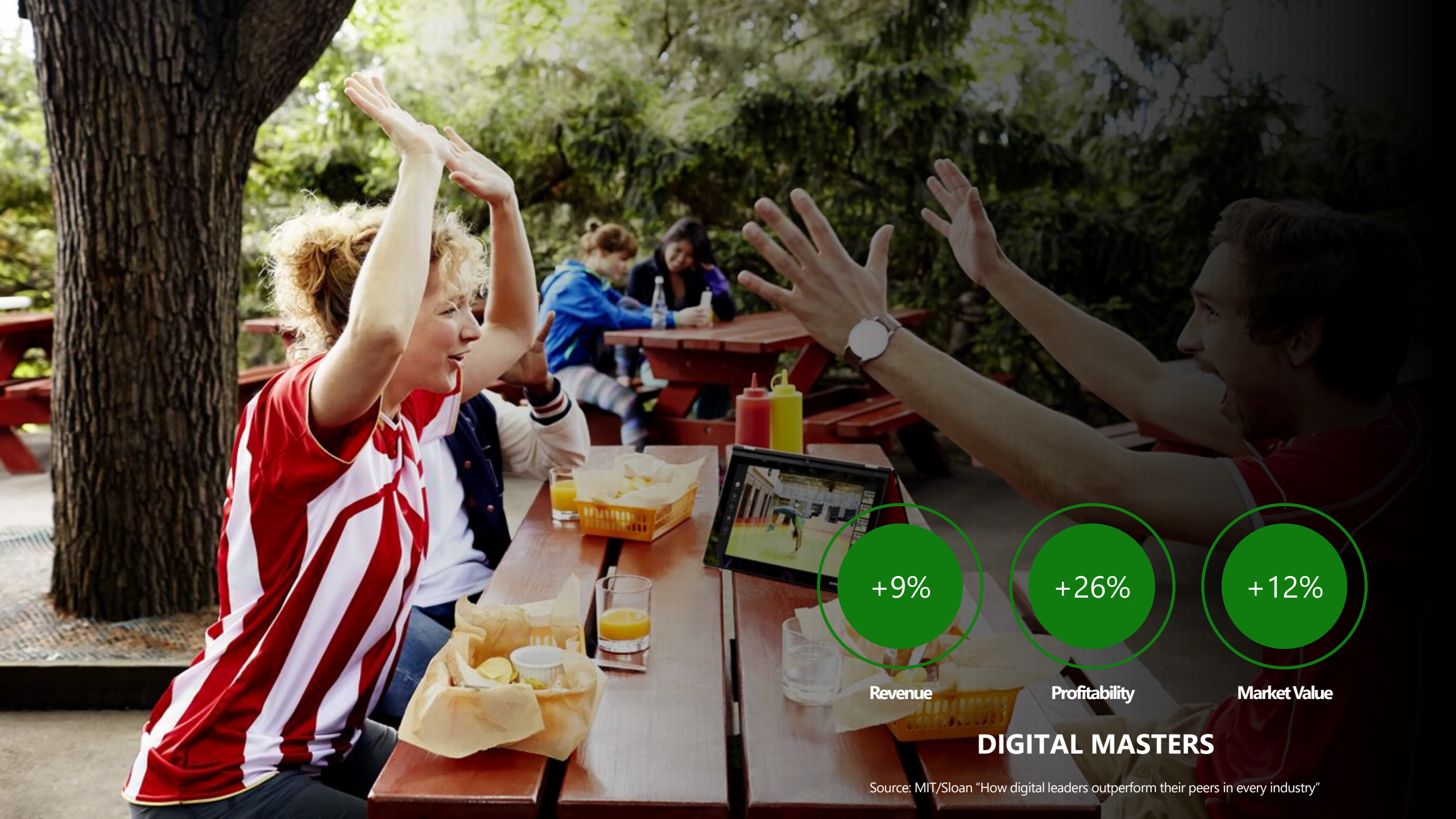


Digital transformation is now the leading priority



CEOs believe **technology will transform their business** more than any other global trend

Source: PWC CEO Survey



+9%

Revenue

+26%

Profitability

+12%

Market Value

DIGITAL MASTERS

Source: MIT/Sloan "How digital leaders outperform their peers in every industry"



The Microsoft approach



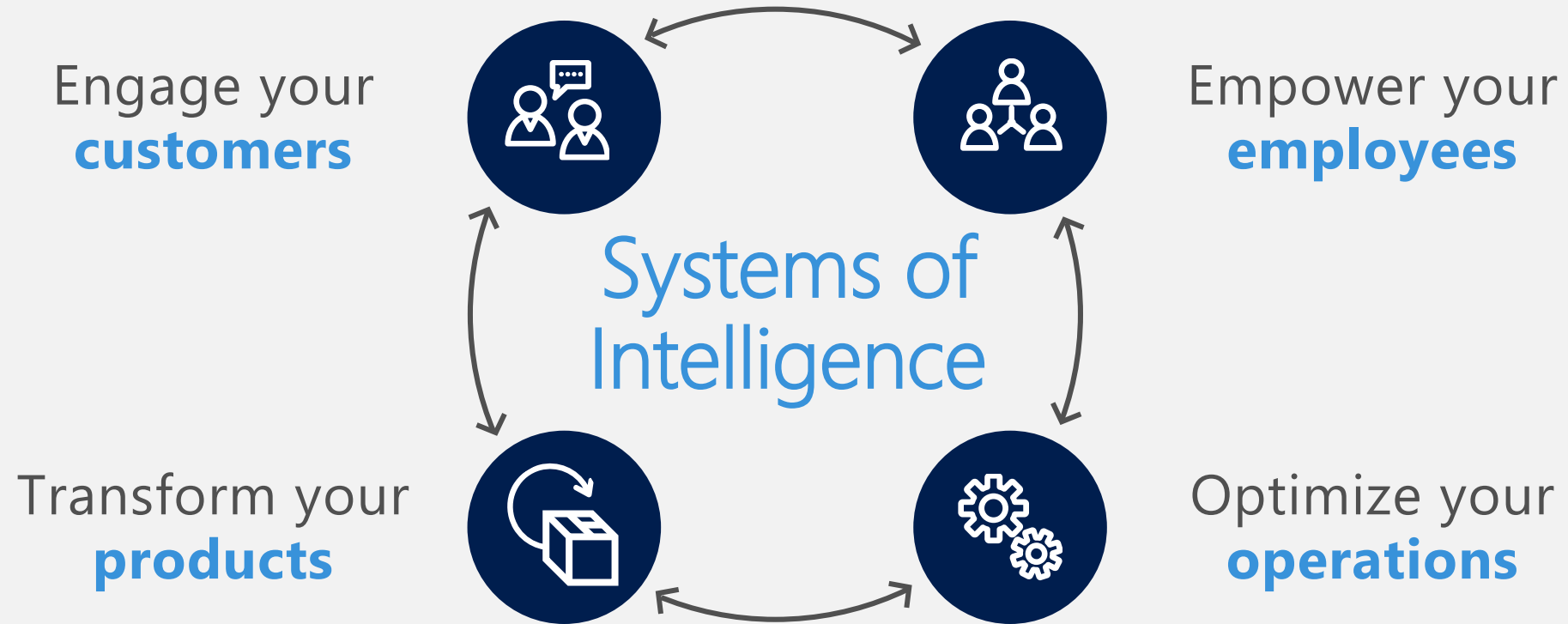
“ It's not just about technology.

It goes far beyond that. It is even the approach we take to our business. It is how we partner, how we create the flexibility that speaks to the real world needs of our customers.

”

Satya Nadella, CEO, Microsoft – Ignite 2015

Digital Transformation



Next generation intelligent business applications



Next generation intelligent business applications



Dynamics 365 advantage

Purpose-built



Start with what
you need and grow
at your own pace

Productive



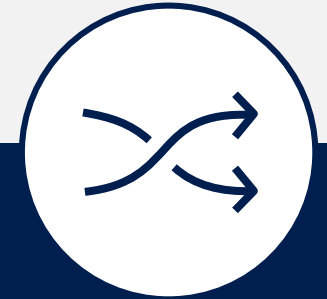
Familiar tools in
the context of your
business processes

Intelligent



Built-in intelligence
to proactively guide
to optimal outcomes

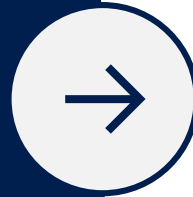
Adaptable



Grow, evolve and
transform with modern,
extensible platform



Engage your
customers



Personalized experiences, across all channels

Smartly engage customers from
consideration to purchase to support





Empower your
employees



Familiar tools, in context
of business processes

Enable people to do their best work
with processes and productivity



METRO
BANK



Optimize your
operations



Intelligent processes,
predictive guidance

Anticipate and manage business from
manufacturing to finance to retail

A Renault Formula One car is shown in profile, parked in a garage. The car is primarily yellow and black. A large yellow rectangular box is centered over the car, containing the text 'RENAULT SPORT' in large, bold, black letters, and 'FORMULA ONE™ TEAM' in smaller, bold, black letters below it. The car has various sponsor logos, including Microsoft Dynamics, GENII, PIRELLI, RENAULT, JACK & JONES, DEVIALET, DigiPen, ELYSIUM, and OPART 300. The garage has white brick walls and yellow floor markings.

RENAULT
SPORT
FORMULA ONE™ TEAM

Microsoft
Dynamics

GENII

RENAULT

JACK &
JONES

DEVIALET DigiPen ELYSIUM OPART 300

ether

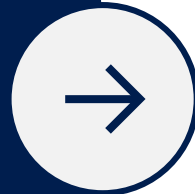
PIRELLI
P ZERO

PIRELLI
P ZERO

RENAULT



Transform your
products



Extensible platform,
integrated applications

Innovate with new business models and
shift from reactive to proactive faster



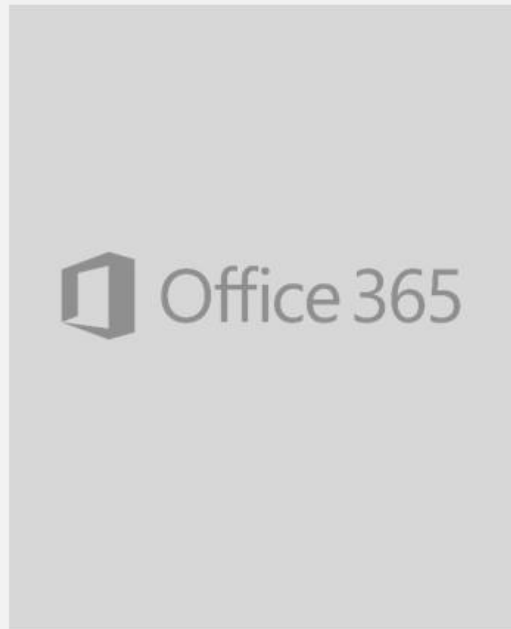
A bit more detail



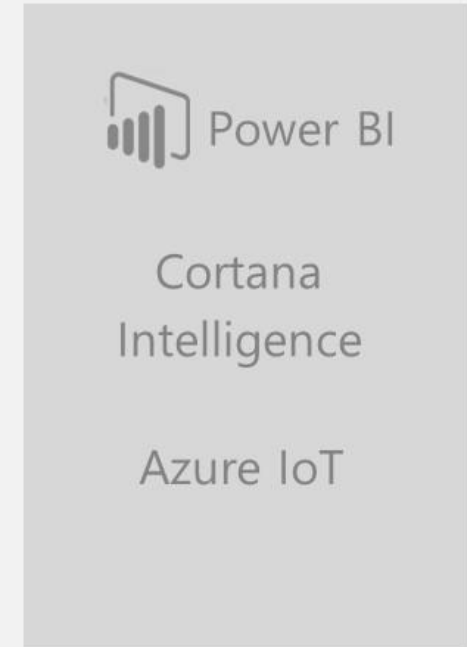
Dynamics 365

Intelligence business applications in the cloud

Microsoft AppSource



Microsoft Dynamics 365



Common application platform: PowerApps, Microsoft Flow, Common Data Service

Dynamics 365 business process support

Purpose-built business applications

 Sales	Opportunity management	Social selling	Content collaboration	Mobile sales	Planning & management	Sales intelligence		
 Customer Service	Omni-channel	Portal	Agent enablement	Onsite service	Knowledge	Service intelligence		
 Marketing *								
 Field Service	Scheduling and dispatch	Asset and warranty management	Service agreements	Inventory management	Mobile	Business Intelligence		
 Project Service Automation	Opportunity management	Resource management	Time and expenses	Project planning	Team collaboration	Customer billing	Analytics and integration	
 Operations	Retail	Procurement and sourcing	Business intelligence	Supply chain management	Project accounting	Human capital management	Manufacturing	Financial management



Sell effectively

Dynamics 365 for Sales



A bit more detail

Sales has changed

67%

of customers are through the buying process before talking to the supplier

6.8

Average B2B purchase decisions have 6.8 stakeholders

67%

Reps spend more than 67% of their time on non-selling activities



Dynamics 365 for Sales

Turn relationships into revenue

Actionable
Insight



Customer



Sales
Performance



Seller



Personal
Engagement



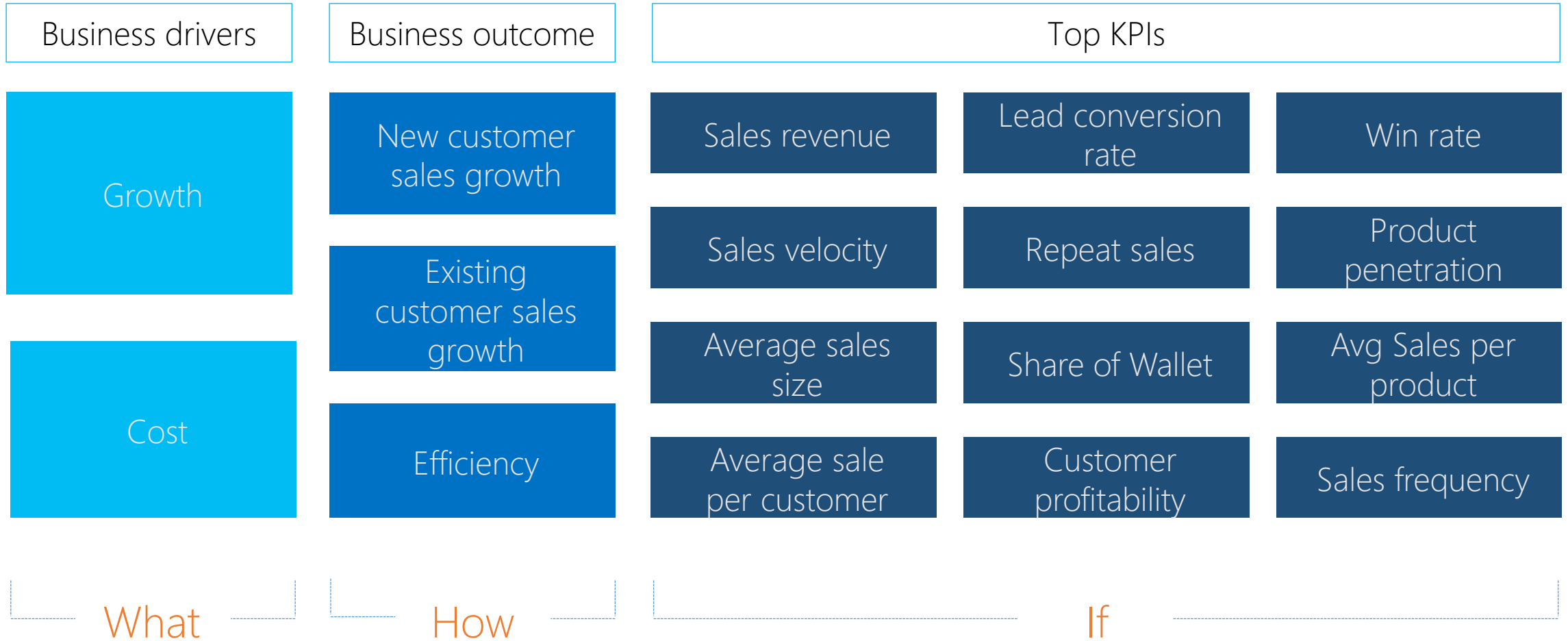
Customer
Management



Manager



Sales value map



A bit more detail

Our engagements by the numbers



- Adoption level: 95%
- Consolidated view of all customer interaction points
- Personalized engagement led to a significant increase in cross-sell
- Implementation timespan: 4 months for 3.000 users



- 200,000 value-added resellers in 170 different markets
- From SFDC to 365 in 66 days!
- Training in less than 2.5 hours
- 100% User adoption rate



- Increase deal size by 36%
- Increase number of opportunities by 450%
- Increase wins by 39%



“The only way to gain a competitive advantage in our business is to destroy the status quo... customer engagement is a key differentiator for us.”



“The amount that you can see on what your customer is doing is huge. We measure everything.”

Microsoft custom research on digital transformation of sales, 2016

Actionable Insight

Lead prioritization

Prospect and build qualified pipeline using predictive intelligence to focus on the right lead.

Relationship health

Determine health, risk and next best action, to focus on selling to the right account at the right time.

Product recommendation

Increase opportunity size with cross-sell recommendations tailored to your customer's needs.

Customer intelligence

Engage customers better through intelligent insights from analyzing all customer data in near-real time.

Personal Engagement

Email intelligence

Prioritize your communications with customers that are most engaged by tracking email interactions.

Social selling

Share, find and connect with new companies and people to develop your contacts and generate new leads.

Relationship assistant

Empower the seller to personally engage and deliver business value using rich data insights.

Content collaboration

Reduce the time your seller spends searching for and creating personalized sales documents.



“The only way to gain a competitive advantage in our business is to destroy the status quo... customer engagement is a key differentiator for us.”



“You can't hide from the mobile trend and there's no substitute for having access to information anytime.”

Microsoft custom research on digital transformation of sales, 2016

Customer Management

Opportunity management

Manage and close more deals by connecting with and delivering role-specific insight for each customer.

Sales mobility

Sell smarter, anywhere using rich, modern mobile apps providing contextual news, social data, and task flows.

Sales process

Optimize your sales efforts and know what steps to take next to close deals faster a guided sales process.

Partner management

Recruit, on-board, and strengthen your partner channel through deeper enablement and activation.

Sales Performance

Seller onboarding

Align sales behavior with contextually-rich training, walkthroughs, videos, and articles right in the app.

Sales effectiveness

Hit your numbers by setting goals, monitoring results, and providing feedback and coaching in real time.

Reports & dashboards

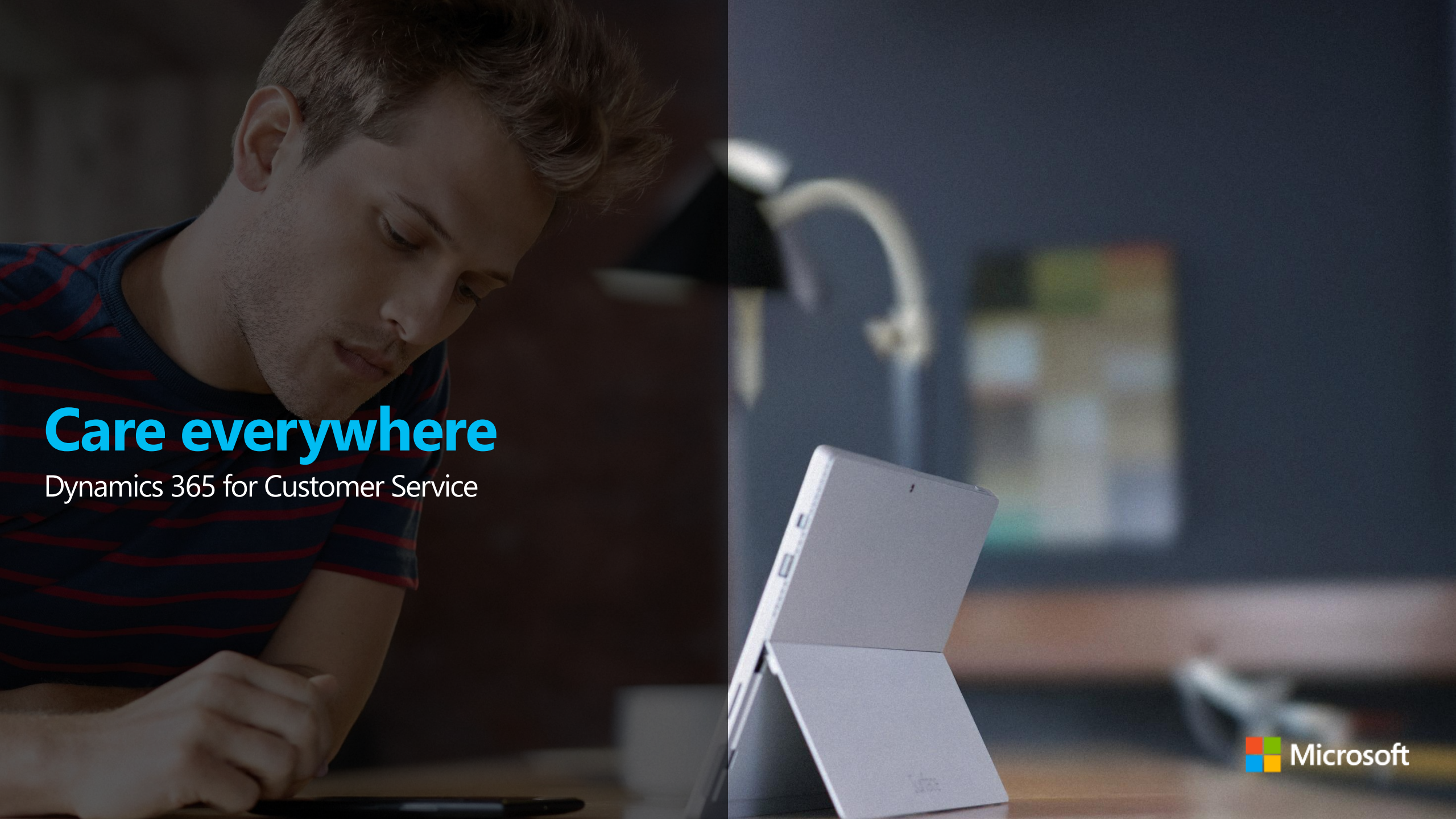
Manage pipeline with pre-built, interactive dashboards and reports, advanced visualizations, and natural language Q&A.

Gamification

Turn work into play by letting sellers team up to collaborate and compete in fun, engaging competitions.



“We do twice as much business with a third of the staff as before. We have automated our processes internally.”

A man with short brown hair, wearing a blue and red striped t-shirt, is looking down at a tablet device. He is in a dimly lit office environment. In the background, a desk lamp is visible, and a computer monitor is partially seen. The overall mood is professional and focused.

Care everywhere

Dynamics 365 for Customer Service

A bit more detail

Evolving demands

2.7

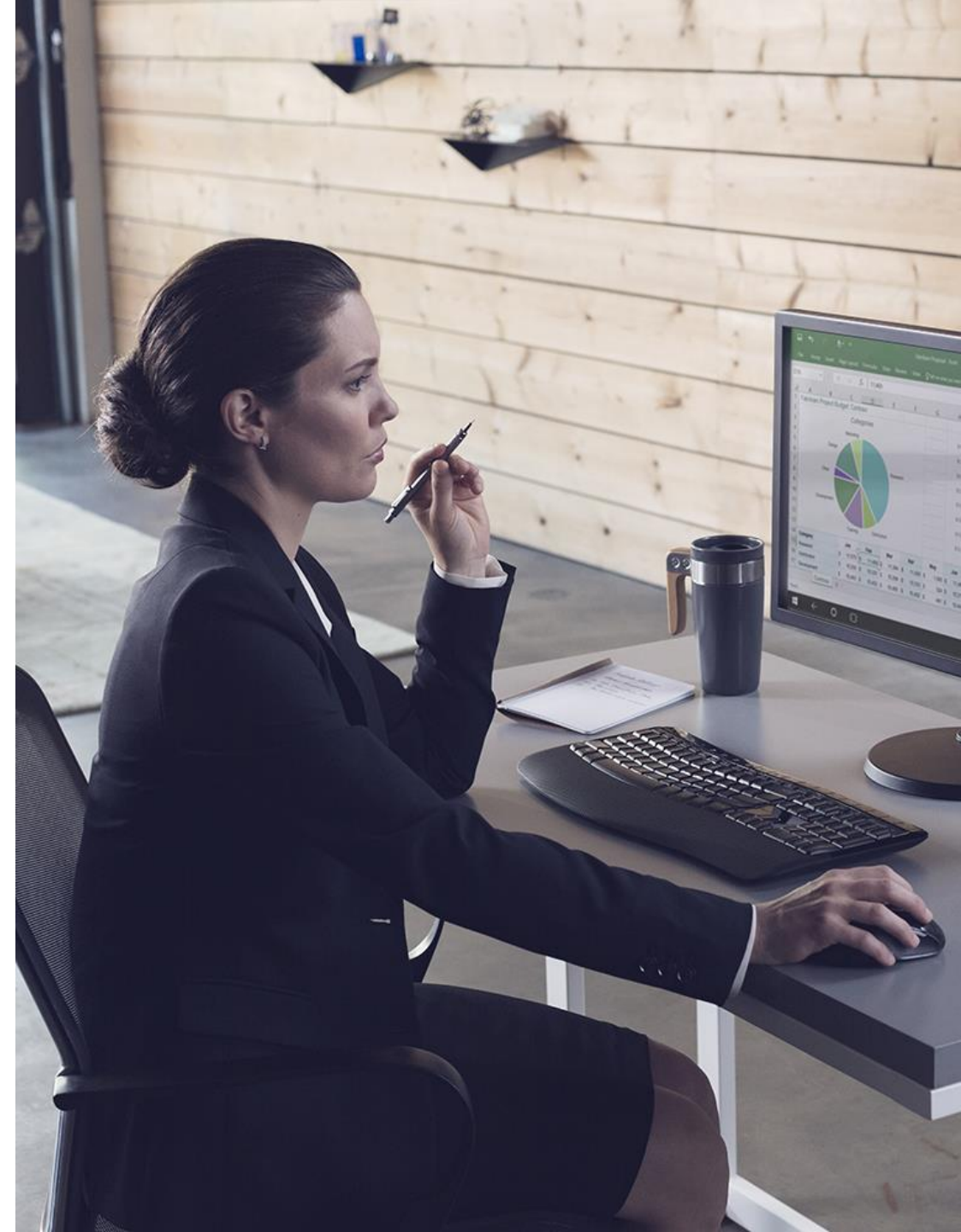
Number of channels used during the course of a single service inquiry

90%

of consumers expect consistency and continuity across channels

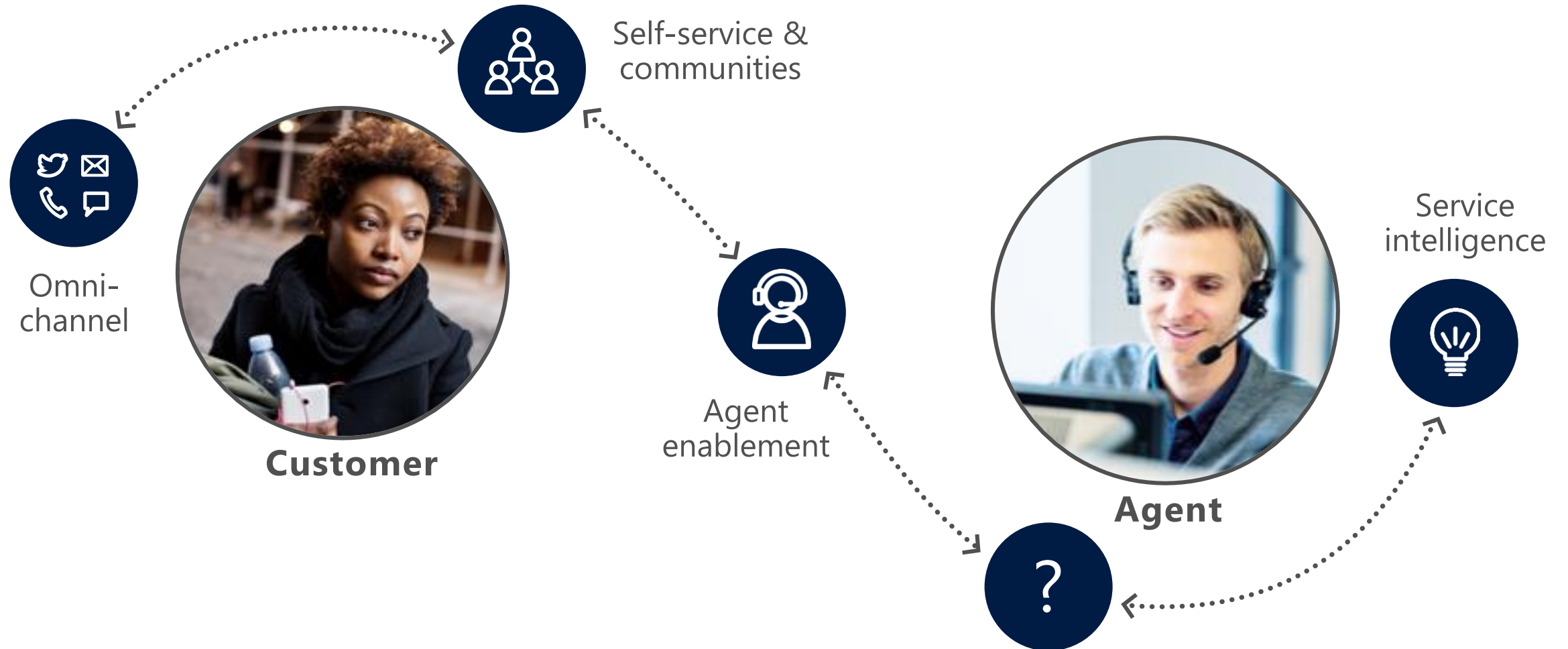
27%

Average annual agent turnover rate

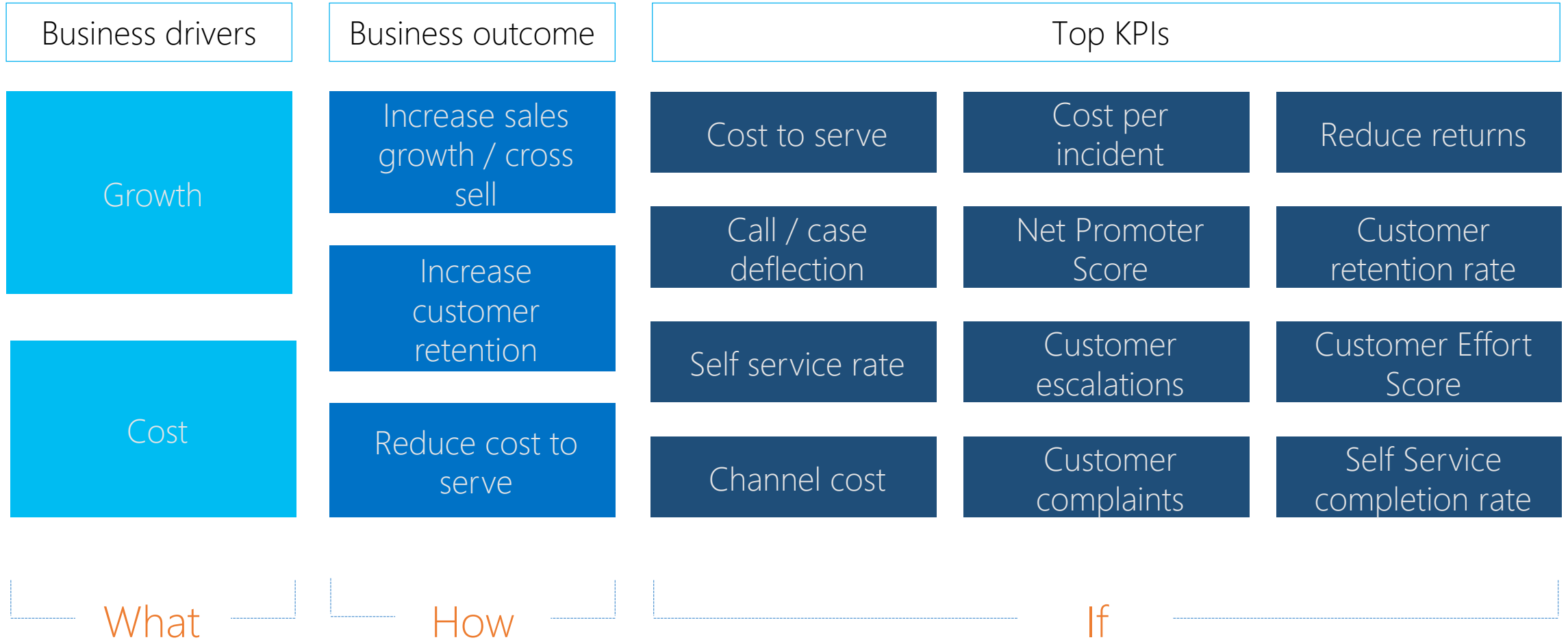


Dynamics 365 for Customer Service

Earn customers for life



Customer service value map



A bit more detail

Our engagements by the numbers



- Delivering enough savings and revenue generation to fund an Airbus!
- Annual Savings of \$37.5M through deflection of 15% of inbound contacts to Delta Call Center
- Net-New revenue of \$39M through proactive Live Chat on Delta.com
- Productivity savings the Call Center of at least 10% while enabling all employees to deliver a differentiated service

- Reduced total call volume by 10% 1.2M total calls annually, should deliver £900k annual saving
- Reduced errors by 10% YOY
- Taken 1 day out of training of new hires on systems and procedures, saving approx. £100k annually with current staffing levels



4% of service organizations can solve an inquiry using a single application

Kate Leggett, The Mandate For Intelligent Customer Service, a commissioned study conducted by Forrester Consulting on behalf of Microsoft, December 2015

Omni-channel

Unified platform

Offer a unified service experience across self-service and assisted service channels.

360 customer view

Understand customer history, preferences and voice of the customer to personalize every interaction.

Personalized engagement

Leverage insights and resources to create individualized and consistent experiences across channels.



90% of consumers expect consistency and continuity across channels

Aberdeen: Empowered Customers Demand a Seamless Experience



81% increase in use of online forums and communities for self-help

Kate Leggett, Customer Lifecycle Journey, Forrester, December 2015

Self-service & communities

Branded experience

Provide personalized self-service options that deliver consistent answers, and a community to connect with peers and subject matter experts.

Localized & extensible

Minimize customer effort with targeted, relevant service from anywhere on your brand site or 3rd party site.

Contextual

Offer simple navigation to the right answers and resources from any device, including customer escalations to agent support.

Agent enablement

Role driven

Drive the next best action through a visual user interface that delivers role tailored experiences for tiered agents and support leads.

Intelligent case management

Speed resolution with machine learning and advanced analytics capabilities, and a dynamic interface that guides agents through every interaction.

Collaborative

Avoid escalations by harnessing the knowledge of peers and subject matter experts both inside and outside the service organization.



4% of service organizations can solve an inquiry using a single application

Kate Leggett, The Mandate For Intelligent Customer Service, a commissioned study conducted by Forrester Consulting on behalf of Microsoft, December 2015



84% of consumers use web or mobile self-service to find answers

Kate Leggett, Trends 2016: The Future Of Customer Service, Forrester, January 2016

Knowledge

Unified content

Deliver the right answers at the right time across all service channels from a single source of truth.

Simple management

Capture and author content from social channels, service interactions and experts, then optimize for discovery.

Actionable reports

Eliminate escalations with rich content and a clear path to optimize and grow your knowledge base.

Service intelligence

Interactive dashboards

Provide real-time views of key service metrics through fully customizable, interactive dashboards.

Customer insight

Deepen customer insight and identify business opportunities by tracking and correlating customer satisfaction with service metrics.

Trends and forecasting

Identify trends, explore scenarios, and forecast outcomes to reduce effort scores, improve performance and identify best practices.



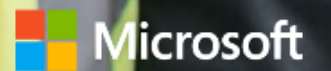
77%

have a more favorable view of brands that offer proactive customer service notifications

2016 Global State of Global Customer Service Report, Microsoft

Smart onsite care

Dynamics 365 for Field Service



A bit more detail

Improve satisfaction & productivity

73%

of consumers say valuing their time is the most important thing a company can do to provide good service

65%

of incoming service requests require field visits and of those service visits

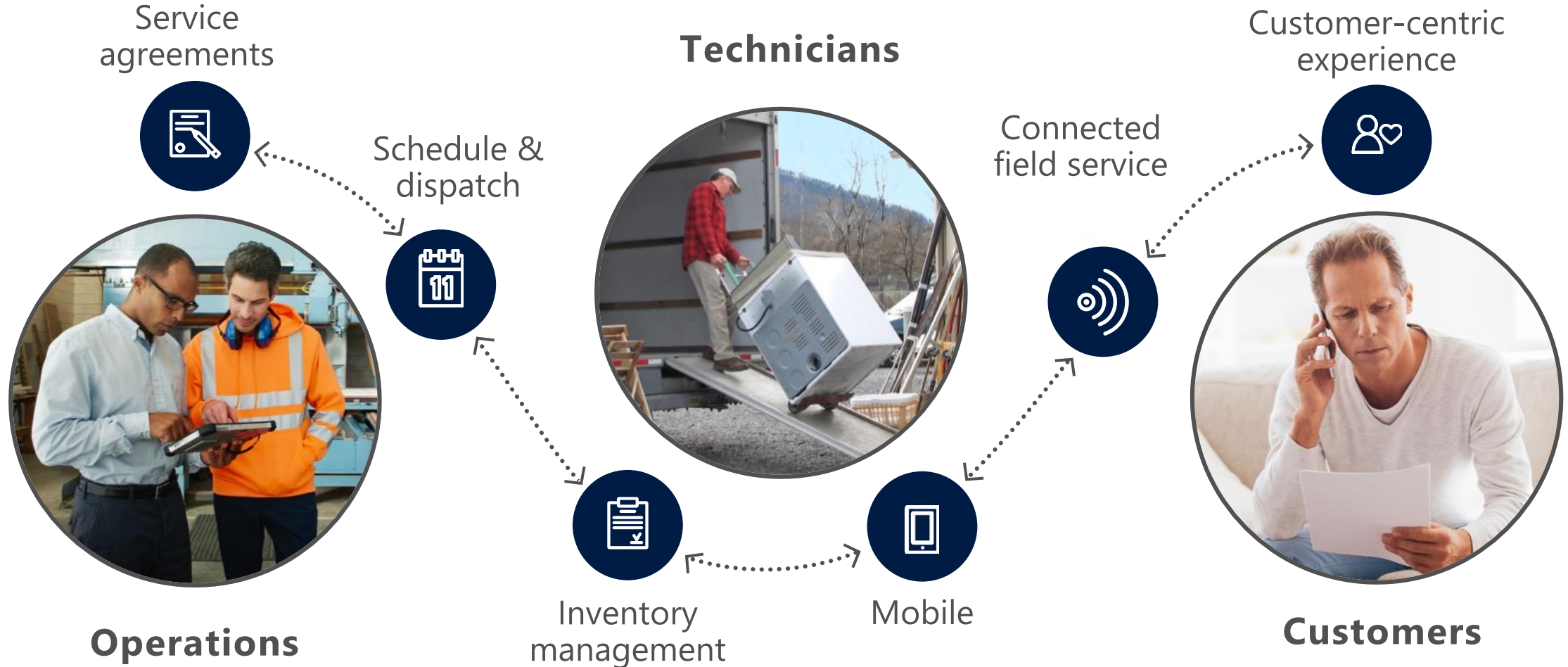
26%

require secondary or follow-up visits.

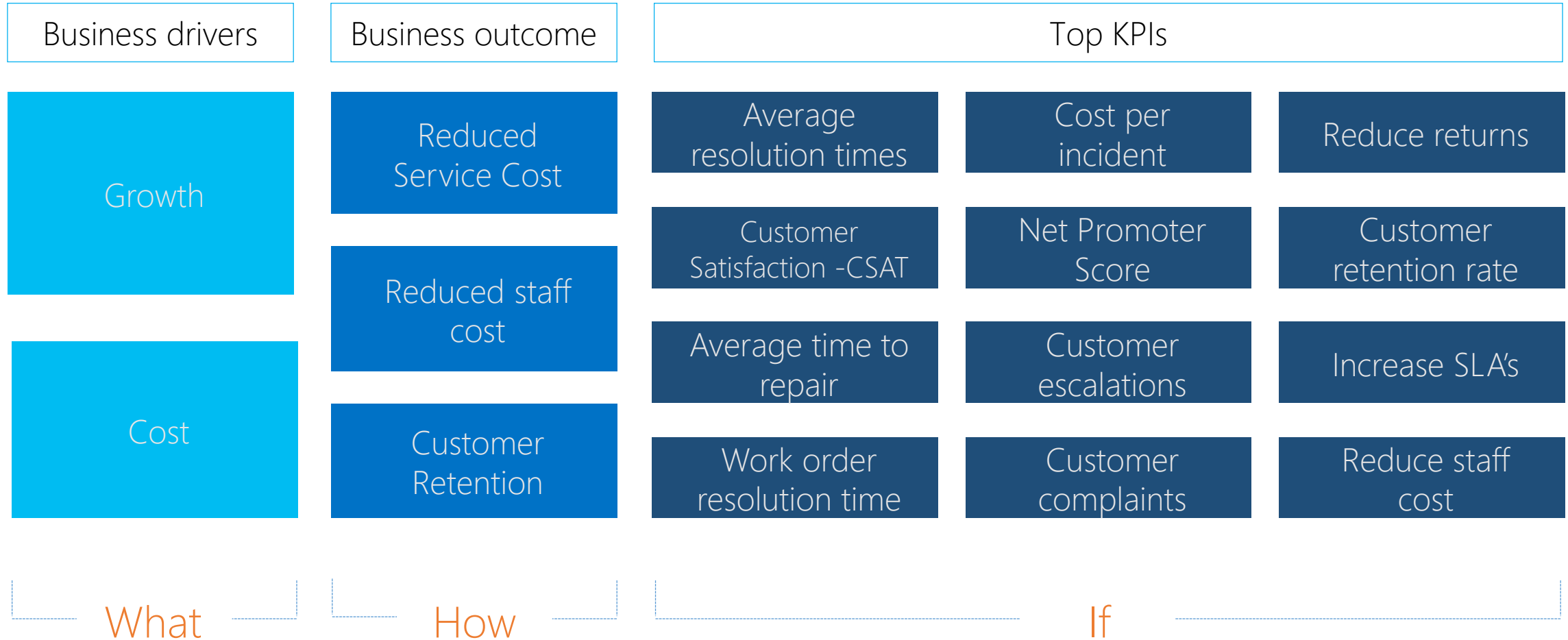


Dynamics 365 for Field Service

Master the service call



Field service value map



A bit more detail

Our engagements by the numbers



- Reduce 100 person admin labour costs £200k monthly saving
- Increased customer facing time, deliver improved service – reduce contract churn by 50% (10% to 5%)
- All work orders optimised automatically to most efficient route
- IoT Intelligent Service - 30% reduction in number of service visits £500k monthly saving.
- Mobile App eliminates 29 documents from customer sales process.



- 95% first time fix
- Provides customer faster service
- Reduced cost to serve and increased customer profitability



- Distributes real-time data from more than 3 billion locations around the world.
- Has developed the speed and flexibility to respond effectively to 13 billion service requests a day.



62%

of global consumers have stopped doing business with a brand this year due to a single poor customer service experience

State of Customer Service Report, Microsoft, 2016



62%

of global consumers have stopped doing business with a brand this year due to a single poor customer service experience

State of Customer Service Report, Microsoft, 2016

Service agreements

Service forecasting

Track warranties against assets, provide visibility into terms and expiration dates.

Accurate billing

Ensure that service and billing conform to warranty requirements. Classify assets and track location, repair history, and maintenance schedules.

SLA management

Manage terms, conditions, and automated renewals of contracts and Service Level Agreements.

Schedule & dispatch

Balanced workloads

Identify and organize available resources by category to intelligently balance workloads and resources.

The best technician

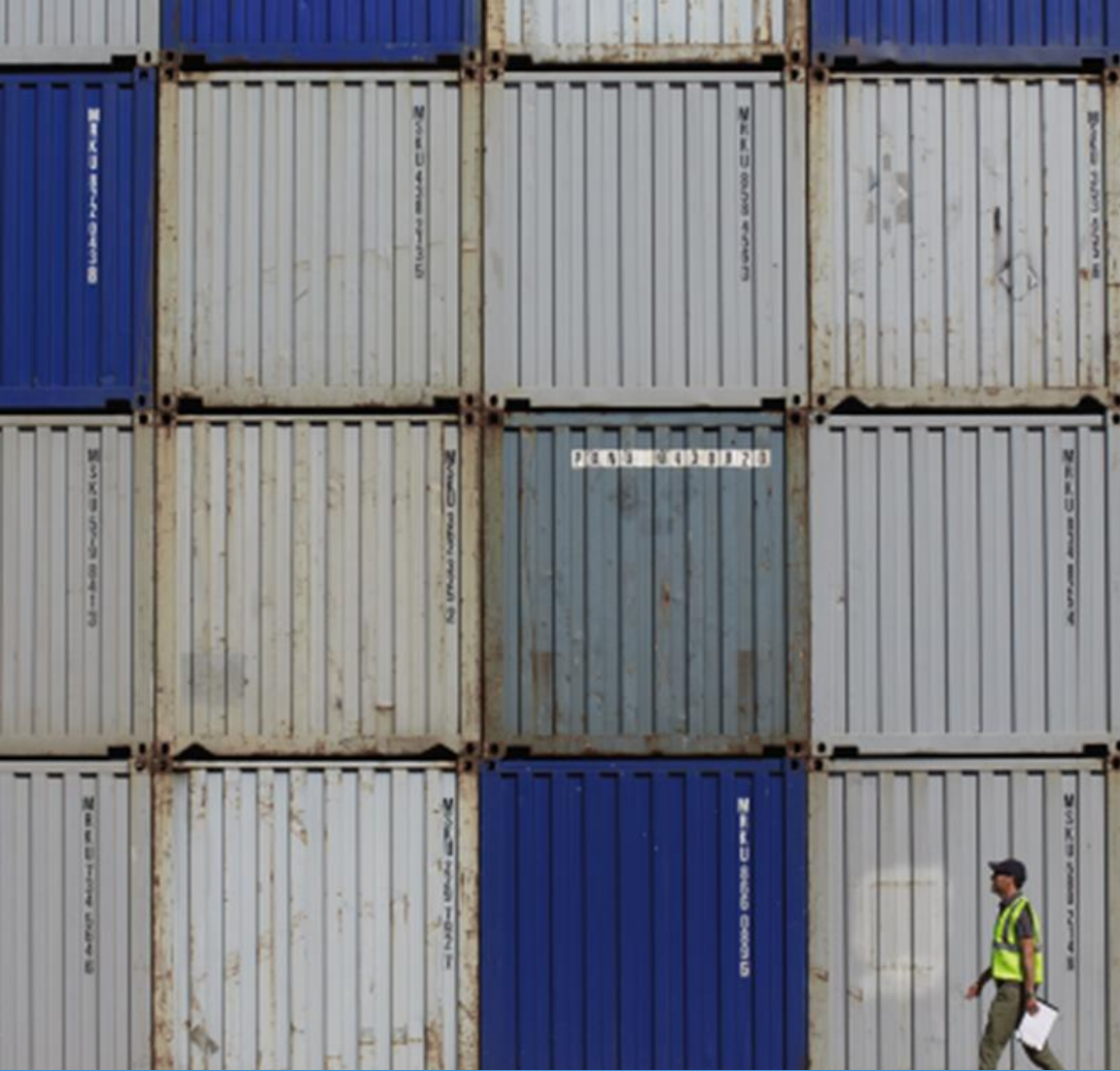
Match skill sets of the technician against the requirements of the work order.

Optimized schedules

Decrease driving time between work by creating a schedule with geography, customer preference, availability, and SLAs in mind.



“Every time a service company rolls a truck it costs over \$1,000. When you aren’t able to solve the problem on the first visit, you are flushing another thousand dollars down [the drain].”



Inventory management

Right-off Reduction

Accurately track service stock at mobile and fixed locations. Manage updates and stock history for any location including updating truck stock.

Remote inventory access

Provide mobile access to inventory and parts information.

Parts management

Manage inventory information for part transactions like requests, return material authorizations, stock adjustments or transfers.

50%

Organizations with a first-time fix rate of less than 50% struggle to drive customer satisfaction results.

Mobile

On-time appointments

Ensure technicians are on time with best schedule and turn-by-turn driving directions.

Case history & instructions

Get 360 degree customer preferences and history and follow step by step instructions on how to complete the task at hand.

Work order completion

Allows the technician to take photos of the completed work, get customer sign-off, and even collect payment.



“Having real-time visibility into critical operations help these organizations to make smarter decisions, have fewer issues with data integrity and quality, all in addition to realizing productivity gains.”



Connected field service

Anomaly detection with IoT

Detect, troubleshoot, and resolve issues remotely before the customer knows of an issue and dispatch a technician only when necessary.

Predictive maintenance

Repair, clean, or replace parts when needed instead of on a preventative maintenance schedule.

Work order creation

Automate work order creation when self-healing steps don't resolve the problem. Automatically dispatch the best technician.

"[Field Service Organizations] now want to create a long tail of services that capitalizes on internet-enabled devices, involves intricate levels of services, and goes beyond fix-it-when-it's-down...."

Customer-centric experience

360 degree view

Keep track of service activities, including upcoming and previous appointments as well as self-scheduling with a customer portal.

Outbound communications

Send automated voice and text messages reminders customers about upcoming appointments through Twilio API.

Technician visibility

Know when to expect service. Customers can see technician vehicle, photo, and real-time location while en route using an integration with Glympse.



90%

of global consumers expect a brand or organization to have an online self-service offering.

Profit from your projects

Dynamics 365 for Project Service Automation

A bit more detail

Complex challenges

9%

Decrease in new client penetration over the last 3 years

6%

Increase in employee attrition over the last 3 years

5%

Decrease in billable employees in the last year

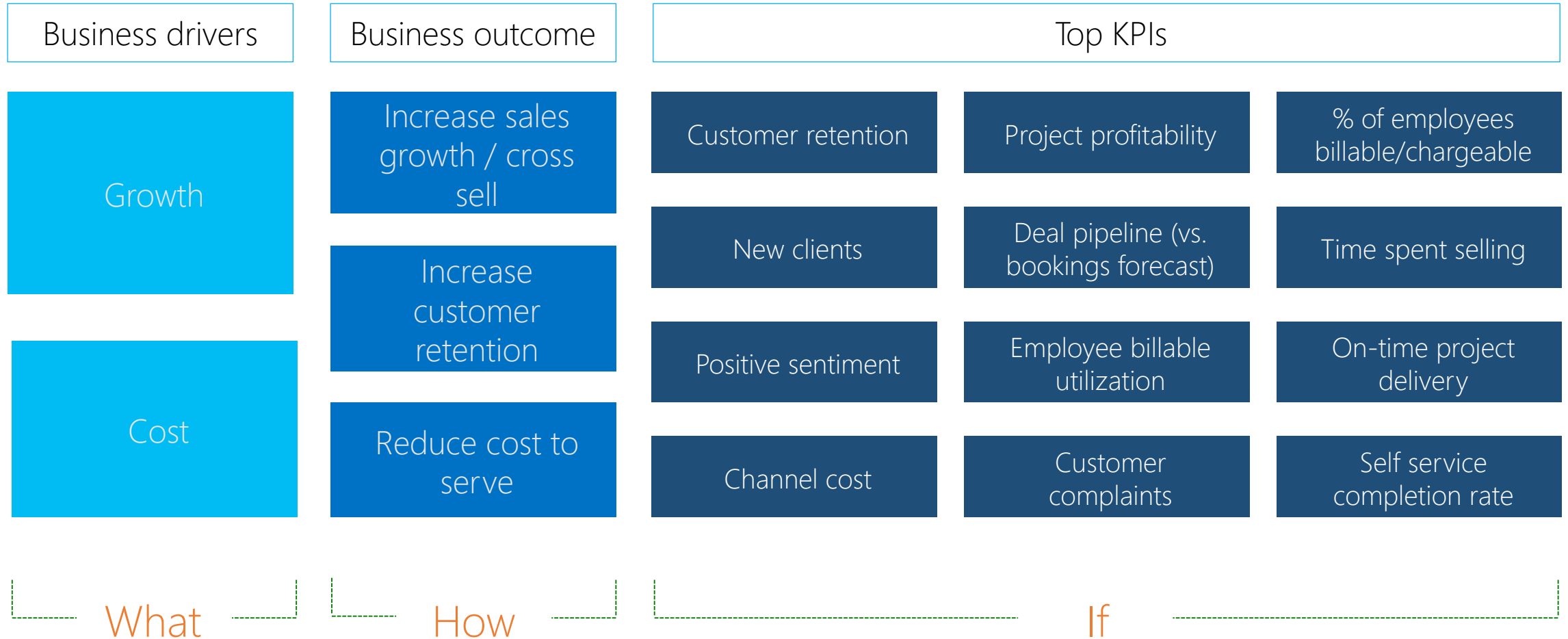


Dynamics 365 for Project Service Automation

Profit from your projects



Project service automation value map



Opportunity management

Solution selling

Forecast profitability and prioritize deals based on a unified sales management dashboard for both product and project-based opportunities.

Customer-centric

Engage and collaborate real-time with customers on the quotes, project scope and resource requirements through customer portals.

Streamlined contracts

Create project contracts, track labor rates and generate SOWs using an enhanced and integrated sales force automation experience.



70%

increase in services revenue by decreasing the sales cycle by 30%



Project planning

Collaborative execution

Make it easy for sales managers to collaborate with PMs to estimate and define the work using standard project templates.

Predictable results

Visualize cost, effort, and sales value of the work during proposal management for credible 'estimate to completion' planning, and financial integrity.

Enhanced & robust

Use the robust project scheduling and management capabilities of Microsoft Project to complement the sales planning in Project Service Automation.

72%

Project overruns
attributed to incorrect
estimation process

Resource management

Intelligent

Optimize resource assignment through a consolidated scheduling engine across modes of service and ensure right people on the right projects at the right time.

Utilization focused

Pivot the business on resources to enable business development and portfolio investments to align with skills and talent management.

Consultant-centric

Empower consultants to identify and apply directly for available relevant project roles, and update skills profile through mobile devices.



2.5x

revenue as a factor of salary
billable resource should bring
in for practice profitability



Team collaboration

Productivity

Provide powerful, easy-to-use, mobile-ready O365 productivity tools for project teams, customers and partners to update deliverables and monitor status.

SMAC

Incorporate 'social, mobile, analytics and cloud' experiences and technologies to enable timely and relevant communication and collaboration.

Greater agility

Respond quickly to scope changes and project risks by adding and managing critical KPIs while ensuring consistent and profitable service delivery.

122%

improvement in on-time project delivery with an Enterprise collaboration strategy in place

Aberdeen Group, Sept. 2014

Time and expenses

Intuitive & familiar

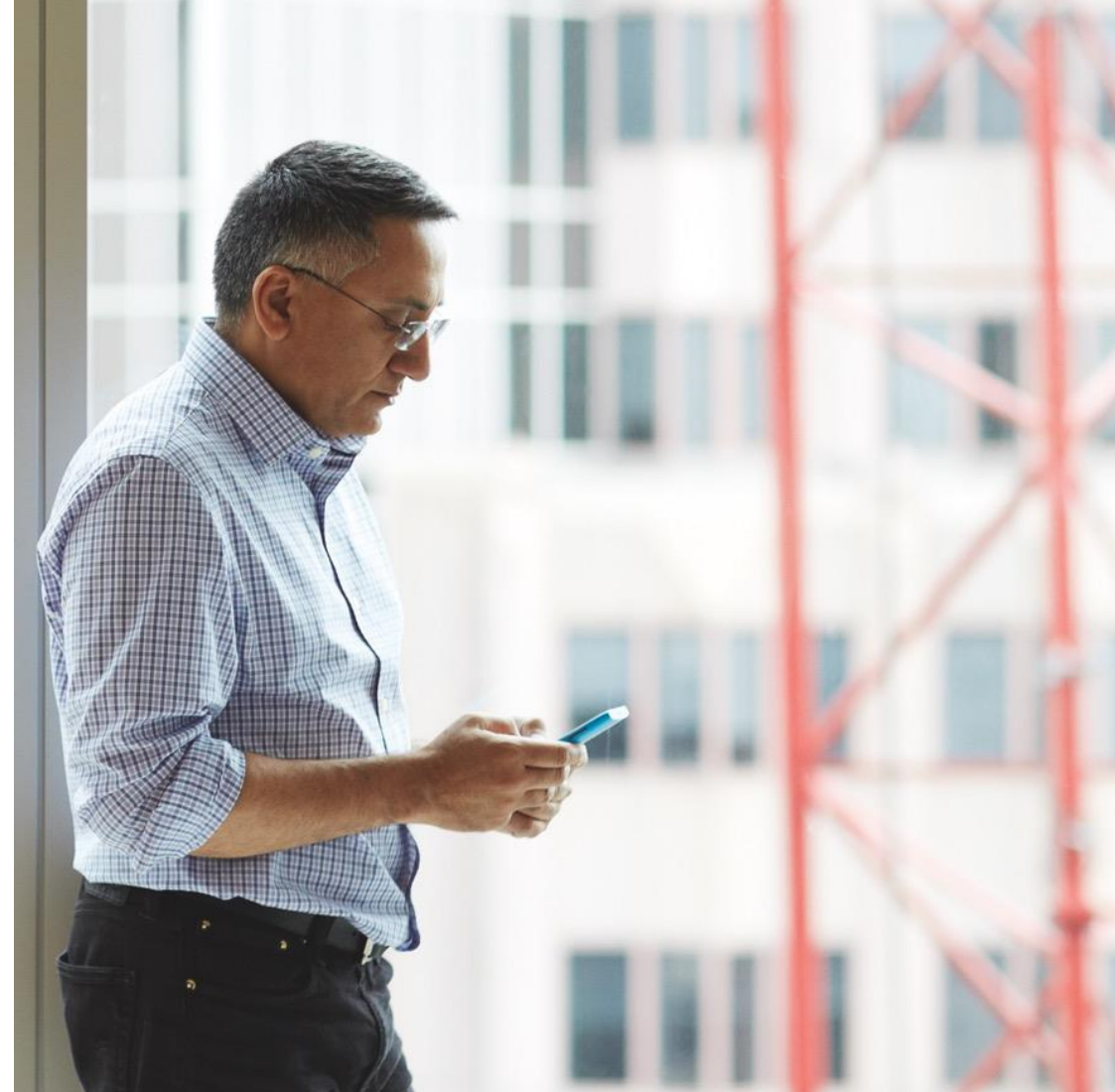
Simplify management and tracking of estimated and billed project time by integrating the tasks and deliverables on the calendars.

Accountability

Provide real-time financial insights to customers and empower them to collaborate on timely corrective actions.

Efficiency

Streamline the submission, approval, processing and reconciliation through web, mobile apps and Office365 for timely billing.



\$110k

average cost per year
for failing to accurately
track time



Customer billing

Timely & effective

Provide project managers a one-stop-shop dashboard to review, override, track overruns and approve all costs and time impacting their projects.

Accuracy

Ensure the project invoices reflect the terms of the contract and approved work and expenses for customers visibility to projected v/s actuals budget.

Automated

Automate generation, approval and distribution of reconciled invoices in email and on the web with back-office financials integration.

3% decrease in revenue for 5 day
increase in Days Sales Outstanding

Service analytics

Unified platform

Leverage Dynamics 365 business apps and platform for a strong basis for reporting, integration, and analytics.

360 project view

Understand project performance, team and resource feedback and voice of the customer to ensure on-time, on-budget delivery model.

Trends & forecasting

Identify trends, explore what-if scenarios, and forecast outcomes to prioritize service offerings, skills development and adopt best practices.



3.6%

increase in earnings for organizations using CRM integrated with ERP and PSA



How the world
sees us...

Microsoft Dynamics 365 in the news

Microsoft Makes a Cloud Push
with New Dynamics 365
Software Suite and
App Store



Microsoft snatches HP CRM
and service business from
rivals Salesforce and Oracle



Microsoft Ups Salesforce,
Oracle Rivalry with New Cloud
Product



Few other players offer a common
platform and data model for CRM
and ERP – and none bring
in the Office productivity
capabilities as Microsoft can.



Leader Gartner Magic Quadrant
Sales Force Automation.

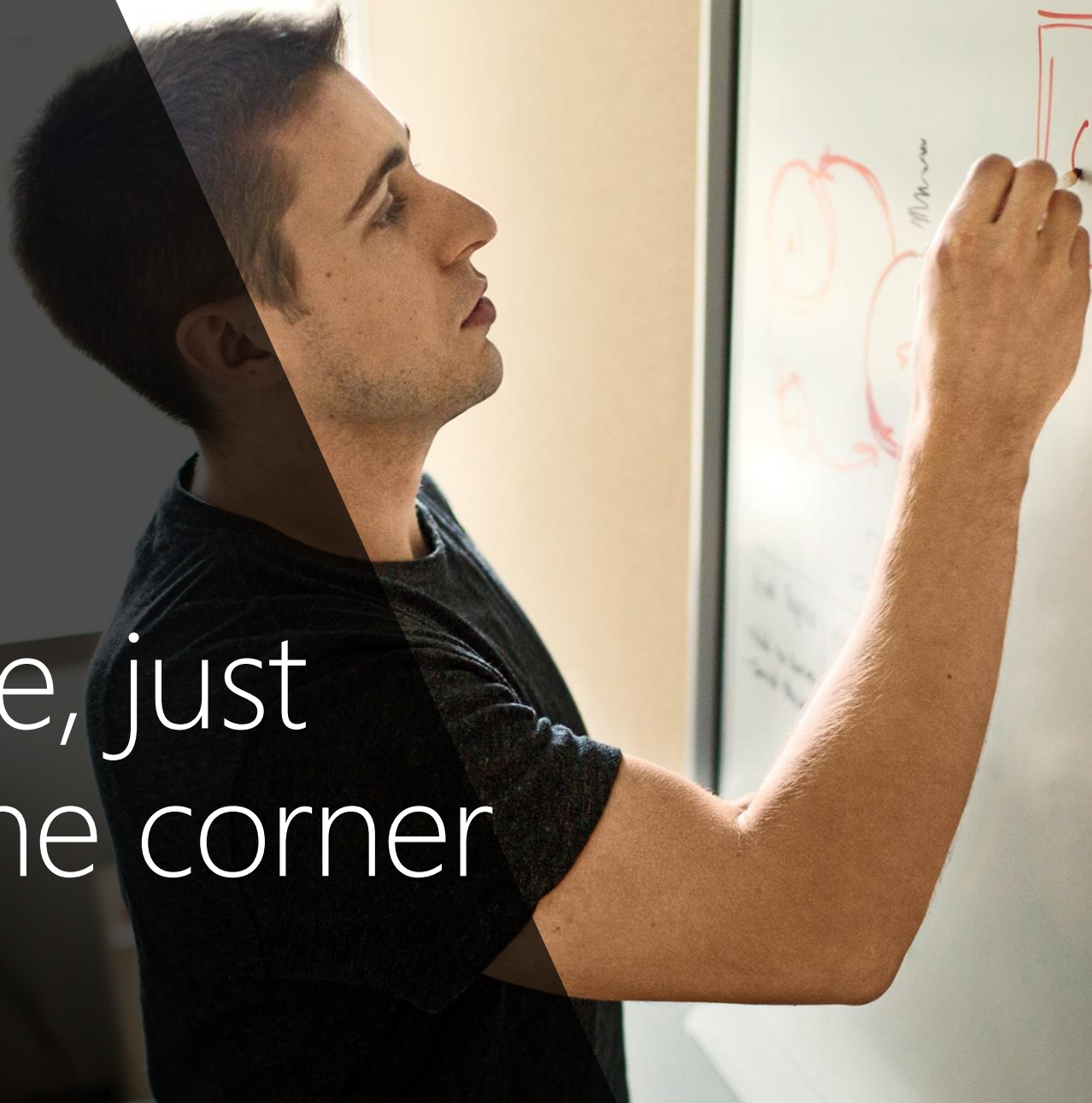
Leader Gartner Magic Quadrant
Customer Engagement Center.

Leader Forrester Wave: CRM Suites
for Large Organizations

Leader Forrester Wave: CRM Suites
for Midsize Organizations



The future, just
around the corner



A scenic view of a coastal city at sunset or sunrise. The foreground shows a multi-lane highway with several cars driving. To the left, there's a parking lot and some buildings. In the background, a tall, modern building stands prominently against a sky filled with soft, golden light and scattered clouds. Palm trees and other vegetation are visible on the right side of the frame.

OUR JOURNEY IS JUST
BEGINNING

