WESTERN COMPUTER

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THE HIDDEN IT RISK OF LEGACY ERP IN MANUFACTURING

A whitepaper for CIOs, VPs of IT, IT directors, and systems managers on the real cost of keeping an aging ERP alive, and what a modern platform changes.

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Who this is for: This whitepaper is written for manufacturers between $30M and $1B in revenue running legacy Microsoft Dynamics GP, NAV, or AX, or a similar aging ERP. If your team spends more hours keeping the old system running than building what the business needs next, the pages that follow are for you. The goal is not to sell you on ripping out what works. It is to show, clearly and with sources, where the risk actually sits and how a modern platform moves that weight off your team.

Ask most IT leaders in manufacturing where their week went, and the honest answer is rarely a project that moved the business forward. It went to a failed overnight batch job, a patch that had to be tested against six customizations before it could go anywhere, an integration that broke when a trading partner changed a file format, and a quiet worry about the one person who still understands how the old system really works.

None of that shows up in a strategy deck. It shows up in the calendar, in the after-hours pages, and in the projects that keep sliding because the team is busy keeping the lights on. An aging ERP does not fail all at once. It taxes the team a little more each quarter, until maintenance is the job and everything else waits.

The good news is that this is a solvable problem, and it is a familiar one. What follows is a plain look at the eight ways a legacy ERP lands on IT, each with the data behind it and the specific capability in Microsoft Dynamics 365 that takes the burden off your plate. Every statistic links to its source. Every product capability is generally available today unless noted, and verified against Microsoft documentation. Where the story is stronger with proof, we point to manufacturers who have already made the move.

8 WAYS AN AGING ERP LANDS ON IT

1

Security and compliance exposure grows

Start where the risk is sharpest. Unsupported software, missing patches, aging OS and database layers, and identity that was bolted on later all widen the attack surface, right as manufacturing has become the top target. **Manufacturing was the most-attacked industry for the fifth-year running, at 27.7% of incidents in 2025** (IBM X-Force, 2026). The average industrial-sector breach now costs **$5.56 million** (IBM, 2024), **65% of manufacturers were hit by ransomware in the past year** (Sophos, 2024), and exploitation of vulnerabilities as a breach vector **surged 180%** (Verizon, 2024), much of it through flaws a patch already existed for.

What changes with Dynamics 365. Identity and patching stop being your problem to chase. Both products use **Microsoft Entra ID with single sign-on and multifactor authentication,** replacing local passwords, and Finance & Supply Chain Management uses **Entra ID as its primary identity provider with role-based access**. The online services carry **SOC 1/2, ISO 27001, FedRAMP, HIPAA, and PCI in audit scope,** with reports in the Microsoft Service Trust Portal. Heathrow Scientific named cybersecurity on an aging ERP as a direct reason for moving, and Western Precooling now manages user controls centrally by role and business unit.

> The CMMC final rule took effect on November 10, 2025, and Level 2 now requires all 110 NIST SP 800-171 controls to be verified rather than self-attested. One point to keep precise: there is no CMMC certification for a cloud platform. Microsoft's government clouds (GCC High, Azure Government) help you meet CMMC, but certification stays your responsibility. If you serve the defense supply chain, put this in the platform conversation early.

THE HIDDEN IT RISK OF LEGACY ERP IN MANUFACTURING

8 WAYS AN AGING ERP LANDS ON IT

2 Maintenance eats the budget and the team

When the platform is old and self-hosted, a disproportionate share of the budget and the team goes to keeping it alive. IT becomes a cost center that maintains, not a partner that builds. Recent analysis puts **technical debt at 21% to 40% of IT spending** (Deloitte, 2026), capacity your team never gets to spend on the roadmap. Every hour spent patching, testing against customizations, and babysitting the old stack is an hour the business does not get back.

What changes with Dynamics 365. The platform stops being something you host and patch. **Dynamics 365 Business Central** runs as Microsoft-hosted software with continuous, **touchless service updates under the Modern Lifecycle Policy**. Dynamics 365 Finance & Supply Chain Management follows a single continuous version, with **Microsoft operating every environment**. The patching, the version drift, and the upgrade backlog stop being your team's job.

PROOF FROM THE FIELD • WESTERN PRECOOLING SYSTEMS

After years on Dynamics GP and a legacy AS/400, Western Precooling found the systems hard to maintain and with no path for improvement. Moving to Dynamics 365 Finance & Supply Chain Management on Azure gave the team automatic updates instead of upgrade projects, and a foundation they can scale on demand. Read the Western Precooling Systems story.

8 WAYS AN AGING ERP LANDS ON IT

3 Integration debt piles up

Legacy ERPs predate modern APIs, so every connection to MES, WMS, EDI, ecommerce, CRM, or a data warehouse rides on brittle point-to-point interfaces and custom middleware. Each one breaks when anything changes, and IT owns the cleanup. The scale of the problem is well documented: enterprises run **897 applications on average but only 29% are integrated,** and **95% of IT leaders say integrating data across systems is a struggle**. That figure comes from an integration vendor, so read it as directional, but it matches what every IT team living with custom middleware already knows: each brittle interface is future cleanup you own.

What changes with Dynamics 365. A modern platform gives you real interfaces instead of glue code. Business Central exposes **REST and OData APIs with native Power Platform and Dataverse integration**. Finance & Supply Chain Management adds OData and custom service APIs plus **dual-write to Dataverse and Power Platform** as a shared data layer. Connections become supported and documented rather than a private science your team maintains.

PROOF FROM THE FIELD • NATIONAL GUARD PRODUCTS

National Guard Products, a Memphis manufacturer with more than 20,000 configurable products, moved to Business Central and had Western Computer configure APIs so real-time data flows automatically between Business Central and Salesforce. That eliminated manual rekeying and the input errors that came with it. **Browse the manufacturing customer stories.**

8 WAYS AN AGING ERP LANDS ON IT

4 Customization lock-in causes upgrade paralysis

Years of overlayered code and one-off modifications turn every upgrade into a large, risky, expensive project, so it keeps getting deferred. The company falls further behind on versions and cannot pick up new capability without a rip and replace. It is a common outcome: more than a quarter of ERP projects run over budget, with unexpected added technology, custom builds, and skills constraints named as leading causes. Customizations that push software past the point the vendor can support it are exactly what keeps the upgrade perpetually deferred.

What changes with Dynamics 365. Both products use an extension model that keeps your changes separate from the base application. Business Central customizations are built with **AL extensions and no code overlayering**, so they survive updates. Finance & Supply Chain Management uses an **extension-only model with the application hard-sealed**, so backward-compatible updates no longer put your customizations at risk. The upgrade stops being a project you dread.

PROOF FROM THE FIELD • HEATHROW SCIENTIFIC

With Dynamics NAV approaching end of support, Heathrow Scientific, a global lab-equipment manufacturer, moved to Business Central with Western Computer. The cutover ran over a weekend with no downtime, and cloud delivery ended the expensive on-prem upgrade cycle. The company went on to **cut order processing time by 20% and lift output capacity by 15%, without adding headcount.** **Read the Heathrow Scientific story.**

8 WAYS AN AGING ERP LANDS ON IT

5 Infrastructure and uptime sit on a small team

On-prem servers, hardware refresh cycles, backups, and disaster recovery all fall to a few people, and if the ERP goes down the plant stops. That makes IT the owner of production-critical uptime, often with single points of failure. The cost of getting it wrong is steep: unplanned downtime is estimated to cost the world's largest companies **about $1.4 trillion a year** (Siemens, 2024), and **more than 90% of mid-size and large enterprises say a single hour of downtime exceeds $300,000** (ITIC, 2024), with outdated, vendor-unsupported applications named among the causes.

What changes with Dynamics 365. Microsoft runs the infrastructure. Business Central is delivered as **Microsoft-hosted software with a 99.9% financially backed uptime commitment,** automatic backups, and 28-day point-in-time restore. Finance & Supply Chain Management and Business Central carry a **99.9% uptime SLA with Microsoft-managed high availability and disaster recovery.** Backups, failover, and hardware refreshes leave your team's to-do list.

PROOF FROM THE FIELD • NATIONAL GUARD PRODUCTS

"We don't have to worry about server uptime, the infrastructure, and backing up the data," says Ali Syed, Director of IT at National Guard Products. *"It's all taken care of by Microsoft, which makes life a lot easier for our IT team. If something goes wrong, we know Microsoft will take care of it—even in the middle of the night."*
See how manufacturers use the cloud.

8 WAYS AN AGING ERP LANDS ON IT

6 Data is siloed with no single source of truth

When data is trapped in the ERP or scattered across spreadsheets and shadow systems, pulling anything for reporting becomes a manual project, and IT drowns in report requests. The pattern is widespread in manufacturing specifically: **70% of manufacturers still enter data manually** (Manufacturing Leadership Council, 2024). When the raw numbers live in disconnected systems, every report becomes a manual reconciliation, and the handful of people who can produce one turn into a bottleneck the whole business waits on.

What changes with Dynamics 365. Reporting moves onto one data model. Business Central puts **embedded Power BI and in-app analytics inside the ERP**. Finance & Supply Chain Management data reaches OneLake through **Link to Microsoft Fabric and Dataverse** without brittle ETL, and Business Central reaches Fabric the same way through Dataverse. Real-time insight stops depending on a person and a spreadsheet.

PROOF FROM THE FIELD • V&P SCIENTIFIC

V&P Scientific, a San Diego research-equipment manufacturer, moved to Business Central with Power BI reporting built on the ERP data. Standard naming and cleaner data made margins easier to measure and cut inventory hand-count variances by 10%. Read the V&P Scientific story.

8 WAYS AN AGING ERP LANDS ON IT

7

Scalability and performance hit a ceiling

The old system struggles with growing transaction volume, new sites, or acquisitions, forcing overnight batch windows and workarounds. IT cannot say yes to new business models without a fight against the platform. Two market signals frame the shift, and we offer them as context rather than a direct scalability metric: outdated, undersized servers and vendor-unsupported applications are named causes of costly downtime (ITIC, 2024), and cloud is now the majority ERP deployment choice and rising.

What changes with Dynamics 365. Scale becomes Microsoft's job. Finance & Supply Chain Management runs **Planning Optimization as an elastic cloud service**, moving master planning off the SQL database and taking runs from hours to minutes, with priority-based batch scheduling that decouples jobs from specific servers. Business Central runs as a **multitenant Azure service across many regions**. New entities, sites, and volume stop requiring a platform fight.

PROOF FROM THE FIELD • EVERGREEN SERVICES GROUP

"It required a lot of work to customize NAV to adapt to the growth of our company," Mo Khan, Senior Director of Operations & IT at Heathrow Scientific explains. "We wanted to streamline processes to better meet customer demands, which are always changing. We must stay nimble and not force our customers into a one-size-fits-all way of doing business with us." **Read the Heathrow Scientific story here.**

8 WAYS AN AGING ERP LANDS ON IT

8 Talent and support risk compounds

A legacy stack runs on deprecated languages and platforms that are hard to hire for, tribal knowledge concentrates in a few people, and vendor or ISV support dries up as the product nears end of life. Key-person risk becomes an operational risk. The wider labor picture only tightens the squeeze: U.S. manufacturing may need **as many as 3.8 million new workers by 2033, with up to 1.9 million roles going unfilled** (Deloitte & The Manufacturing Institute, 2024). That is broad workforce context, not a legacy-ERP-skills figure, but it is the market you are hiring in.

What changes with Dynamics 365. The skills you need become common ones. Both products sit on the **low-code Power Platform**, so extending the system draws on widely held skills rather than a scarce specialist. Generally available Copilot capabilities, including bank reconciliation assistance in Business Central and **generative help and natural-language chat in Finance & Supply Chain Management,** make growth more possible.

PROOF FROM THE FIELD • NATIONAL GUARD PRODUCTS

"It's difficult to adapt to a new ERP system and new ways of manufacturing custom products," Ali Syed says, Director of IT at National Guard Products. "Memphis was running efficiently because our team had been doing things for so long—but so much of the process was in their heads—and not in a scalable system."

Explore manufacturing solutions.

MATCHING THE **PLATFORM TO YOUR OPERATIONS**

There is no single right answer across a $20M shop and a $900M multi-entity manufacturer, and the point is to right-size the platform rather than buy more ERP than the organization is ready to adopt.

Dynamics 365 Business Central fits most small and mid-market manufacturers that want to modernize quickly and build discipline in process and data, without taking on more ERP than the organization is ready to adopt.

Dynamics 365 Finance & Supply Chain Management fits more complex and enterprise environments: high transaction volume, multi-entity and currencies, and advanced supply chain needs, as with Western Precooling's multi-entity, multi-site operation on Azure.

The right call depends on your operational complexity today and where you expect to be at scale. That is a conversation, not a checkbox, and it is the one worth having first.

WHY **WESTERN COMPUTER**

Modernizing the platform is only half the work. The other half is a partner who has done it before in manufacturing and who scopes the project around your team owning the outcome, not around billable hours. Western Computer has been implementing Microsoft ERP for **nearly 40 years, across more than 1,750 implementations**, as a Microsoft Solutions Partner and **Inner Circle member, a recognition reserved for the top 1% of Microsoft partners worldwide**. The firm has been a Microsoft Dynamics 365 Business Central Partner of the Year finalist three years running and is among the top-reviewed Microsoft consulting partners on G2.

The people come from industry, not from a slide deck, so the conversation stays in the language of the plant floor and the systems room. The measure of success is not go-live day. It is whether the system is still healthy, adopted, and earning its keep three and five years on.

That track record shows up in return, not just delivery. When Microsoft takes on hosting, patching, backups, and upgrades, the budget and staff time that went to maintenance is freed for the roadmap, and the operating gains are real: Heathrow Scientific cut order processing time 20% and lifted output 15% with no new headcount, V&P Scientific reduced inventory variances 10%, and Evergreen took financial-statement drafts from 20 down to 5. Independent modeling agrees. A Forrester Total Economic Impact study commissioned by Microsoft projects **more than 200% ROI over three years and a six-month payback for Business Central** (Forrester, 2026a), and a companion study projects more than **100% ROI for enterprises on Dynamics 365, with a 16-month payback for mid-market organizations** (Forrester, 2026b).

> *"Given Western Computer's experience with Dynamics 365 and our industry, they're very good at what they do, and their confirmation gave us peace-of-mind," says Mo Khan, Senior Director of Operations & IT at Heathrow Scientific. "The entire project was a true partnership between our two companies. Western Computer helped us understand what was involved on our side so we could get our team engaged. At the same time, they guided us in the right direction to make sure we implemented best-practices and avoided any pitfalls."*

THE **NEXT STEP**

If your team is carrying more of the old system than the business can afford, the useful first move is small: a conversation about where the risk sits and what a modern platform would take off your plate. Talk with a Western Computer specialist to scope your options and see the manufacturing stories in full. For a tailored cost picture, complete our self-guided pricing estimate, and enterprise teams can start with the Dynamics 365 Finance & Supply Chain Management Assessment.

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