



**Microsoft Customer Solution**

**Case study**

**Microsoft Dynamics SL**

“From the technology perspective, we’re very happy with the product. It saves time, reduces the workload, and makes my life easier.”

**Patricia Lin**

Director of IT  
ClearPath Networks, Inc.



**ClearPath Networks Builds a Strong Foundation on a Complete Microsoft Platform**

Executives of ClearPath Networks, Inc. used J.D. Edwards for all their accounting and finance needs in a predecessor company. They reported the J.D. Edwards software to be so complex that they usually needed to hire consultants when a system modification was required, when a problem was encountered, or even sometimes for routine maintenance.

When they formed their new company, ClearPath Networks, Inc., it was evident a simpler and less expensive accounting and finance software solution was needed. They found the answer to their needs in Microsoft® Dynamics SL (formerly Solomon).

Once this affordable solution was selected, it became clear that to build their business on solid footing, selecting a full complement of Microsoft products that worked together seamlessly would provide a strong foundation. As a result, ClearPath Networks has realized dramatic savings in almost every aspect of their business.

CUSTOMER PROFILE	BUSINESS SITUATION	SOLUTION	BENEFITS
Based in El Segundo, California, USA, ClearPath Networks Inc. offers managed network services, including iVPN, the industry’s first MPLS network-based VPN with a fully integrated online management platform. ClearPath facilitates the transport of data, voice, and video applications in an environment ideal for the secure transport of sensitive applications.	ClearPath’s predecessor company relied on J.D. Edwards for all accounting and financial systems. The principals found it costly to purchase, customize, implement, and maintain. Too much of their profit was being siphoned off to J.D. Edwards consultants because the system was too complex for their in-house staff to manage with their current skill sets.	Compared to J.D. Edwards, Microsoft® Dynamics SL was a much more affordable, easy-to-implement, and scaleable solution. ClearPath no longer needs to hire outside consultants—in-house systems staff have been able to operate and maintain the system on their own. The all-Microsoft platform ensures that all components of the systems work together seamlessly.	<ul style="list-style-type: none"> <li>Initial costs less than half of JDE</li> <li>Implementation three months vs. eight months for JDE</li> <li>Annual maintenance and support costs five times lower than JDE</li> <li>Maintenance and customization costs just under three times lower than JDE</li> <li>High flexibility, ease of integration, and advanced features</li> </ul>



“Having the flexibility and quick time frame [to make enhancements to product offerings] is more than just saving money—it has actually put us into a more competitive position against the competition.”

**Gordon Benzie**  
Director of Marketing  
ClearPath Networks, Inc.

## Situation

ClearPath Networks, Inc. positions itself as offering the industry's most compelling set of Virtual Private Network (VPN) services for small- and medium-sized businesses, including iVPN, the first line of intelligent network-based VPN services targeted at this market. ClearPath's iVPN facilitates the transport of data, voice, and video, and serves as a platform for delivering a wide range of managed services. These services are managed through ClearPath's iNOC<sup>SM</sup>, the company's proprietary online network management tool allowing users to maintain complete control over their private network environment.

### The Complexities of J.D. Edwards

ClearPath's executives had worked together in a previous business, and in 2002, they began the new business, ClearPath Networks Inc. In the predecessor company, J.D. Edwards was used for all accounting and finance needs. ClearPath executives report that the J.D. Edwards system was costly in terms of both purchase price and maintenance. ClearPath's Director of IT, Patricia Lin, attributes the costliness to the complexities of the J.D. Edwards solution.

Lin reports that the skill sets required to work with J.D. Edwards were the biggest problem area. Lin says, “We spent a lot of money for consulting with J.D. Edwards. Any time we had a modification or customization, we needed to hire a consultant because of the specialized skill sets [required to work with J.D. Edwards software]. Consultants would work three to four months. Any time we had an error, we needed to go back and check. It would take two to three days to find the problem because we had to do the entire work role breakdown and go through everything step by step.”

The complexities of J.D. Edwards also impacted the marketing of the predecessor

company's products and services. Because of the tedious process and long timeframe required to offer promotions or make product enhancements, ClearPath was limited in what could be offered. This affected the company's ability to be competitive in the marketplace, and thereby their profitability. Gordon Benzie, Director of Marketing, says of the J.D. Edwards experience, “The impact of having months to integrate a change in our billing system severely impacted what promotions I could offer at the predecessor company.”

### ClearPath's Goals

As a relatively young managed network service provider, ClearPath is constantly facing industry challenges. They seek to provide their customers with a differentiated, value-added service that exceeds expectations, and to reduce operating costs while increasing revenue. These goals make it imperative that they have a comprehensive, integrated Enterprise Management System (EMS) as the basis of their business. ClearPath recognized that their EMS must also be flexible enough to expand and integrate multiple systems.

## Solution

### The Accounting and Finance Component

Leveraging their prior experience, ClearPath knew they wanted an alternate accounting and finance solution for their new company. The solution needed to be simple to use, manageable without significant external expertise, and affordable.

J.D. Edwards had already been ruled out. They briefly considered Oracle, but the price tag deterred them from seriously pursuing it.

ClearPath found the answer in Microsoft® Dynamics SL. They made this choice because of the flexibility of the software and the ability to employ the Solomon Object Model. Their Microsoft implementation partner says, "ClearPath could see very quickly that the integration with their customized billing software would be significantly easier using Solomon Object Model. This became an important criterion in their decision."

A cost/benefit comparison of Microsoft Dynamics SL vs. J.D. Edwards, developed by ClearPath executives, is detailed in the table labeled "Costs and Benefits of Microsoft Dynamics SL vs. J.D. Edwards. Compared with J.D. Edwards, Microsoft Dynamics SL was a much more affordable, easy-to-implement, and scalable solution.

Once the Microsoft Dynamics SL decision was made, the most logical solution was to build an entire, integrated infrastructure based on Microsoft products.

### The Database Component

Microsoft SQL Server™ was chosen as ClearPath's database solution because ClearPath believed it provided great value at a low cost. Their solution includes a relational database, an OLAP server, built-in replication, and an extract, transform, and load tool in Data Transformation Services. The fact that each of these components was included in the purchase price helped ClearPath to recognize cost savings from day one. According to Gary Cooperman, Vice President of Finance, "Microsoft SQL Server delivered a rapid return on our data management investment with the lowest implementation and maintenance costs in the industry." In addition to its scalability, speed, and performance, Microsoft SQL Server also is a fully enterprise-class database product, providing core support for XML and Internet queries. This was an extremely important feature for us to support our

XML APIs for real-time communication with our vendors and partners."

### The .NET Component

After the selection of a database was confirmed, the .NET solution was the next purchase component. ClearPath understood that the primary challenge of their information system would be a complicated workflow, multiple interfaces for different groups and purposes, various internal/external systems that needed to be integrated, a short implementation timeframe, and limited resources. Microsoft .NET successfully helped ClearPath solve these challenges. It was easy to integrate with their existing applications and leverage their own developer skills. They liked the ability to program in any language. They chose Microsoft Visual Studio® .NET, which they view as an excellent development environment.

### The Implementation

ClearPath was pleased with the three-month implementation timeframe that their Microsoft partner accomplished, compared with the J.D. Edwards implementation in their predecessor company, which had taken eight months. IT Director, Patricia Lin, says "The implementation went smoothly because we made a very good decision in the beginning—going with Microsoft for the entire platform."

"From the financial aspect, we're very happy [with the Microsoft Dynamics SL solution]. The system works very well and is well integrated into the rest of our business processes."

**Gary Cooperman**  
Vice President of Finance  
ClearPath Networks, Inc.

Costs and Benefits of Microsoft Dynamics SL vs. J.D. Edwards		
Cost/Benefit	Dynamics SL	J.D. Edwards
Flexibility	High	Low
Easy Integration	Yes	No
Implementation Timeframe	3 months	8 months
Maintenance & Support Cost (Yearly)	\$20,000	\$100,000
First Time Implementation Cost (Yearly)	\$49,600 ~ \$76,160	\$186,000 ~ \$265,600
Customization & Maintenance Cost (Yearly)	\$70,000	\$192,000
Initial Software Cost	\$86,300	\$194,000
Renew License Fee (30 Users—Yearly)	\$15,534	\$15,000
Advanced Features	Yes	No
Server Resources Required	Low	High
Consultant/Specialist Required for Maintenance?	No	Yes

## Benefits

ClearPath incurred much lower costs for purchase and implementation than with J.D. Edwards. They attribute this to the ease of working with .NET and the ease of integration with ClearPath's other systems.

### Excellent Accounting & Billing System

Microsoft Dynamics SL has met ClearPath's expectations in terms of program performance and ease of management.

- **Flexibility**—Microsoft Dynamics SL was easy to adapt to the way they work, with a variety of ways to customize system capabilities to their business needs.
- **Integration**—The design kept the system modules working smoothly and efficiently together. ClearPath's finance, billing, operations, sales force automation, and online customer management interface were designed to work as one, using a single database. This created enormous economies of scale in programming and support costs, as well as improvements in system performance.
- **Efficiency**—The deployment of Microsoft Dynamics SL was as easy as deploying the operations platform. The system administrator and developers were able to become familiar with the implementation and production support issues with minimal transfer of knowledge.
- **Maintenance and support**—Because of the similarity of architecture between ClearPath's operational system and Microsoft Dynamics SL, support and maintenance costs and issues are of no concern. ClearPath says their current IT department can fully support and customize the platform

without the need for costly consulting services.

- **Implementation cost**—ClearPath had an extremely affordable implementation due to the high flexibility, easy integration, high efficiency, and easy maintenance and support of Microsoft Dynamics SL and .NET.

### Other Benefits

- **Reduced IT support staff**—The object-oriented approach for developing components using Microsoft Visual Basic .NET minimized development time. Overall, ClearPath reports that they attained a 50 percent cost savings over J.D. Edwards for the entire development and implementation, and approximately 40 percent cost savings for production support and maintenance.

ClearPath currently uses one full-time equivalent IT employee to support Microsoft SQL Server, .NET, and Dynamics SL. This support level is not anticipated to require additional labor resources for the foreseeable future, even as sales increase and the customer base experiences significant growth.

By comparison, the J.D. Edwards solution in ClearPath's predecessor company required two FTEs just to support that program alone, with further staff required to support their multiple databases.

- **Days Sales Outstanding (DSO) remained constant, even with tripled sales volume**—The DSO from December 2002 to June 2003 remained constant at approximately 20 days while sales tripled, and no additional labor was added. This represents significant cost savings from lower operational expenses that ClearPath attributes directly to their

Microsoft Dynamics SL and .NET implementation.

- **Shortened development time**—The object-oriented development approach using Microsoft Visual Basic .NET, which provides code reusability, has resulted in lower maintenance requirements. They have reduced programming time by more than 60 percent. According to Gordon Benzie, Director of Marketing, “As the effective interrelationship of these operating systems is a key strategic advantage ClearPath enjoys over its competition, the importance of delivering this programming in a cost-effective manner cannot be overstated.”
- **.NET-related benefits**—Visual Studio .NET has enabled an integrated development environment that affords many features useful to ClearPath.

ASP.NET includes advanced compilation and caching features, which has improved programming performance dramatically over other existing Active Server Pages (ASP) applications.

With Microsoft .NET Framework metadata technology, installing applications was as easy as copying them into a directory, saving both time and resources. As a result, applications run more reliably.

- **Easy communication with vendors and partners**—With XML Web Service, ClearPath is able to interact with vendors and partners easier than ever before. They believe that partner satisfaction realized by this feature has resulted in increased revenue.
- **Improved reliability and increased performance**—ClearPath management believes that applications built using the .NET Framework stay up-and-running longer. In addition, with advanced compilation and caching techniques, their server applications have never been faster than with the .NET Framework and its ASP.NET technology. ClearPath has moved some applications from ASP to ASP.NET, and is seeing 300-500 percent performance improvements via reduced processing times.
- **Increased competitive advantage**—With the advanced infrastructure design, ClearPath has been able to offer its customers the ability to make real-time changes to their monthly invoices and to process payments directly through an online management interface. This provides a competitive advantage to ClearPath that would not have been possible without the ease and low cost of their Microsoft solution.

## Software and Services

Microsoft® Dynamics SL

- Financial Series
- Customization Series
- Analytics and Reporting  
Crystal Reports  
FRx® Desktop

Microsoft Windows®

Microsoft .NET Framework

Microsoft ADO.NET

Microsoft ASP.NET

Microsoft IIS

Microsoft SQL Server™ 2000

Microsoft Visual Basic® .NET

Microsoft Visual Studio® .NET

XML Web Services

**Number of Sites:** 13

**Number of Employees:** 40

**Migrated from: J.D. Edwards**

Microsoft Dynamics offers a wide range of integrated, end-to-end business applications and services designed to help small, mid-market and corporate businesses become more connected with customers, employees, partners and suppliers.

For more information about Microsoft Dynamics, call **Synergy Business Solutions**, a Microsoft Gold Certified Partner, at 800-481-8590 or go to: <http://www.synergybusiness.com>