EBOOK

Failure to upgrade NAV

What *really* happens if you choose to remain on your legacy NAV solution instead of upgrading to the 'latest and greatest' version?

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About Us

Advanced Business Systems

Advanced Business Systems (ABS) is a boutique Microsoft Gold Certified Partner operating in the United States. We've been working with NAV since it arrived on the scene 20 years ago, and our experts are responsible for the very first Business Central go-live in the country.

Introduction

Failure to Upgrade NAV: What Happens?

One of the services we offer at ABS is Microsoft Dynamics NAV upgrades. A lot of our customers are operating on legacy versions of NAV, and for a variety of reasons they come to realize that they need to upgrade NAV to keep pace and take advantage of new technologies.

The problem with NAV upgrades is that the process can be expensive, painful, and potentially disruptive to one’s business. So, despite the time-saving improvements, new features, and competitive edge that the latest NAV version offers, when faced with the decision to upgrade or not, companies often choose to do nothing.

The thought is that if a legacy version of NAV ERP software is working well enough to run your business, it won’t hurt to remain stagnant until something disruptive forces you to upgrade.

This eBook will explore that thought process: if you fail to upgrade NAV, what happens? Is it business-as-usual or is there a downside to doing nothing? What, if any, are the consequences of choosing not to upgrade your Dynamics NAV version?

What happens if I put off a NAV upgrade?

This eBook is designed to give you an honest look into the consequences of putting off a NAV upgrade. Many organizations choose to remain on old versions of their ERP system because they subscribe to the belief that "if it ain't broke, don't fix it."

Use this resource to educate yourselves on the issues you could potentially face as a business if you stay on a legacy NAV solution.

Read on to see the possible situations you could run into if you choose *not* to upgrade.

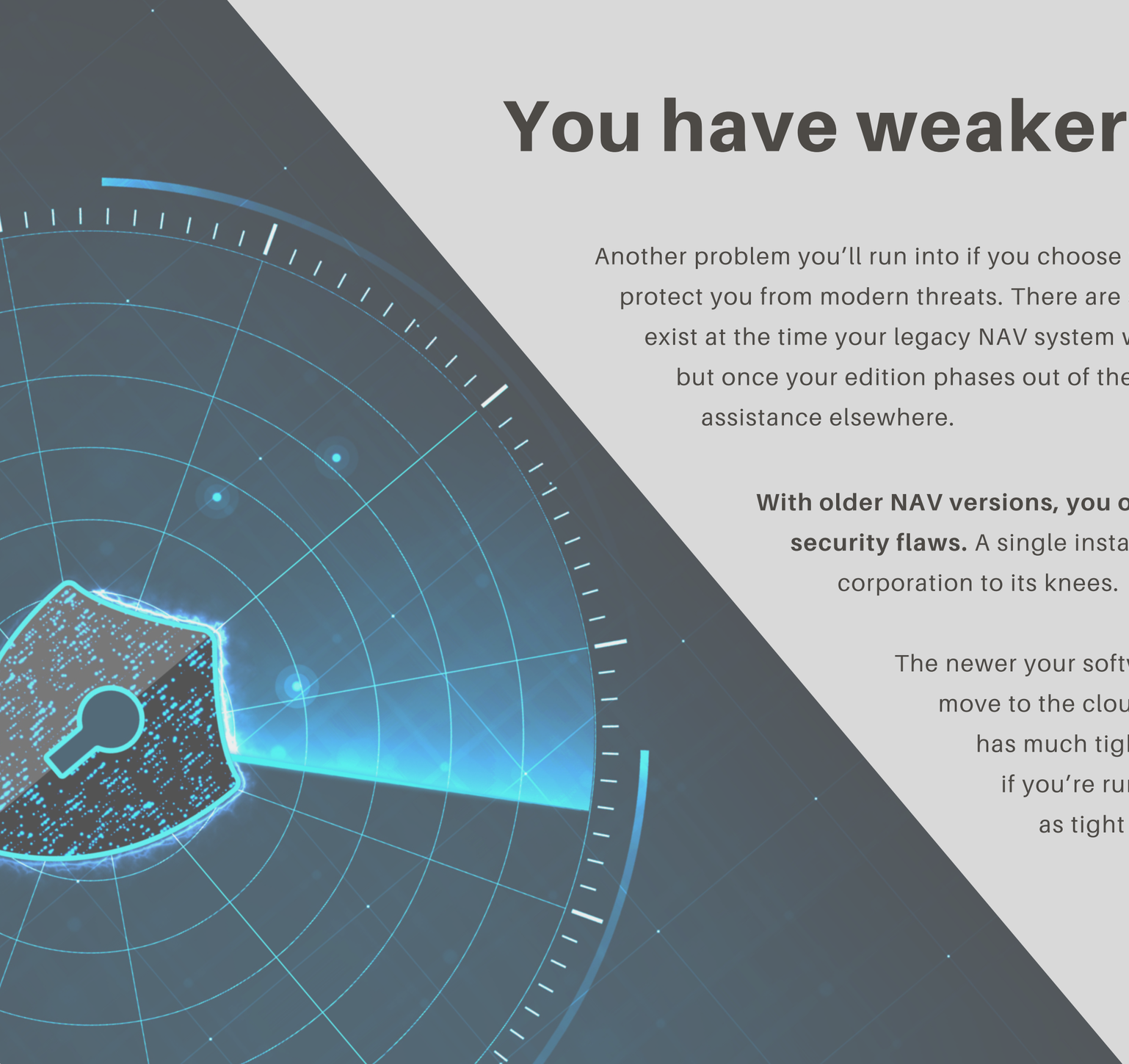
You accumulate technical debt

Technical debt is the idea that, in choosing an easier solution in the moment instead of a more comprehensive (and thus more difficult to execute) solution, you accumulate a cost or technical interest that you'll be required to "pay" down the road.

> Think about your cell phone. If you hold onto a dated version of your smartphone because it still works and does what you need it to do, you're accumulating technical debt. While you've saved money by opting not to upgrade to a later model, you begin to experience slower operational speeds, less reliable coverage across new networks, and might even find yourself unable to utilize new technologies like 5G compatibility (not to mention losing out on features).
>
> Another technical debt example can be explained by taking a look at your television. Your picture and sound quality on an older TV might be enough for your needs, but as new technologies (like Smart TV apps) come out, you can't take advantage of them.

By failing to upgrade your NAV software solution, you're accumulating technical debt in much the same way. Your system becomes less efficient, less compatible with other systems and technologies, and your employees have a harder time using it. **You're simply delaying the inevitable, so you're not really saving your company money.** You're collecting technical debt.

You have weaker IT security

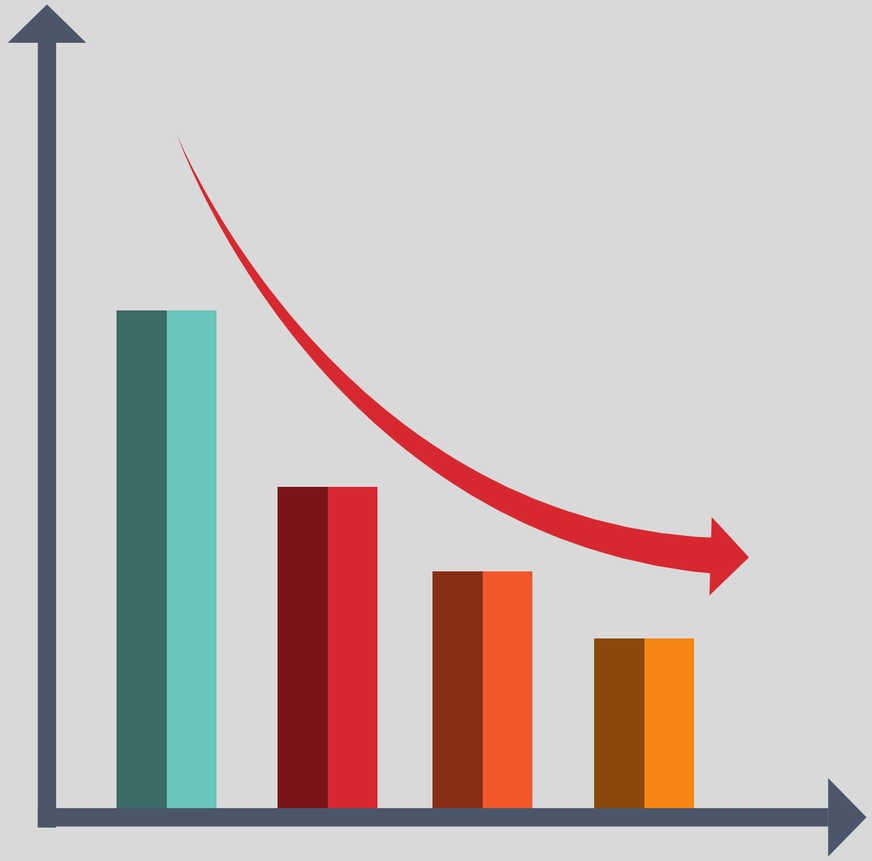


Another problem you'll run into if you choose to remain on an old version of NAV: inadequate IT security to protect you from modern threats. There are a multitude of security issues in today's world that didn't exist at the time your legacy NAV system was built. Microsoft does its best to patch up older versions, but once your edition phases out of the 10 year support lifecycle, you'll need to seek security assistance elsewhere.

With older NAV versions, you open yourself up to the threat of ransomware and other security flaws. A single instance of ransomware can bring even the most robust corporation to its knees.

The newer your software is, the better security it has, especially when you move to the cloud with Microsoft Dynamics 365 Business Central. Microsoft has much tighter security in the cloud, and though it'll never be perfect, if you're running software on old servers, your security most likely isn't as tight as it needs to be.

Your system doesn't perform as well



System performance wears down over time, as with any system. If you don’t upgrade your NAV software, therefore, you’ll inevitably see performance degradation.

Such system performance includes incompatibility with current and future technology. It also involves a weakening of your infrastructure that will require continuous maintenance and refreshing.

If you’re not doing that, you’ll accumulate technical debt and your system will either slow or lose efficiency (or both).

You have lower employee productivity

As your system performance begins to degrade, the performance of your users will be negatively affected. If your employees are faced with system issues that slow them down, it will lower their own productivity. As a result, **you'll see impacts across your organization, not just within your ERP system or finance department.**

When your employees can't work as quickly and as efficiently as they need to, they'll be faced with one of two options:

1. Users may come up with workarounds to sidestep the barriers they face
2. Users take longer to complete tasks and projects

Workarounds sound like a feasible option here, but beware. Introducing alternative methods to complete certain tasks can have a very dangerous impact to your organization's security, oversight, and adaptability.

You muddle your operations with workarounds & siloed information

If your legacy software begins to cause problems for your employees, these users typically respond by creating workarounds. This means they'll either introduce additional, inefficient processes or they'll turn to external software sources.

As a result, you'll find yourself facing siloed information, which goes against the very philosophy of ERP software. Your NAV system should provide you with complete informational insight. You want everything contained and visible within one system. By introducing workarounds, external programs, and data silos, you undercut the usefulness of your ERP system. You lose operational visibility and the ability to make informed business decisions.

Shadow IT becomes a very real threat. When your users can't complete their tasks in a timely manner using legacy software, they'll look to outside programs or solutions that your IT department won't be able to control and regulate.

Shadow IT is the collection of IT systems used by your employees without explicit organizational approval. While certain tools might boost individual users' productivity, they're much harder to control, document, and secure.

Consequently, shadow IT tools weaken your security and introduce new ways in which ransomware and other cyber threats can infiltrate your organization.

Not only that, but since your IT department cannot properly regulate these shadow technologies, there's no ensuring their reliability.

If your finance department relies upon these external tools to complete critical business functions and if these tools malfunction, it can be very disruptive.

These workarounds and outside programs might be efficient today, but they introduce a shadow IT structure, vulnerabilities, and unregulated/ undocumented data flows that threaten the success of your organization.

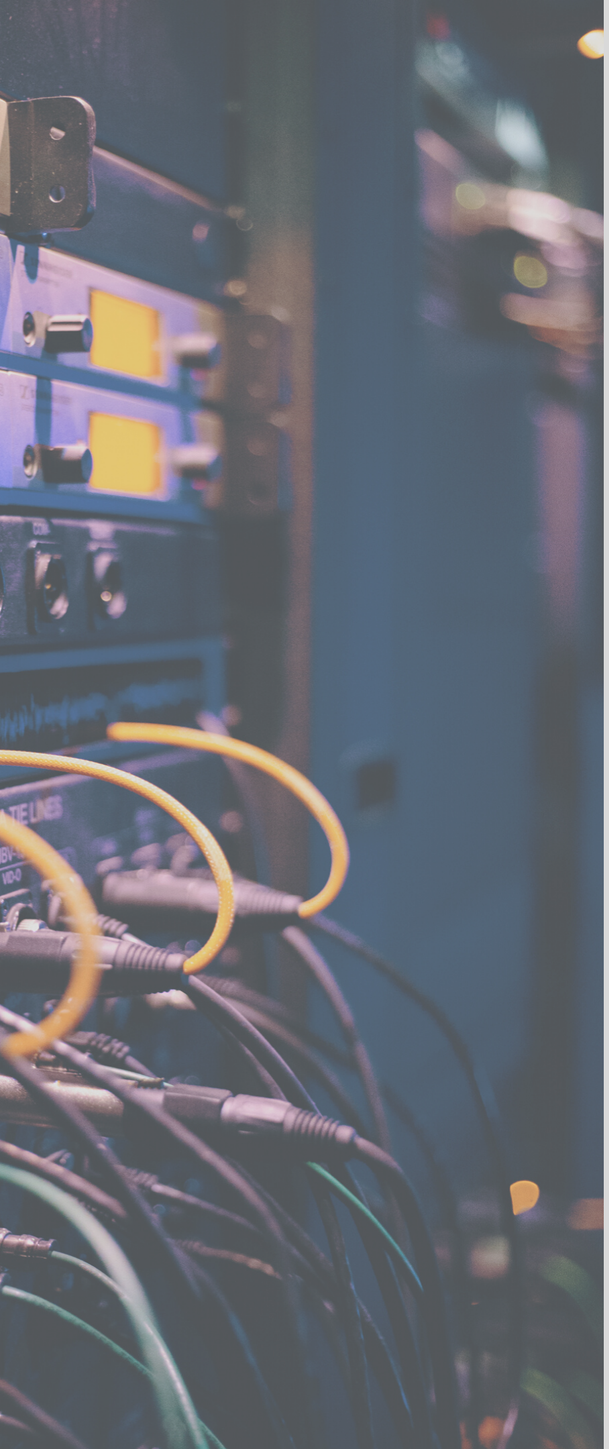
You can't take advantage of current technology

Another consequence you'll face if you choose not to upgrade your legacy NAV system to the current solution: you lose out on new technology. This is a potentially devastating one for your organization, since it means you miss out on useful technology to keep your business competitive.

If your aging NAV software isn't compatible with current technology (programs, applications, infrastructure, networks, etc) you'll fall behind your competitors. Many new features and functionality are available for recent versions of NAV or have been designed specifically to work with other popular systems. These features have been designed in current formats/paradigms, and have been written forward -- as opposed to backward for older ERP versions and technologies.

This incompatibility can be tied back to the concept of technical debt. If you're using legacy NAV software, you can't use many new web services, automations, or servers because they haven't been written to work together.

Every year, Microsoft releases hundreds of platform and application enhancements, new features, new functionality, and updates for GAAP (Generally Accepted Accounting Principles) compliance that address current rules, regulations, and compliance. By choosing to remain on an old version of NAV, you miss out on these updates.



You have hardware & server limitations

This potential consequence goes hand-in-hand with the previous point. Let’s say you wish to upgrade your servers to something newer and faster. Your old ERP solution might make this impossible, because the software itself was written before this new technology even existed. Therefore, in order to utilize these new servers, you’d have to first upgrade your NAV software.If your server crashes, you can’t easily upgrade your server to a new version. New technologies like this are not always made to be backwards-compatible.

> For example, say your server crashes and you decide to upgrade to SQL 2018 for use with NAV 2009. This server software isn’t compatible with NAV 2009. It’s been written within a certain scope to work with current software, so your older ERP system can’t take advantage of this new software and hardware.

The resulting situation is one in which you have access only to increasingly outdated technology. What’s more, your business is vulnerable to server crashes in ways that other companies (using current ERP versions) are not. You’ll begin to find yourself unable to move forward to remain technologically competitive.

The argument for cloud ERP is that once you move your systems to the cloud, you never have to buy a server again (or worry about server maintenance).

You can't take advantage of add-ons, extensions, & apps

Microsoft Dynamics NAV (and Business Central) are general purpose ERP solutions, meaning they have about 80 percent of what any organization needs to run their business: accounting, accounts receivable, accounts payable, inventory, distribution, manufacturing, etc. There's still the 20 percent that your software doesn't cover, and that's where add-ons, extensions, and utilities become critical to a successful ERP solution that runs at 100 percent.

By remaining on a legacy version of NAV, you miss out on the many add-ons, extensions, and apps available on the market.

When a new NAV add-on (or "extension," as they're called in Business Central) is written today, they aren't designed to work with old versions of the software. Typically they're compatible with the current NAV system (and often the version immediately preceding this), but not with legacy software.

When you lose out on these important features due to version incompatibility, you're forced to either "live without" or fill the gap using custom code. This route is also not ideal.

If you use old C/AL code, you have a narrowing window of time to upgrade before it gets disruptive

Historically, NAV has been very easy to customize, and being custom-code-friendly has long been a selling point for the solution. Just because you can, however, doesn't necessarily mean you should. When you add custom code to legacy NAV versions, it makes it difficult to upgrade, and the more customizations you add, the more "ERP bloat" you have. It takes longer and longer to upgrade that code into new versions.

ERP bloat is a term that refers to an ERP system that has grown too cumbersome. When too many unnecessary modules are introduced to a solution (a solution that was originally created to keep organizations efficient and agile) the system becomes bloated. Users find these systems difficult to learn, use, and manage.

It's important to note that custom code in and of itself doesn't create ERP bloat. Unnecessary or convoluted code, however, can contribute to this.

But, the important thing for the purposes of this eBook is this: if your organization has relied on legacy C/AL code (as opposed to the newer AL code), you have a narrowing window of time to upgrade without major disruptions.

In C/AL code, you're modifying base NAV. Any upgrade to a new version of software will take longer to perform because of this.

AL code, in contrast, doesn't modify base NAV, so when new versions of the software are released, you can upgrade without worrying about custom code conflicting with new base NAV code. You can continuously upgrade very quickly (and much less painfully).

Microsoft's new paradigm for NAV software has changed significantly in recent years, and support for C/AL code is diminishing.

As a result, if you were to upgrade your legacy NAV now (before October 2020), your NAV partner could stage you on an upgrade up to Business Central 14, a version that still supports both legacy C/AL code and the newer AL code. Your partner can stage the upgrade, move up all of your legacy C/AL code, and figure out what needs to be refactored or converted into an extension. The release of Business Central 15 in October 2020, however, does away with C/AL code.

What does this mean for you? If you've customized your ERP system using C/AL code, you want to **upgrade now** to Business Central 14 so that you can focus on the NAV to Business Central core upgrade and keep your existing C/AL customizations intact. If you upgrade directly to Business Central 15 and there's an error in the upgrade, your partner won't know if that error is being caused by your C/AL code or by the new extension written around that code.

If you have custom code in your legacy NAV solution and put off upgrading, you'll face greater difficulties down the road when you do decide to make a change to your ERP system.

You have a dwindling pool of support

The longer you put off an upgrade and remain on a legacy NAV solution, the more difficult it becomes to find a partner that can support your technology.

NAV representatives joining the market today are less and less familiar with older versions, simply because these outdated solutions aren’t being taught anymore. Therefore, these new ERP professionals are unable to properly support these, so your pool of resources becomes smaller and smaller. Even people who did know your version back in the day are much more familiar with current and up-to-date versions as opposed to versions that are over ten years old. Plus, the resources and tools available to assist with them are dwindling.

The knowledge base for your legacy software becomes more limited/unavailable as the years go on, and it becomes difficult to find a partner who can solve your NAV issues in an efficient manner. Not only that, but when Microsoft itself no longer supports your version, you run into more problems.

Microsoft doesn't support your version anymore

Microsoft only guarantees support for a limited number of years, after which it no longer supports your version. You’re granted a ten year support life cycle. In these first five years, you receive Microsoft’s “mainstream support.”

Microsoft will actively publish hotfixes, service packs, cumulative upgrades, enhancements to the software but after that, for the next five years, Microsoft will only provide security updates as needed. At this stage, it becomes more difficult to find support for an old version of the software.

Your system isn’t being improved -- at best it’s being maintained, but you miss out on new features and functionality that are being developed as new technology is created.

Your bad data doesn't get cleansed

The longer you wait to upgrade, the longer you let bad data sit in your ERP system. Your organization may or may not be aware of legacy bad data that either is incorrect or doesn’t work properly with your reports.

You’ve been living with it for a long time, and you need to clean it up.

Otherwise, the data creates inaccuracies in reporting and your organization is unable to make optimal business decisions.

Summary

To summarize, here’s what you’re faced with if you choose to remain on your legacy NAV version instead of upgrading:

- You accumulate technical debt
- You weaken your IT security and open your organization up to malware and other vulnerabilities
- Your system’s performance degrades over time
- Your employees have lower productivity
- You muddle your operations with workarounds and siloed information
- You lose out on the benefits of current technology (which makes it harder to compete with other businesses that use them)
- You’re limited in your hardware and server choices
- You can’t take advantage of new apps, add-ons, and extensions
- If you use C/AL code, it will be harder to upgrade starting in October 2020
- You have a dwindling pool of support
- Microsoft doesn’t support your version anymore
- Your bad data doesn’t get cleansed

Some of these issues are manageable but others could disrupt your business considerably. As you weigh your options, keep these consequences in mind.

It used to be clear cut. We could say with confidence that “NAV won’t upgrade itself.” Today, on the newest version of NAV and Business Central, it can.

If you’re running the current version of Business Central on-premise, you don’t have modified base code, so upgrades are much easier to complete. If you’re in the cloud, Microsoft releases its new version every six months, and you have automatic updates. In this way, NAV does upgrade itself.

What should your first step be?

It should go without saying that any forward movement is better than stagnation, so whatever you do, you should take a step as opposed to doing “nothing.” Contact your NAV partner. Work with them to determine the best options and path for your organization.

If you fail to do anything, your organization will quickly get left behind. The longer you wait, the more severe your consequences become.

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