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TODAY

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**THE HUMAN TOUCH**  Is this the end for the handshake?

# IS THIS THE

**WORKING FROM HOME**  The tech that is transforming the way we work

# RECKONING

**ERP PLANS ON HOLD?**  Is now the right time to invest in an ERP project?

# HUMANITY

**HR TAKES THE LEAD**  HR teams and technology lead in a crisis

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# Editor's Words

Many high-performing businesses have discovered the fragility of their systems and processes over the last three months. Even those that had invested in digital technology were left scrambling to adapt to changes that were invoked in an instant and occurred without warning or precedent.

We have been told for almost a decade that digital transformation was the key to business agility and if we adopted new technologies we could ride the crest of whatever wave came along. Companies with some digital capabilities will have found the transition to new ways of working easier than those which had failed to invest. But, even the most digitally savvy enterprises will have uncovered shortcomings.

COVID-19 has taught us all many lessons, but for businesses the lessons could not be more stark. However, I do not see COVID-19 as a disruptor as many commentators have suggested. What was true before still applies now – COVID-19 is an accelerator, a magnifier, an uncompromising spotlight that shines deep into the heart of even the most erudite enterprise and poses serious questions about business models, processes and resilience.

Coronavirus has cut deep into virtually every sector of commerce and there will be very few businesses that come out completely unscathed. It is unfair to call out any one sector as being the most affected. Travel, retail and hospitality are obvious candidates for the unwelcome crown of most distressed industries. But there are many others too.

However, it's not the end for the high street or aviation industry – far from it. In every vertical market there will be winners and losers and it is likely that the victors will share some common DNA while the defeated will unfortunately bear the same infelicitous characteristics.

In the short term it will be the agility of an enterprise to embrace change that will set them apart - but there will be other attributes that determine the longer term prosperity in the post-COVID era – and the most crucial attribute of all will be purpose.

Any organisation wishing to thrive in the coming decade must have purpose as a cornerstone of their business. And not the kind of lip service so many organisations have been paying to the topic for the last few years – genuine and transparent purpose that is focussed on people and the planet. The environment and humanity are screaming out for change and I believe it will be the single biggest differentiator between the boomers and the bootlickers.

Businesses will buy from other businesses that demonstrate the same values. Consumers will buy from responsible retailers that share the same ideals and governments will support enterprises with loans, grants and contracts that deliver to these principles.

Purpose must become a pillar of the modern enterprise.

Whilst the COVID-19 crisis has been an unmitigated emergency and caused widespread hardship and loss – we will never have a better opportunity to rethink how we want to work, what we should be working towards, what our value system is and how we want to live our lives.

*Paul*

22ND OCTOBER 2020 • THE BREWERY LONDON

# ERP
## TODAY

## AWARDS
### 2020

# POSTPONED

PLEASE SEE PAGES 44 & 45 FOR AN UPDATE

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Q3 2020

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# Feeling forced down
## an ERP path
## you aren't ready to take?

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**RISKY IMPLEMENTATIONS**

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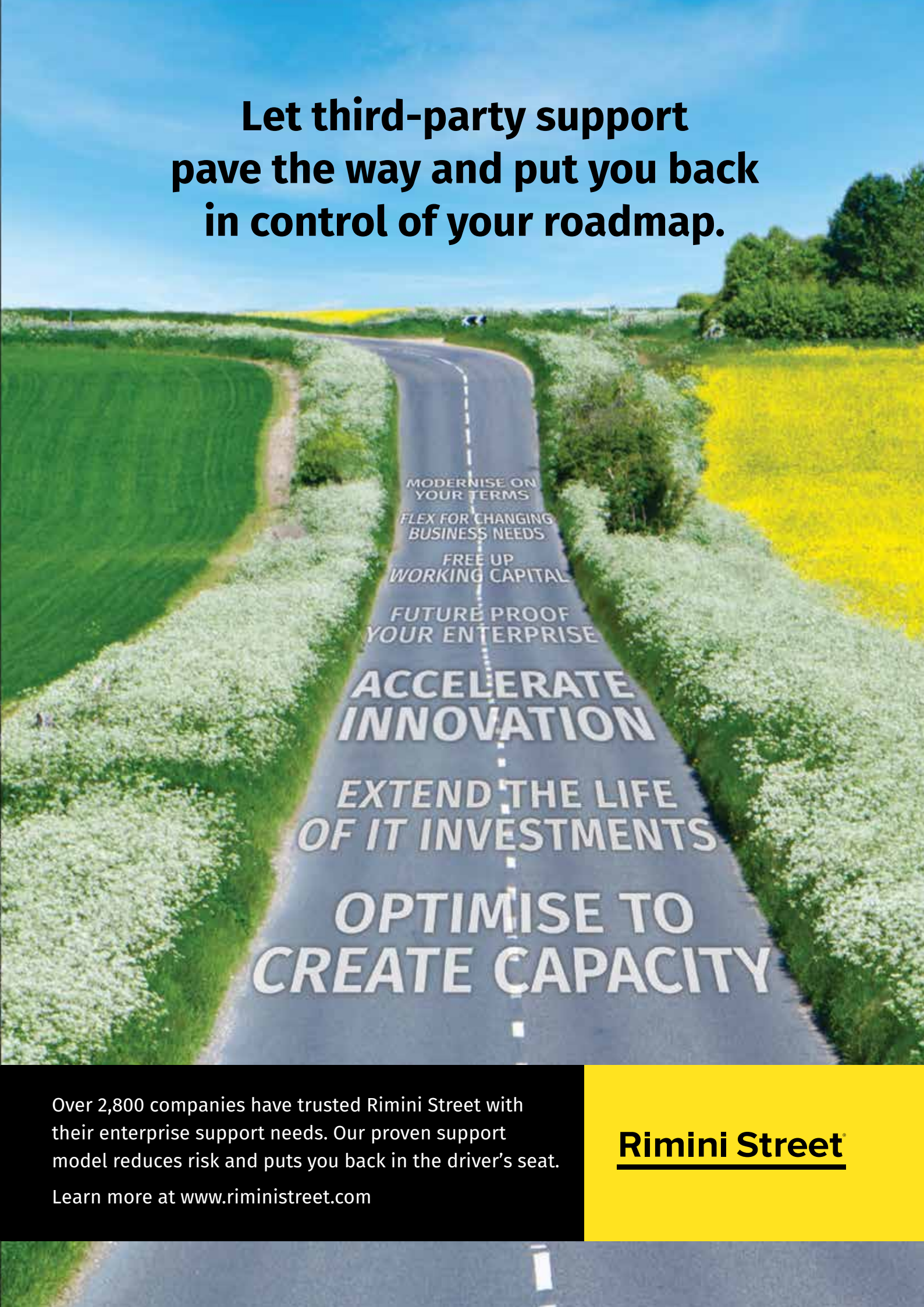
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# Oracle's revenue dips but outlook for SaaS and OCI is positive

**O**racle's fourth-quarter results showed a dip in revenue and shares fell as much as five percent in extended trading following the announcement. Total quarterly revenues were $10.4bn, down six percent and full year revenues were $39.1bn, down a disappointing one percent on last year.

However, it wasn't all doom and gloom as the numbers for SaaS were particularly encouraging with Fusion ERP up 35 percent and Fusion HCM up 29 percent. **NetSuite** was also up by 25 percent.

Safra Catz, CEO at Oracle, started the most recent analyst call by noting that the impact of the coronavirus epidemic had impacted far deeper than expected, and said: "A lot has happened since our March 12th earnings call when we were all still conducting business as usual. Within a couple of weeks the mitigation response to COVID-19 reached levels that few could have imagined."

So how do we interpret Oracle's numbers and can they shed any light on the short term fortunes for the enterprise tech market?

Any dip in revenue is disappointing but it's not such a big hit considering the prevailing conditions. While the overall revenue was down, Oracle's strongest business lines performed well and their growing market segments are now larger than their declining segments. Like many other technology vendors, Oracle is in the middle of converting its install base to a cloud model and whilst COVID-19 may have delayed some of the spend it was expecting, the need to revamp business systems will play out well in the medium term. That is the trend we expect to see across the broader ERP market; deals will be delayed, businesses will be cautious, but ultimately companies of all sizes will continue to modernise their application and infrastructure landscape to protect against future disruption – however it may be caused.

Catz confirmed this expectation on the call by saying: "As the quarter progressed, we saw a drop-off in deals, especially in the industries most affected by the pandemic. As countries begin reopening their economies, many of these discussions have already resumed. Since these were not losses to competitors, we believe that most of this business will ultimately be booked and while some customers have deferred projects, we're also rapidly building new pipeline with customers that are moving their on-premise workloads to the cloud."

Larry Ellison, founder and CTO at Oracle, also joined the call to talk about Autonomous Database and the gains the company has been making, most notably with the **Zoom** deal. He said: "Oracle's Gen2 autonomous, serverless, elastic cloud infrastructure delivers better performance, higher security at a much lower cost than **AWS**, **Azure** or the **Google Cloud**. And that's why we won Zoom."

Databases may be less sexy than applications but this has been Ellison's big personal play for several years now – and understandably so, it's what built Oracle's reputation. Although Oracle came fairly late to the cloud party, their OCI proposition continues to mature and is now available in 24 separate regions, one behind AWS, with plans for a further 14 regions this year – a very bold target under any circumstances. OCI now includes all of the latest serverless innovation including the Autonomous Database packages and Ellison clearly sees this as the key battle ground. Summing up on the call, he said: "Soon all the popular OCI services; compute, storage, etcetera will be truly serverless and elastic. The other guys don't have this."

# News Deals&Wins

## AUTOMATION ANYWHERE launches new RPA solutions to respond to COVID-19

**Automation Anywhere** has launched intelligent automation solutions to empower governments, healthcare organisations and enterprises to implement remote working and business continuity programmes as they navigate the challenges caused by COVID-19.

In collaboration with **Microsoft**, the **NHS** is now using Automation Anywhere's AI-powered IQ Bot to extract critical patient information to process COVID-19 cases with speed and accuracy for the **World Health Organisation** (WHO).

Automation Anywhere is also mobilising the RPA community to put bot-building skills towards creative solutions to help fight the COVID-19 pandemic and has introduced a $500,000 RPA scholarship fund for learning opportunities. "The new normal has forced organisations to adapt differently so that remote employees can remain productive and businesses can maintain continuity," said Mihir Shukla, CEO and co-founder of Automation Anywhere. "We are proud to support the efforts of frontline workers in essential services, such as government and healthcare, as well as other industries, while mobilising the power of the RPA community to address the COVID-19 pandemic."

## Unit 4 exceeds Q1 targets

**Unit4** has kicked-off Q1 with significant cloud growth and customer wins, exceeding its targets for the first quarter.

Cloud bookings have grown significantly year on year reaching 87 percent, with total bookings showing 55 percent year on year growth. Cloud subscription revenue is also up 14 percent in Q1 compared with the previous year and net revenue remains positive at 101 percent.

The company secured new contracts in Q1, with notable success in the Nordics, UKI, Central Europe and APAC, including **Försvarets Materielverk**, **The Norwegian Post**, **AXA Investment Managers** and **North Lincolnshire Council**.

Through implementing its 'People First' approach, the company is helping its customers navigate these uncertain times; amid continued disruption across the globe, projects are initiating, continuing and going live with no impact on timelines and quality delivered, with more than 100 go-lives completed in Q1.

Mike Ettling, Unit4 CEO, said: "Last year was a milestone for us. We renewed our leadership, invested in our people, refreshed our brand, and focussed on how we could accelerate our transition to the cloud. The current crisis has proven our ability to adapt and remain resilient. We are committed to sustaining this momentum by maintaining the strong support and guidance we're able to give our customers and doing this remotely, delivering planned go-lives, and supporting those looking to carry out new change projects."

He added: "I'm incredibly proud of the work our customers are doing, from public sector organisations supporting essential workers; universities creating essential PPE; non-profits like **CGIAR** that is raising awareness around the impacts of COVID-19 on the most vulnerable communities around the world; and charities supporting children and caregivers in isolation."

## MACH ALLIANCE FORMS TO PROPEL DIGITAL EXPERIENCES

**C**ommercetools, **Contentstack**, **EPAM Systems** and Valtech have officially launched the **MACH Alliance**, a group of independent tech companies committed to helping enterprises adopt agile systems, processes and skills to turn their digital practices into business differentiators.

The MACH Alliance, which stands for Microservices based, API-first, Cloud-native SaaS and Headless, seeks to future proof enterprise technology and propel digital experiences with open and connected enterprise tech. **Algolia**, **Ampliance**, **Constructor.io**, **Fluent Commerce**, **Frontastic**, **Miraki**, **Mobify**, and **Vue Storefront**have joined as inaugural members, and

the Alliance invites like-minded companies to do the same.

Sonja Kotrotsos, vice-president of the MACH Alliance and head of EMEA Go-To-Market at ContentStack, said: "The goal of the MACH Alliance is to drive awareness for the benefits of modern software ecosystems that provide the flexibility and openness that traditional software suites were not designed with.

"The demand for flexibility and speed has been increasing for years and the current pandemic has further escalated the urgency to adopt and provide digital solutions and experiences. The Alliance will serve as an educator and advisor for organisations embracing a more modern, agile and effective digital stack and ecosystem."

## WORKDAY ACHIEVES NET-ZERO CARBON EMISSIONS A YEAR EARLY

A year earlier than its original 2021 target, **Workday** has officially achieved net-zero carbon emissions across its offices, data centres, and business travel. The company now also now runs on 100 percent renewable electricity, in addition to offering its customers a carbon-neutral cloud.

Workday's carbon reduction strategy includes choosing less carbon-intensive activities over those with a larger carbon footprint and reducing the carbon intensity of operations through high-impact efficiency measures in its office facilities and data centres. Workday hosts a 'Clean Air Commute Week' every September to encourage employees to opt for a carbon-reduced or carbon-free commute.

The company also replaces high-carbon energy sources with low-carbon sources, prioritises on-site renewable energy generation, such as solar where feasible, and purchases wind and solar power over electricity generated from fossil fuels for its global operations.

## Epicor launches new B2B eCommerce solution

**Epicor** has launched a new eCommerce product called Epicor Commerce Connect Express (ECC Express), which is designed for businesses needing an immediate way

to improve productivity, offer quality online experiences, and stay connected to customers and suppliers.

The latest eCommerce offering enables users

to build a basic online presence with the option to choose other upgrades and capabilities to further scale their business. The new programme also allows for self-service features that let users conduct quick product services and easily view orders, quotes, invoices, purchase history,

account information and shipments.

Steve Murphy, Epicor CEO said: "It's never been more important for business to automate where possible and ECC Express enables this while also providing an excellent and seamless online experience for customers and suppliers."

# CORONAVIRUS
# STAY ALERT
# TO STAY SAFE

- ⊘ Keep a safe distance from others
- ⊘ Limit contact with other people
- ⊘ Keep washing hands regularly

**STAY ALERT › CONTROL THE VIRUS › SAVE LIVES**

## iCIMS announces collaboration with Microsoft Dynamics 365

**CIMS** has announced its new partnership with **Microsoft Dynamics** 365 as a recruiting software provider, bringing Dynamics 365 Human Resources users comprehensive talent acquisition solutions and further streamlining hiring practices.

The API-based integration of the two companies will facilitate secure, bi-directional data exchanges between both platforms. Mutual users will be able to transfer new hire information and automate existing employee data synchronisation across both systems.

Michael Wilczak, executive vice president of corporate development at iCIMS, said: "This partnership offers Dynamics 365 Human Resources customers unique access to a best-in-class recruitment platform and market-leading HCM solution. The integration between iCIMS and Dynamics 365 Human Resources will allow recruiting professionals to accomplish core tasks within their go-to collaboration platform, ultimately increasing efficiency and fuelling stronger productivity."

### AWS passes $10bn quarterly revenue

**Amazon Web Services** (AWS) has reached a new revenue high, reporting Q1 earnings of $10.2bn, a 33 percent increase from the $7.7bn revenue in the first quarter of 2019.

Quarter-to-quarter, AWS is up by 2.7 percent this period from Q4's $9.95bn. Operating income was just under $3.1bn for the quarter, beating estimates of $2.95bn, and has also increased year on year by 38 percent.

Despite slowing growth (this quarter's year on year increase is its lowest on record), AWS remains its parent company's fastest-growing business unit, accounting for 13.5 percent of Amazon.com overall sales, up one percentage point from the same period last year.

## Zoom opts for Oracle as demand soars

**O**racle has announced that **Zoom** has selected Oracle Cloud Infrastructure (OCI) to be an additional cloud infrastructure provider for its core online meeting service, helping support the unexpected growth Zoom has experienced as a result of the COVID-19 pandemic.

Zoom usage spiked to 300 million daily meeting participants in April, up 50 percent from 200 million the previous month, and the company required immediate additional capacity to sustain this sudden upsurge in users. Within hours of deployment, OCI supported hundreds of thousands of concurrent meeting participants.

Safra Catz, Oracle CEO, said: "Video communications has become an essential part of our professional and personal lives, and Zoom has led this industry's innovation. We are proud to work with Zoom, as both their cloud infrastructure provider and as a customer."

After achieving full production, Zoom is now enabling millions of simultaneous meeting participants on Oracle Cloud Infrastructure. Oracle's second-generation cloud infrastructure will help Zoom to continue to deliver its service to its customer base and adapt to changing demands.

Eric S Yuan, chief executive officer at Zoom, added: "We recently experienced the most significant growth our business has ever seen, requiring massive increases in our service capacity. We explored multiple platforms, and Oracle Cloud Infrastructure was instrumental in helping us quickly scale our capacity and meet the needs of our new users."

# CORONAVIRUS
# STAY ALERT TO STAY SAFE

- ⊘ Limit contact with other people
- ⊘ Keep a safe distance from others
- ⊘ Wash your hands the moment you get home

**STAY ALERT › CONTROL THE VIRUS › SAVE LIVES**

# SAP announces Q1 results

**S**AP has announced its Q1 results with cloud revenue growing 29 percent year over year to €2.01bn (IFRS), up 27 percent (non-IFRS) and 25 percent (non-IFRS at constant currencies). Total revenue grew seven percent year on year to €6.52bn (IFRS).

Towards the end of Q1, as the impact of the COVID-19 crisis increased, a significant amount of new business was postponed. This is reflected in the year on year decrease in software licence revenue, which was down 31 percent year on year to €451m.

Christian Klein, SAP CEO, said: "Building on last year's momentum, SAP started the first two months of the quarter with strong momentum and healthy growth. For nearly five decades, SAP has been synonymous with mission critical business opera-

tions. As the unprecedented global challenges presented by COVID-19 emerged, we benefited from the inherent resilience of our business model and sustainable relevance of our portfolio. Our emphasis on increasing our base of more predictable revenue and the geographic and sector diversity of our business has strongly positioned us to weather the period ahead and emerge stronger in the new normal that will follow."

Luka Mucic, SAP CFO, added: "Our first quarter results highlight the durability of our business. We will continue to balance disciplined expense management with investment in innovation to ensure we maintain and enhance our competitive advantages. Our balance sheet stability and revenue predictability allow us to continuously deliver long-term value for our shareholders."

## IBM Q1 INCOME DOWN 26 PERCENT

**IBM** has released first quarter results, which show a decline in revenue amid the COVID-19 pandemic. Revenue decreased 3.4 percent on an annualised basis in the first quarter as the company dealt with the spread of coronavirus, with net income for the quarter totalling $1.18bn, down 26 percent year on year. IBM has, however, seen a significant rise in total cloud revenue at $5.4bn, which is up 19 percent. Arvind Krishna, IBM chief executive officer commented: "Our first-quarter performance in cloud is a reflection of the trust clients place in IBM's technology and expertise today and positions us to continue building an enduring hybrid cloud platform for the future."

The company is withdrawing its full-year 2020 guidance in light of the current COVID-19 crisis, stating it will reassess this position based on the clarity of the macroeconomic recovery at the end of the second quarter.



## 70 percent increase in cloud revenue for SUSE

**SUSE** has announced strong second quarter results despite the impact of COVID-19, reporting a 63 percent increase in customer deals worth more than $1m.

The firm's Q2 bookings were up by 30 percent year on year, includ-

ing significant growth of 29 percent across Asia Pacific and Japan. As SUSE continues to expand its cloud service provider network, cloud revenue has also risen by 70 percent.

CEO Melissa Di Donato said: "Unprecedented times trigger collaboration

where communities come together to innovate for the greater good. We are extremely grateful for the strength of our employees, our innovative technologies, and our loyal customers, all of which have put us in the position to provide support to others."

# Purchasing patterns shift in reaction to pandemic

Recent studies conducted by **EY** and **Accenture** suggest that shoppers will change the way they buy as a result of the COVID-19 pandemic.

The first edition of the EY Future Consumer Index questioned almost 1,400 UK adults as part of a wider survey. Its findings suggest that retailers should now look ahead to meet the needs of the consumer of tomorrow with 42 percent of respondents saying that the way they shop will fundamentally change as a result of the pandemic.

The survey found that 26 percent say they will pay more for local products, 25 percent for trusted brands, and 24 percent for ethical products. A further 63 percent say they are more likely to buy from those taking measures to fight the outbreak.

Similarly, research conducted by Accenture suggests that consumers are shifting their buying behaviour in ways that are likely to mean structural change for retailers and brands.

Carried out in April 2020, the Accenture research questioned more than 3,000 people in 15 countries, including the UK, and found that shoppers were prioritising personal hygiene and cleaning products as well as canned and fresh foods, while moving away from buying fashion, beauty and electronic items. Just under half (45 percent) say they are making more sustainable choices, and will continue to do so in the future, while 64 percent said they were focussing more on limiting food waste.

Oliver Wright, managing director and head of Accenture's global consumer goods practice, said: "The pandemic is likely to produce a more sustainable, healthier era of consumption over the next 10 years, making consumers think more about balancing what they buy and how they spend their time with global issues of sustainability — suggesting a healthier human habitation of the planet."

## 26%
of shoppers say they will pay more for local products

## 63%
say they are more likely to buy from those taking measures to fight the outbreak.

## CLOUD DRIVES STRONG RESULTS FOR MICROSOFT

**Microsoft'**s commercial cloud business has generated $13.3bn in revenue according to its latest figures – a 39 percent jump compared to the same period last year.

The company has released robust results for the quarter ended 31 March 2020, achieving revenue of $35bn up by 25 percent and seeing a 23 percent increase in diluted earnings per share at $1.40 in comparison to the same period of last year.

"We've seen two years' worth of digital transformation in two months. From remote teamwork and learning, to sales and customer service, to critical cloud infrastructure and security – we are working alongside customers every day to help them adapt and stay open for business in a world of remote everything," said CEO, Satya Nadella. "Our durable business model, diversified portfolio, and differentiated technology stack position us well for what's ahead."

## BLUE PRISM RAISES OVER $120M TO ENHANCE ITS RPA SUITE

**Blue Prism** has raised $124m in equity financing at a valuation of around $1.2bn. The funding brings Blue Prism's total raised to nearly $200m and comes after it achieved the fastest revenue growth of all large UK public software companies for the fourth consecutive year in 2019.

The fresh capital will be used to strengthen Blue Prism's balance sheet while allowing investment in the company's automation suite. In the current environment, RPA solutions are more important than ever in driving organisational adaptation. With this in mind, Blue Prism launched a COVID-19 Response Program in mid-March this year, working with the **NHS**, the **University of California**, and the **Leeds Building Society** to automate HR, personnel, finance, vaccine development and other health care support functions.

The programme already encompasses nearly 50 projects across multiple industries and has donated hundreds of digital workers (software licences) and thousands of service hours, helping alleviate the disruption caused by COVID-19.

Built on Microsoft .NET, Blue Prism's eponymous platform automates virtually any app on any platform in environments ranging from terminal emulators to web browsers and services. It's designed for multi-environment deployment models with both physical and logical access controls, with a centralised release management interface and process change distribution framework that provides a level of visibility.

# Workday partners with Salesforce

## TO SUPPORT EVOLVING WORKFORCE NEEDS

**Workday** has partnered with **Salesforce** to equip joint customers with insights and tools to help them manage their workforces as businesses move further into a reopening strategy.

Using the companies' new integrated solutions, customers will be able to synchronise critical worker and skills data from Workday with safety, health, and workplace information from Salesforce's Work.com.

Pete Schlampp, executive vice president of product development at Workday, said: "Combining the data in Workday with the Work.com toolset is a powerful pairing. The result will be an integrated solution set that we believe delivers what HR leaders need to lead in the current environment - more intelligence and trusted systems to make decisions that unlock the potential of the workforce in entirely new ways."

"Pulling together multiple data streams — like employee skills, employee wellness, cleaning schedules, regional health info — can be complex and time consuming," added Bret Taylor, Salesforce president and COO. "By integrating Workday employee data directly into Work.com, we're making it easier for employers to centralise critical data and get their businesses up and running again."

## RIMINI STREET REVENUES ON THE UP

**Rimini Street** has achieved record first quarter results, with the company reaching $78m in quarterly revenue – an increase of 18.5 percent compared to $65.9m for the 2019 first quarter. It also generated $26.3m of operating cash flow and strengthened the balance sheet with total cash of $58m at quarter end.

Seth A. Ravin, Rimini Street co-founder and CEO, said: "Prior to the pandemic, we were making investments to meet increasing global demand for our expanded product and service portfolio. This increased demand was reflected in our previously issued – and today re-affirmed – 2020 guidance for accelerated year on year revenue growth.

"We are now accelerating those investments to service additional opportunities resulting from the global economic slowdown. We remain committed to the long-term goals of improving free cash flow and growing GAAP profitability."

## IBM offers access to patents

**IBM** has joined the list of tech innovators committed to the Open COVID Pledge by agreeing to make all of its patents freely available to the public for use in the fight against COVID-19.

Alongside the likes of **Amazon**, **Microsoft**, **Facebook** and **Hewlett Packard Enterprises**, IBM is granting free access to its considerable patent portfolio to those developing technologies to help diagnose, prevent, contain or treat viruses, including the one that causes COVID-19.

IBM's pledge will last for the life of more than 80,000 patents and patent applications and any new patent applications filed through to the end of 2023 will likewise be covered by this commitment.

The Open COVID Pledge, launched by an international coalition of legal experts, scientists, and technologists, is an effort that encourages companies, universities, and researchers to make their intellectual property available free of charge for use in ending the COVID-19 pandemic and minimising the impact of the disease. Those who make the pledge help ensure that uncertainty around intellectual property rights will not slow or impede urgently needed solutions in this critical time.

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## SAGE'S FIRST HALF RESULTS ENCOURAGING

First half results reveal **Sage**'s organic total revenue has increased by 5.7 percent to £935m, reflecting growth in recurring revenue of 10.3 percent to £826m underpinned by software subscription revenue growth of 25.6 percent to £582m.

This increase in recurring revenue evidences Sage's continued focus on attracting new customers and migrating existing customers to subscription services.

The growth in recurring revenue was offset by a 19.6 percent decrease in other revenue (SSRS and processing) to £109m, reflecting the managed decline in licence sales and de-prioritisation of professional services revenue.

Steve Hare, CEO, said: "Despite the near-term uncertainties, I believe our continuing investment into Sage Business Cloud, together with our focus on customers, colleagues and innovation, form a strong base for the future performance of Sage."

## Solid first quarter results for ServiceNow

**ServiceNow** has released financial results for Q1, with subscription revenues of $995m representing 34 percent year on year growth.

During the quarter, ServiceNow closed 37 transactions with more than $1m in net new annual contract value (ACV), representing 48 percent year on year growth. Deals included the company's second largest new customer transaction ever, as well as the Asia Pacific region's largest ever customer service management deal.

The company now has 933 total customers with more than $1m in ACV, representing 30 percent year on year growth in customers.

Bill McDermott, ServiceNow CEO, said: "Our Q1 results are a direct reflection of ServiceNow's unique position as the workflow platform to create great employee and customer experiences even in these challenging conditions. With our outstanding team and culture, I am extremely confident in the long-term growth trajectory of this company."

## Induflex produces more than 400,000 face shields with support from IFS Applications

In light of the COVID-19 pandemic, **Induflex** has retooled its production line to create products that could keep people safe and help prevent the coronavirus from spreading.

In early April, Induflex teamed up with **Idé-Pro**, following a spike in demand for all types of plastic shields and sneeze guards for use in essential shops that remained open. Running **IFS** Applications to support its work processes, Induflex configured the solution's interface to empower its production team with the capabilities for raw material handling and shop-order time registration. So far, it has produced more than 400,000 face shields and in excess of 6,000 customised sneeze guards of various designs.

Rico Larsen, Induflex CEO and owner, explained: "We were able to register the new products in IFS Applications quickly and easily which has helped us maintain clarity in our product supply chain. The system has also helped us manage our workforce which was significantly expanded to keep up with market demand."

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# WE SEE NURSES, POLICE AND TEACHERS.

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## SAGE ANNOUNCES NEW UPDATES
TO SMALL BUSINESS CLOUD ACCOUNTING SOLUTION

**Sage** has announced new updates to its existing Sage Business Cloud Accounting solution, which will help small businesses gain greater visibility on the health of their operations across finance, payroll and HR. Its latest updates include the availability of recent technology acquisitions **AutoEntry** and **CakeHR**, the addition of recurring invoices and bank rules, as well as broadening industry coverage with CIS compliance capability.

Sabby Gill, UK MD and EVP said: "As we emerge into the new normal, we know businesses need real-time access to a digital snapshot of the health of their business, enabling them to pull the profitability, ROI and cashflow levers that help make them more productive. Sage Accounting provides this solution to our customers, all in the cloud."

### STRONG START TO 2020 FOR IFS

**IFS** has reported a strong start to the 2020 financial year, recording a 25 percent increase in net revenue to $173.16m in its Q1 results. It has seen consistent growth across the board, with a 25 percent increase in maintenance revenue year over year to $54.75m, licence revenue up by 39 percent to $40.16m, a 14 percent increase in consulting revenue to $57.19m and adjusted EBITDA up by 23 percent to $31.20m. "Despite the economic headwinds presented by the COVID-19 pandemic, licence revenue grew 39 percent compared to Q1 2019," said Darren Roos, IFS CEO. "Recurring revenues were also steady as customers depend on their IFS solutions to run their most mission critical business processes. On the back of this strong revenue development in Q1, EBITDA remains stable and is underpinned by ongoing initiatives to improve the IFS cost base."

### Deloitte and UiPath partner-up

**Deloitte** and **UiPath** have announced they are working together to deliver Deloitte Intelligent Document Processing (DIDP), the latest in a number of intelligent automation and RPA collaborations between the two companies. The integrated technology will leverage the UiPath RPA, along with Optical Character Recognition (OCR), Human-in-the-Loop (HITL), and Machine Learning (ML) technologies in order to accelerate automation. David Wright, partner at Deloitte said: "Using DIDP, our clients can reduce document processing time significantly, boosting productivity and allowing teams to focus on more business-critical tasks. As a result, complicated risk processes that currently rely on data in unstructured documents and time-consuming analysis can be improved, such as in financial spreading, financial prospecting, tax returns, and more."

# In times of crisis,
## people come first

In this time of uncertainty, we are opening access to technologies that can help employees, companies, communities, and governments continue to move forward.

**To find out how to access these resources, visit sap.com/uk**

THE BEST RUN **SAP**

## WORKDAY REPORTS STRONG FIRST QUARTER RESULTS

**W**orkday has announced strong Q1 results, with total revenues of $1.02bn, up 23.4 percent year on year. Subscription revenue was also up at $882m, an increase of 25.8 percent from the same period last year.

Operating cash flows were $263.7m compared to $209.2m in the prior year and cash, cash equivalents, and marketable securities stand at $2.6bn as of April 30, 2020.

Aneel Bhusri, co-founder and CEO said: "Amidst the current environment, we are pleased with our strong Q1 results, which include several new Fortune 500 customers as well as many virtual go-lives. Our employees never cease to amaze me and despite this entirely new way of remote working, they delivered our most recent release with more than 400 new features and moved Workday Extend to general availability."

### SAGE TACKLES CJRS IMPLEMENTATION CHALLENGE

Since the outbreak of COVID-19, payroll professionals have had just weeks to prepare for the Coronavirus Job Retention Scheme (CJRS) and the new calculations required to work out claims in respect of furloughed staff.

As payroll software provider to half of the UK's private sector businesses, **Sage** aimed to make the payroll process as straightforward as possible for customers through automating much of what they need to do to make a valid claim.

The company built a prototype automated in-product payroll functionality to process the complex calculations needed to apply for CJRS grants and used its existing payroll data to support the build of the complex new calculations. To account for the variation between different customers, Sage also developed a module that could ask the customer questions as they progressed through the process. Working with **HMRC**, Sage was able to provide insight into how to deliver a realistic solution for businesses, determine what employers were expected to submit and the basis of the calculations.

## Strength in numbers for SAP and its partners

**SAP** has joined forces with its partner ecosystem in a 'social collaboration' that aims to use the power of technology to help tackle COVID-19 challenges faced by the **NHS** and other key workers.

Inspired by the thousands of workers who have united with their colleagues on the frontline, SAP challenged its partners to design solutions that would have a sustainable impact on the lives of essential employees.

Solutions ranged from identifying instances of non-compliance of PPE usage, to ensuring surplus food is delivered to those who need it most.

Sohail Mohammed, platform and technology principal architect, said: "The collaboration between SAP and our partners will support the tremendous work of key workers throughout the crisis and enhance their experience after the crisis too. Whether it be through mitigating the risk of a second peak or ensuring supply chains are never disrupted again, the impact of this collaboration project will be long-lasting."

## Google Cloud kicks off UK government agreements

**Google Cloud** has entered into an agreement with UK **Crown Commercial Service** (CCS) to deliver services for UK public sector agencies. CCS and the **UK Cabinet Office** engaged Google Cloud in 2019 to discuss requirements for cloud services under the One Government Cloud Strategy, a joint initiative between Cabinet Office, CCS and Government Digital Service. CCS aims to open up the cloud services market to more suppliers to provide the best value and terms for public sector agencies investing in cloud technology. The deal also contemplates access by UK public sector agencies to Google Cloud's managed and serverless offerings, including its hybrid and multi-cloud solution, Anthos, to manage workflows across multiple clouds and on-premise. Anthos will not only equip these organisations with world-class security tools to protect data and meet government compliance standards, but also drive operational benefits such as avoiding costly vendor lock-in.

## Zuora appoints SAP executive as CFO

**Z**uora has appointed Todd McElhatton as the company's chief financial officer. Currently serving as senior vice president and chief financial officer of SAP Cloud Business Group, McElhatton's role at Zuora will involve overseeing the company's accounting and finance teams.

For the past 20 years, McElhatton has led the financial operations for enterprise software companies making the shift to the cloud. He most recently served as SVP and CFO of **SAP Cloud Business Group** where he executed the financial vision of SAP's cloud business strategy across multiple lines of business globally.

He commented: "I am thrilled to join Zuora as CFO, as I wholeheartedly believe in Zuora's mission to transform every company into a subscription business. It's the future of the enterprise."

## AWS and Slack combine in strategic partnership

**Amazon Web Services (AWS)** and **Slack** have announced a partnership that will deliver enhanced enterprise workforce collaboration. The multi-year strategic partnership will help distributed development teams communicate and become more efficient and agile in managing their AWS resources from inside Slack.

Slack will migrate its voice and video calling to Amazon Chime. Slack is also leveraging AWS's global infrastructure to support enterprise customers' rapid adoption of its platform and offer them the ability to choose in which country or region their data is stored. AWS will use Slack to streamline how its teams work together and communicate. Stewart Butterfield, CEO and co-founder of Slack said: "By integrating AWS services with Slack's channel-based messaging platform, we're helping teams easily and seamlessly manage their cloud infrastructure projects and launch cloud-based services without ever leaving the platform."

Andy Jassy, CEO of AWS added: "AWS and Slack are giving developer teams the ability to collaborate and innovate faster on the front-end with applications."

# Speed Up Your **COVID-19** Recovery by Harnessing Alumni

Put our technology to work during the **COVID-19** pandemic to leverage your Alumni for competitive advantage, sales, cost cutting, marketing, recruitment and more.

### Live in Days
Ability to capture and search data immediately

### Managed Services
Our dedicated team to operationalize the platform

### Native Integrations
Seamless communication with existing tools

# News Deals&Wins

## IFS launches MindFuel
### to help businesses navigate the road ahead

**FS** has launched MindFuel, a series of industry-specific sessions for anyone looking to engage in panels, learn from peers and take inspiration from thought leaders.

Curated for the construction, defence, energy, utilities and telecoms, field service, and manufacturing industries, MindFuel is designed to bring industry thought leaders together to share opinions and advice that will help businesses drive change beyond today's challenges.

Oliver Pilgerstorfer, chief marketing officer at IFS, said: "The future is shaped by our ability to use constraints as a springboard to build smarter solutions and business models. MindFuel is the coming together of great minds, positive energy, and exciting ideas to build the future."

## Unit4 introduces Global Partner Program

**Unit4** has initiated its new value-based Global Partner Program which will reward Unit4 partners for capabilities, contributions and customer satisfaction.

The Program will enable Unit4 partners to accelerate the development and implementation of the company's cloud ERP, FP&A, HCM, and Student Management solutions to more organisations around the world.

Beata Wright, global head of partner ecosystems at Unit4, said: "Having partners that can enhance the capabilities of our People Experience suite by building extensions and plugging into our solutions is critical to meet the needs of our global customer base."

## TOP THREE WEB CONFERENCING APPS
### HIT OVER 70 PERCENT MARKET SHARE

**Zoom, GoToWebinar** and **Cisco Webex**, the top three web conferencing platforms, hit more than a 70 percent market share as of April, according to data gathered by **LearnBonds**.

With lockdown rules in place and millions of employees staying at home, businesses have had to replace face-to-face meetings with new ways of allowing people to collaborate, leading to a surge in the use of web conferencing platforms.

Zoom ranked as the leading platform among users with 42.8 percent market share and was used by over 300 million people in daily meetings globally last month. GoToWebinar ranked second with 18.7 percent market share, followed by Cisco Webex, which reached 11.2 percent market share as of April and reported 14 billion meeting minutes globally in March 2020 – more than double compared to January figures.

## IBM AND SAP STRENGTHEN PARTNERSHIP

**IBM** and **SAP** have strengthened their partnership with plans to develop several new offerings designed to create a more predictable journey for businesses to become data-driven intelligent enterprises. More than 400 businesses have modernised their enterprise systems and business processes through IBM and SAP's digital transformation partnership. As the COVID-19 pandemic continues to significantly impact many industries across the globe, organisations are realising they need the agility to seamlessly adapt to changing market conditions and customer demand.

Mark Foster, IBM Services senior vice president, said: "The new solutions unveiled today are another milestone in IBM's 48 year partnership with SAP as we help fast-track our clients' journey to becoming cognitive enterprises. Our collaboration with SAP is designed to help clients increase the speed of how decisions are made and create more meaningful experiences for their customers and employees."

## Google Meet goes free

With an increased consumer demand for video-conferencing solutions that provide security and reliability, **Google Cloud** has announced it is making **Google Meet** free for everyone. Javier Soltero, VP of G Suite said: "We're in the middle of a significant worldwide shift impacting communication from the workplace to schools to the home. People want familiar, secure tools that they can use across all facets of their lives." Users who sign up for Meet can now enjoy many of the same features available to G Suite's business and education users, such as simple scheduling and screen sharing, real-time captions, and layouts that adapt to your preference.

# Turn challenges into opportunities

## Drive business continuity with the intelligent Digital Workforce

Not all Robotic Process Automation (RPA) technologies are created equally. When changes occur, you need a solution that is quick to adapt and deploy. Automation Anywhere offers the only cloud-native, web-based, AI-powered RPA platform to support today's needs and prepare you for the uncertainties of tomorrow.

automationanywhere.com/A2019

IS THIS THE

RECKONING
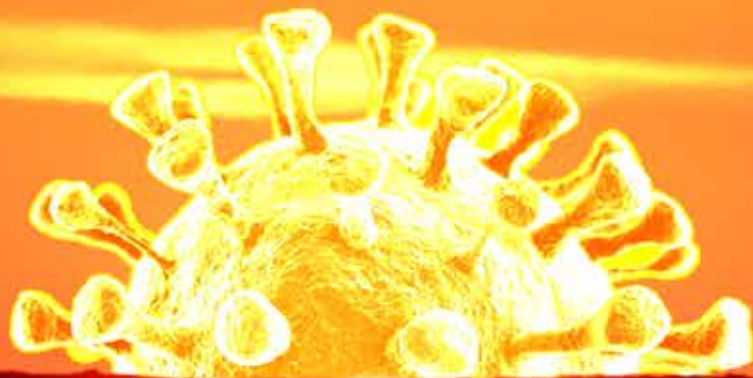
HUMANITY

NEEDED ?

**REPORT**

U ntil the very recent history, our ability as a species to influence humanity's direction was limited by our lack of understanding and our slender resources to implement ideas at scale. We only realised just a few hundred years ago that we were not the centre of the universe and in fact we were just one planet of many, spinning round one star of many, in a galaxy of many. However, in the last 100 years we have developed the means to impact every human on the earth and the environment in which we all live.

And what have we done with that ability?

## A MODERN DAY WAKE UP CALL

More than 10 million people have contracted COVID-19. Half a million have died. 20 million people in the US lost their jobs in a single month. The UK economy contracted by more than 20 percent in April. The short term costs of the pandemic have been arrant in the extreme.

Even the most optimistic predictions expect the global economy to fall into a deep recession. Countless more people will lose their livelihoods, businesses across the globe are expected to fold, and the consequences of this unprecedented disease have had a profound effect on our children, our society, and our very way of life.

And yet the impact has not cut deep enough to provoke change.

## A BRIEF HISTORY OF THE HUMAN VALUE SYSTEM

Since the hominin lineage diverged some 500,000 years ago, the most intelligent and sophisticated entities on earth have waged war, pillaged, persecuted, and acted with a singular and collective greed. The achievements of the previous 499,900 years have been surpassed in the last century through our development of technology which has opened up new means of subjugating the less fortunate and expediting the anthropic destruction of our environment.

It's quite an achievement.

Early humanity lived a subsistent existence. It was every man for himself and those that could provide for themselves survived and those that couldn't perished. As individuals the true nature of Darwinism existed; if you had something that I needed and I was strong enough to take it from you, then I did. If the roles were reversed and I had something you wanted but was too weak to stop you, then I lost what I had.

We lived that way for millennia until the first agricultural revolution (Neolithic Revolution), just over 10,000 years ago when we learned the wisdom of creating settlements, dividing labour and working collectively. Humans evolved from being hunter-gatherers to settlers and developed a range of rudimentary societal structures that paved the way for modern humanity.

In the post-Neolithic period we didn't change our ways much. Instead, settlements battled with other settlements, villages plundered other villages and the strongest cohorts survived while the weakest succumbed. A system of oral law and blood feud prevailed where unwritten rules of engagement and brutal 'eye-for-an-eye' justice existed. It wasn't until Drako (the origin of Draconian used to describe overbearing and unforgiving rules), the first legislator of ancient Greece in c.650BC, that humans abided by any kind of prescribed laws.

For the next thousand years or so, the Romans refined ideas concerning justice and righteousness with barbarous consequences. The Romans dominated the imperial stage for centuries and their legacy had far reaching and lasting influence. Concepts and ideas born in the Roman Republic formed the backbone for more modern ideologies and its influence on language, religion, art, economics, philosophy, engineering, governance and law-making could be felt around the globe long after the western empire crumbled at the hands of its Germanic conquerors.

**IN RECENT YEARS THE IDEA OF BENEVOLENCE AND ALTRUISM HAVE BECOME POPULAR AND IT WOULD BE EASY TO ALLOW YOURSELF TO BE CONVINCED** *THAT THE WORLD WAS CHANGING FOR THE BETTER*

## OUR EFFORTS TO TACKLE THE WORLD'S BIGGEST CHALLENGES HAVE NOT AMOUNTED TO MUCH. MOST ARE ACTS WHICH EASE THE CONSCIENCE OR STICK A PLASTER ON A GAPING WOUND

### THE AGE OF WAR

Between the 5th and 14th century, wars raged across Europe and Asia in the vacuum left by the Roman Empire. The period is often referred to as the Dark Ages as societal structures all but disappeared and swarms of warring factions bludgeoned each other into oblivion. The Gothic wars; The Persian War; The Moorish Wars; the An Lushan Rebellion; The Crusades, The Mongol conquests; the Hundred Years War, and the Conquests of Timur – to name just a few. In total more than 100 wars cost the lives of some 400 million people – and this was all long before the Age of Discovery when the Spanish, Portuguese, and Chinese really sharpened their game in terms of bloody conquests and brutal dynasty battles.

Our own Colonial past is equally distasteful; the English were at the heart of the Atlantic slave trade and by the early twentieth century the British Empire ruled more than a quarter of the world's population and controlled roughly 30 percent of all land. Our forefathers built an empire which still to this day was the largest and most dominant dynasty the world has ever known.

Modern history paints an equally bleak picture. I see no point in recounting the wars that have raged in our living memory but most estimates suggest that more than 1 billion people have lost their lives as a direct consequence of war with our most recent World War topping out an abhorrent list and claiming 80 million lives alone.

As a species we are not very good at learning lessons.

### THE BIRTH OF PURPOSE

In recent years the idea of benevolence and altruism have become popular and it would be easy to allow yourself to be convinced that the world was changing for the better. However, we are a fickle species and all too often our best in-

tentions soon switch focus to the next new thing and our ability to make consistent and lasting change is questionable. We all remember Live Aid in 1985 when the world stopped to take notice of the famine in Ethiopia. It was the first global event that drew attention to the plight of the less fortunate and beamed it straight into our living rooms. At the time it was profound and felt like a seminal moment but in just a few short decades we have all but forgotten the extraordinary hardship that ravages many parts of the African continent, and if the current crisis in The Yemen is anything to go by, very little lasting progress has been made to end starvation – a truly sad indictment on a sophisticated and prosperous society.

Our efforts to tackle the world's biggest challenges have not amounted to much. Most are acts which ease the conscience or stick a plaster on a gaping wound. Wealthy individuals have congratulated themselves for philanthropic endeavours, enterprises have pushed purpose to the top of their marketeer's agenda, and many of us have kidded ourselves that we were doing our bit by occasionally remembering to separate the recycling.

Global enterprises promulgate their mission and purpose statements which set out courageous ideals and seek to convince us that if we buy a certain brand of trainers we are simultaneously saving a polar bear or helping to plant a tree somewhere. Big businesses have recognised the power of superficial purpose and the marketeers have exploited our weak sense of responsibility and a deep lack of conviction.

We have been so busy becoming richer and more fulfilled by watching big TVs, going on extravagant holidays and driving faster cars that we hadn't noticed the token donations we make to Water Aid or Médecins Sans Frontières were not changing the world.

Some would say strides have been taken. In the context of famine, child poverty, equality and environmental balance I would say that we

**REPORT**
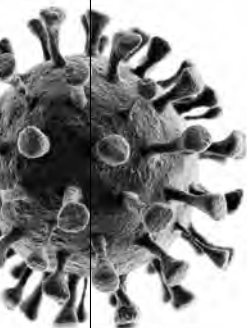
are continuing on a downwards spiral rather than making overdue gains.

## THE IDEA OF PURPOSE AND THE QUESTION OF WHY?

The idea of purpose is supposed to answer a simple question – why? Purpose means 'the reason for which something is done or created' but if you challenge a global brand to go deeper into their value system you really don't have to scratch too hard until you uncover the truth.

It's not always that brands are disingenuous; I simply think they haven't really uncovered the true nature of why? Ask the question 'why?' at the end of any explanation regarding purpose and the responder soon runs aground.

I'm not pouring cold water on every charitable endeavour because clearly many of the efforts that businesses and individuals make have an impact on some people. And I'm certainly not advocating that we should stop trying to do good – all efforts to improve quality of life and the environment should be applauded and supported but it is about time we all started to ask, to what ends?

I said at the beginning of this narrative that humanity was like a rudderless ship and surely that is the issue that has to be addressed somehow? For all the good that we are doing in the micro we aren't making any impact on the macro. Despite our increased wealth, longer life expectancy and advances in science, medicine and exploration – have we actually made the world a better place to live or have our endeavours achieved very little?

## THE CORONAVIRUS WAKE–UP CALL

The COVID-19 pandemic has been the first global-scale event that many of us will have lived through, save for those old enough to remember the Second World War. The consequences of COVID-19 have pervaded every aspect of our lives and inadvertently afforded us all time to think and reflect. Whilst the death toll has been tragic I believe this unwelcome epidemic could present the world with an unexpected opportunity.

But will we take it?

When have we ever had the chance to take a breath and really think about our purpose in life? When have we ever been afforded the time and space to think about why we are doing things rather than simply focussing on what we are doing?

As Winston Churchill famously said "never let a good crisis go to waste" and although it would be remiss to categorise the coronavirus crisis as 'a good crisis' the sentiment in the statement remains.

It is precisely in these moments of turmoil that our future history and direction of travel is determined. The 'New Deal' was conceived in the middle of the Great Depression in 1930s America and laid the foundations for a new way of life invoked by 'the 3Rs' programme; the Beveridge Report which instituted the welfare state in the UK was written as German bombers laid waste to the London skyline; and the Universal Declaration of Human Rights was written shortly after the end of World War II as society came to terms with many of the atrocities that had befallen so many.

However, crisis alone cannot provoke change. It is the values and ideas of society and those that have been affected which pave the way for new thinking in the aftermath of a catastrophe.

Milton Friedman, the Nobel prize winning economist said: "Only a crisis - actual or perceived - produces real change. When that crisis occurs, the actions that are taken depend on the ideas that are lying around. That, I believe, is our basic function: to develop alternatives to existing policies, to keep them alive and available until the politically impossible becomes the politically inevitable."

COVID-19 has struck at a time when 'the ideas lying around' are self evident. Concepts concerning the environment and equality that were in the periphery just a few decades ago are now mainstream thinking and yet we haven't managed to convert this reasoning into lasting action. The gap between those who are affluent and those in poverty is widening, not shortening. The damage we are doing to our environment is accelerating, not slowing. And the inequality between humans based solely on the colour of skin is still a stain on the fabric of humanity. The Black Lives Matter campaign has once again brought the issue of racial inequality squarely into focus and forced us to examine whether we are satisfied with the progress we have made into dealing with a fundamental flaw in the code of humanity. Whilst the civil unrest which has flooded the streets of America and many European cities is not to be condoned, a quote from Martin Luther King Jr

very poignantly encapsulates one of the other 'ideas lying on the ground' when he said: "A riot is the language of the unheard."

Many of the issues that contribute to our dysfunctional existence do not have an obvious solution. Like a bad ERP solution, humanity has stored up centuries of technical debt that cannot simply be undone. Trying to unravel injustice and flawed thinking is a complex problem that requires sustained effort, considerable time and radical thinking.

## BUT CHANGE CAN HAPPEN?

Take the cerebrations of Thomas Piketty (mentioned elsewhere in this issue as an inspiration to Ben Brabyn and the GenieShares concept) whose radical ideas about wealth and income inequality were rubbished at first yet are now considered to be underpinning and guiding

nology that spans between us that makes those connections. Not always used for good, we have seen how fake news and other spurious uses of technology have had huge impacts on governments, financial markets and entire countries. If we can use the power of these technologies in such a negative way surely it can't be beyond the whit of man to use them for good?

The role of other global brands should not be underestimated either; whether or not an ERP vendor or technology consultancy can actually influence humanity at scale is debatable. But what we can all do is embed purpose and ideas that are aligned to advancing humanity and charting a course towards the kind of world we would like to live in if we had the chance to start over.

Coronavirus may have been an unwelcome and uninvited guest but we all have a duty to be grateful for the opportunities it has presented. In many ways we are incredibly fortunate that the crisis we have just faced was so benign. Imag-

## LIKE A BAD ERP SOLUTION, HUMANITY HAS STORED UP CENTURIES OF TECHNICAL DEBT THAT CANNOT SIMPLY BE UNDONE

logic since his book, Capital in the Twenty-First Century, became a best seller.

Greta Thunberg, aged just 17, has done more to propel climate change up the corporate and political agenda in 18 months than Greenpeace has achieved in its 60 year history. Her ideas in themselves weren't radical but the way that she mobilised a global movement demonstrated that it is possible to make progress on seemingly unsurmountable issues with a different approach.

## IS IT POSSIBLE TO SET A NEW DIRECTION FOR HUMANITY?

For the first time in our existence we have the means to influence humanity at scale and at the centre of that influence is the technology we have developed in the last 25 years.

Today, the most powerful brands in the world are technology companies. The FAAMG brands (Facebook, Apple, Amazon, Microsoft and Google) have a deep and personal relationship with each and every one of us and these megabrands are uniquely placed to influence the course for humanity. Never before have people been so 'connected' and it is the tech-

ine if it hadn't been the case that the vast majority of people who were infected survived. How would we feel if the inconvenience of wearing face masks, not seeing loved ones and being locked down was a permanent state. Consider how much worse this could have been.

Coronavirus will not be the last crisis that we face and the lessons we learn from this very near miss may well determine our ability to survive future events. Our ability to co-operate and manage under difficult circumstances will be greatly enhanced if society is cohesive and we all feel that we are pulling in the same direction. Businesses of all types have an important role to play by creating cultures that are aligned with the best interests of humanity and the planet. Our efforts in technology should be focussed on building resilience against future attacks on our way of life and global brands of all denominations should set an example by taking purpose out of the hands of marketeers and placing it firmly in the responsibility of the CEOs.

We are less than half way through the life of our planet – if urgent action isn't taken to address the many shortcomings of humanity's efforts – we may not need the majority of the time that is left. ∎

# PRINT

**THE ONLY PRINT PUBLICATION
DEDICATED TO ENTERPRISE TECHNOLOGY**

ERP Today takes the confusing and baffling nature of emerging
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and zero-in on the information that CxOs need to extract
the maximum value from their investment in enterprise technology.
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# DIGITAL

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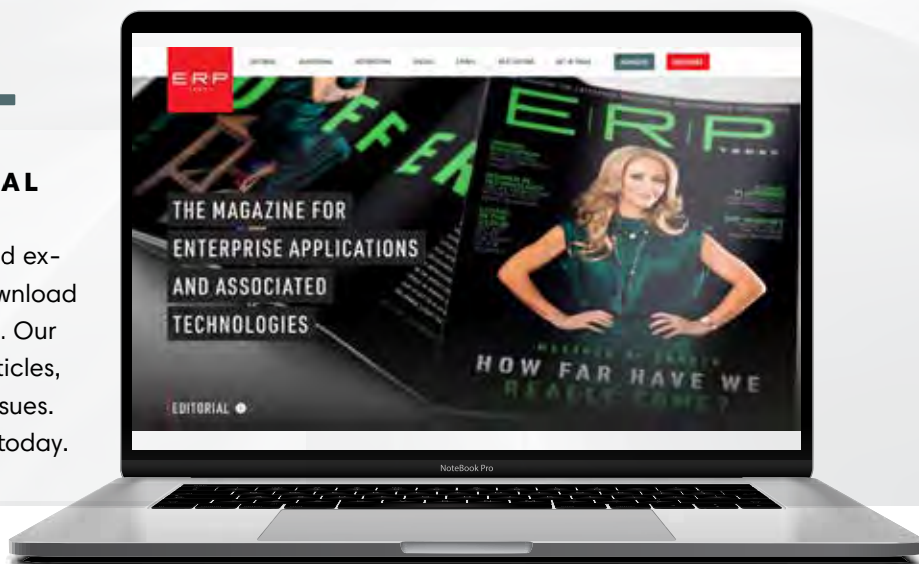
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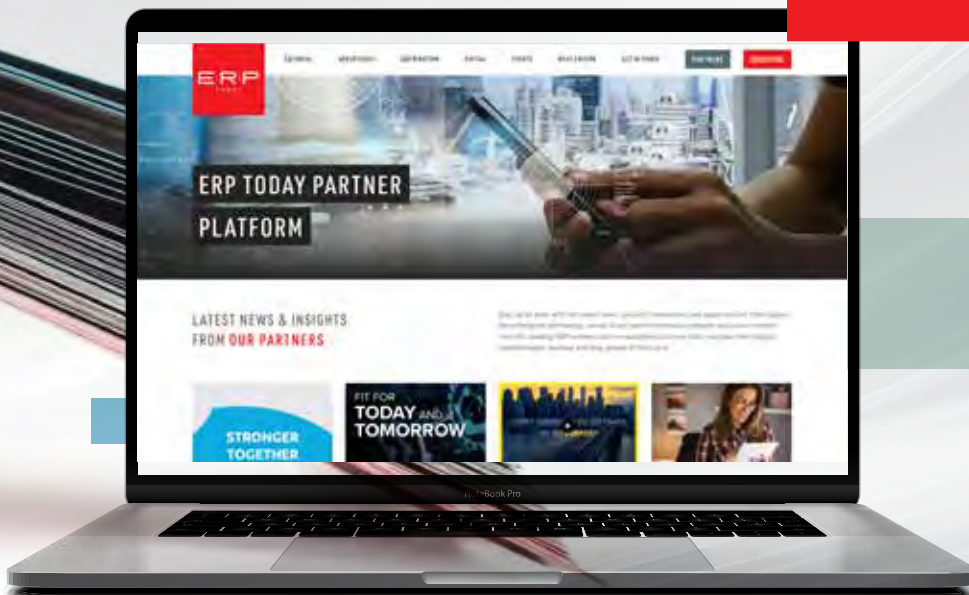
### LATEST NEWS & INSIGHTS FROM OUR PARTNERS

Stay up to date with the latest news, product innovations and opportunities from across the enterprise technology sector. Each partner microsite contains exclusive content from the leading ERP vendors and consultancies to help CxOs navigate their digital transformation journey and stay ahead of the curve.

## ADVISORY NEW!

### OUR NEW SERVICE THAT CONNECTS END USERS WITH VENDORS AND BUSINESS PARTNERS

We are often asked "which ERP solution should I choose?" or, "which partner can deliver a certain type of project?" All too often a poorly executed procurement process results in a sub-optimal outcome for the project – so we decided to do something about it. ERP Today is completely independent, we offer an unbiased view of the market, and we have a deep insight into the inner working of all the major tech vendors and business partners. Our new service connects enterprises with the most relevant and trusted partners based on a detailed analysis of the project requirements coupled with our intimate knowledge of the key players in the sector. We charge a flat fee to end users which has three tiers based on project scope.

## WWW.ERP.TODAY

## Editor's Words

# Don't give up

## – BELIEF AND PURPOSE WILL SEE YOU THROUGH

**T**he economic impact of COVID-19 has been felt by virtually every business in every sector. The UK economy shrank by more than 20 percent in April (more than the entire shrinkage following the financial crisis in 2008) and the short term outlook for the global economy is challenging at best.

ERP Today has felt the impact, along with many others, as advertising and marketing budgets have been slashed (and in some cases suspended completely) with many of our partners fighting to support their existing customers rather than focus on attracting new business.

When I launched ERP Today the global outlook was incredibly positive and the wave of new technologies driving digital transformation meant we were at the centre of a booming market. Today, just over a year later, the prognosis for the global economy has changed, the buoyant enterprise tech sector that was at the heart of the digital revolution has a new set of challenges and priorities, and the feel-good factor that ERP Today capitalised on – has gone, for now.

It would be easy to feel disheartened. So much effort has gone into launching this business that it's impossible to quantify in terms of time and money. A very small team of exceptionally dedicated people have literally worked night and day for a year to make it happen - and in the blink of an eye it could appear that the effort has been for nothing. Our advertising revenues have fallen by more than 50 percent

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*An extended word from the editor on the impact of COVID-19 and our plans to combat the difficulties with resolve and determination.*

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and our flagship event, which would have represented the pinnacle of our achievements, has been postponed at a huge financial and emotional cost.

It would be easy to give up – but I have been here before.

### Learning from failure

I started my first business when I was 19. Since then I've had 5 companies; two have been good, one was ok and the other two were complete disasters. The bad ones nearly cost me everything that the good ones had made and there was a point some 12 or 13 years ago when I was facing bankruptcy and didn't have a penny to my name. Thankfully, I avoided the worst fate and somehow managed to pull through with a lot of help from friends and family. I remember the day my car was towed away and I handed back the keys to my office – I felt like a complete failure and couldn't see any way back. It took me (or at least it took my pride) several months to come to terms with my plight but slowly I started looking forward and realised that there was only one way to improve my situation and that was to stop feeling sorry for

myself, learn from the experience and come back better than ever.

If you've never sweated over a payroll then you really shouldn't be running a business. It's the failures that teach you far more than the successes and in my 25 years of entrepreneurship I've certainly experienced both ends of the stick. Belief and determination are fundamental requirements for any entrepreneur and although it's not always the case that belief in what you are doing will see you through - it certainly is the case that if you lose belief yourself, no one will come with you.

Thankfully, despite its fledgling status, ERP Today will be able to withstand the economic distress in the short term and we are committed to continuing with our print media product despite the financial and logistical challenges. We are also enhancing our digital platform and our new partner programme already has its first six customers live with a further six expected to be live in the next week.

### This issue and next issue

We took the decision to combine our Q2 and Q3 issues for a variety of reasons; firstly I am not sure how many people would have been reading ERP Today in May or June as so many of us were fighting to preserve our livelihoods and ensure the safety of our loved ones. Secondly, due to the very long production cycle involved with such a large print publication we felt that a lot of the content could become dated very quickly as the landscape shifted almost on a daily basis.

This issue has been rewarding and

depressing in equal measure; we certainly haven't made any money, most of the content is focussed on problems rather than solutions and trying to write engaging content when there are so many health and economic issues afoot has been challenging.

To that end, our next issue which will hit the streets on 22nd October (an important day for us but I will say more on this below) will contain nothing but positive features and articles that highlight the extraordinary successes that the enterprise tech sector has achieved in the face of such adversity. We want to hear about the customers you have helped, the new ideas that have guided you through the crisis and your plans for turning adversity into opportunity. Please say hello by sending us an email to editorial@erp.today

### ERP Today Awards

It is with a deep sadness that we have taken the decision to postpone the inaugural ERP Today Awards event. A small army of people have worked on the concept for nine months but I do not feel that it would be right to continue with our plans for several reasons. Firstly, even if the venue is theoretically able to support the event I do not think there will be the appetite from customers and partners to shuffle into a room with 800 other people. Secondly, and more importantly, I don't think handing out awards feels like the right thing

to do when we all have so many more important things to focus on.

To that end we have decided to postpone the event in favour of something entirely different which will take place in the summer of 2021. Our plan is to host an outdoor day event in recognition of all the keyworkers that have sacrificed so much over the last four months so that our lives could continue as normally as possible - with the awards dinner being hosted in a marquee on the evening. The event will be an opportunity for the whole enterprise tech sector to say a collective 'thank you' to the doctors, nurses, teachers, delivery drivers, shop workers and public transport operatives that have kept the country going while many of us have been at home safe and protected from the dangers of COVID-19.

Despite the early stage of our plans we have had a lot of encouragement for the idea and we will be asking all of our customers, partners and sponsors to think carefully about who we should invite to spend a day with us and how we can demonstrate our gratitude for their service and sacrifice.

Our pledge is that we will not profit from the event and every penny that had been promised in sponsorship for the awards event will go towards making a day to remember for up to 500 keyworkers. We hope to announce more definitive news in the coming weeks.

### Partnerships

We have entered into a number of exciting partnerships over the last few months and none more so than our tie-up with **GenieShares**. The concept is simple but completely unique; entrepreneurs gift one percent of their equity to complete strangers in an act of benevolent altruism. Why would anyone do that you may ask? Well, as Ben Brabyn, campaign co-ordinator explains: "The GenieShares campaign has its roots in 2018 when I was head of **Level39**, a cluster of around 200 fintech and cybersecurity companies in Canary Wharf. I could see that these companies were creating great value and that many of the entrepreneurs were really keen to play a part in their communities too. Rather than arguing for trickle-down economics, why not just share some of the ownership of companies as they are created?"

GenieShares is looking at ways to ensure keyworkers such as nurses, teachers and care givers are at the front of the queue for future acts of kindness and I can't think of a better way for entrepreneurs to give back to the community in such a direct and meaningful way. Large enterprises can get involved too – and although Genie-Shares doesn't expect global corporations to give away one percent of their equity, there are still lots of ways that big businesses can support this truly purposeful initiative. ∎

GEORGINA ELRINGTON HEARD FROM HR LEADS ABOUT HOW
THEY ARE DEALING WITH THE ENORMOUS AND SUDDEN TASK TO
KEEP EVERYONE GOING DURING THE COVID-19 LOCKDOWN.

# H

## HOW WE HANDLE A SITUATION
## DEFINES WHO WE ARE
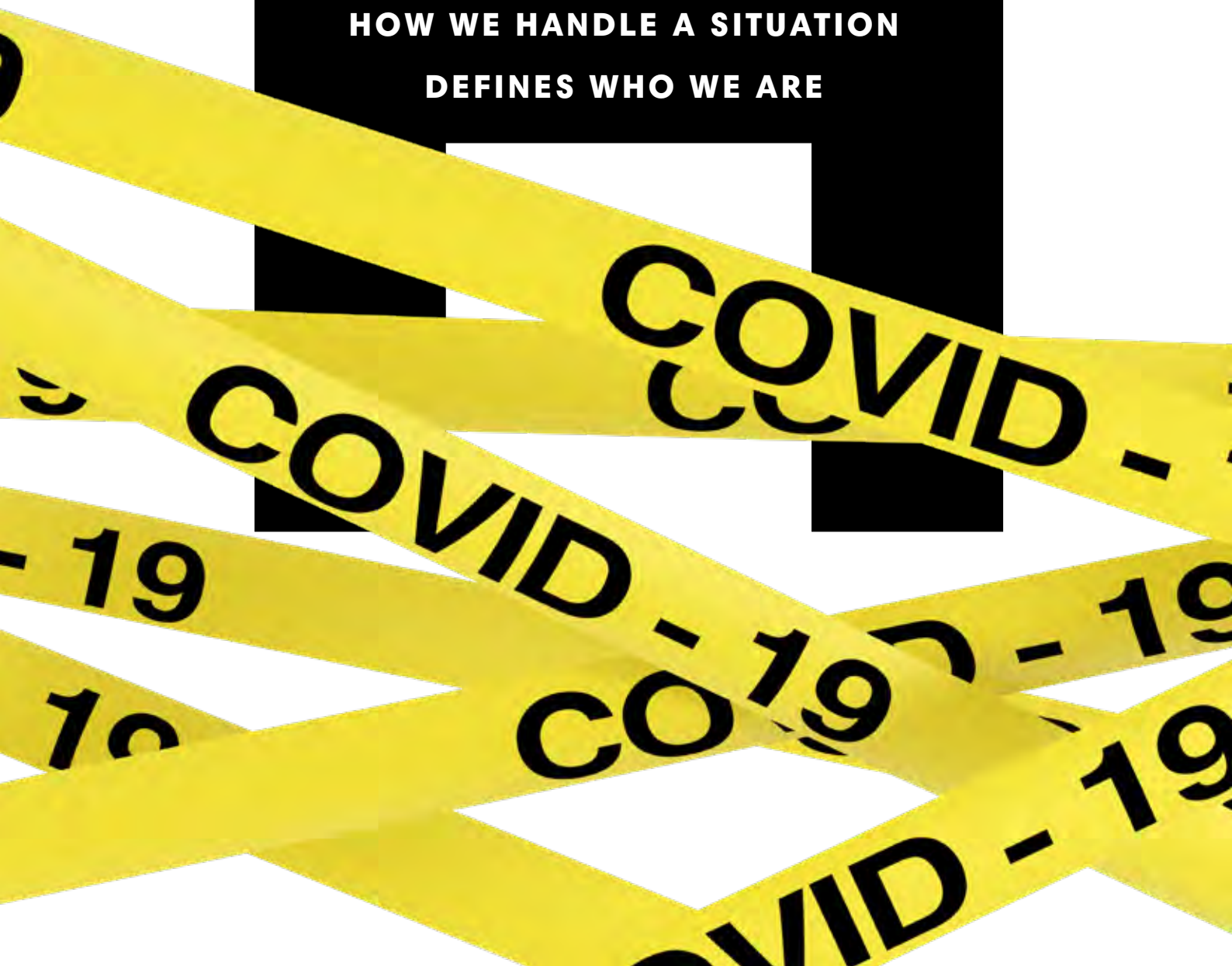
# HR IN LOCKDOWN

## HR IN LOCKDOWN

C OVID-19 lockdown stipulations rocketed employee well-being and online collaboration to priority status practically overnight. HR teams scrambled to find ways to help the workforce keep in touch, maintain morale, and enable more self-service methods for job responsibilities, performance, payroll, holiday and sickness reporting. The CEO of a workforce intelligence platform **e-days**, Steve Arnold encapsulated it well: "Businesses are trying to cover a multitude of issues facing them, from managing an unwell workforce and resource management, to legislative leave changes being enforced, to creating furlough strategies, and keeping staff motivated and productive during a pandemic. In short, HRs are being asked to change their thinking and models and think on their feet more in the last twenty days than they have in the last twenty years."



"HRs are being asked to change their thinking and models and think on their feet more in the last twenty days than they have in the last twenty years."

**STEVEN ARNOLD /** E-DAYS

If we think back to Maslow's hierarchy of needs theory, proposed in 1943 regarding human motivation, there are five categories to nurture: physiological, safety, love, esteem, and self-actualisation. I found it interesting and uplifting to hear how the HR effort en masse attended to these foundations, with a mixture of empathy and modern technology, to help shepherd us through confined times.

### ADOPTING A MORE PERSONAL APPROACH TO PERSONNEL

Julie Chell is chief people officer at **Civica**, a public service sector software firm that provides HR and payroll technology. She gave us some insight into how the firm has been coping: "Over recent weeks, our IT teams have done an amazing job in providing us with the technology and resources we need to continue providing business as usual. This is also something we've been able to use to stay in touch on a personal level. For example, we use Yammer, a space for social chat and collaboration, and we're also doing a range of 'drop in' sessions where people can join colleagues at an agreed time for a virtual work-out, mindfulness sessions, virtual coffee and book club discussions, or any number of other activities to keep our spirits up.

"Our leaders and managers want to inspire, support and help their teams in any way they can during these challenging times. We're therefore providing an ongoing series of webinars, coaching and online resources to help them adapt their leadership and management style to better support their teams. As well as individual leaders interacting with their teams, we realise



"Our leaders and managers want to inspire, support and help their teams in any way they can during these challenging times."

**JULIE CHELL /**
CIVICA

"By reassuring our
people that we are doing
everything within our
power to keep them safe
and listen to their needs,
we hope to strengthen
our bond with them, and
the trust they have in us in
the long run."

**PHIL CHAMBERS /** PEAKON



that the current situation puts us all in uncharted waters.

"As we're currently unable to get a sense of how people are feeling through normal, ad-hoc conversations, we're rolling out regular 'pulse' surveys to understand the issues that our people face around the globe, so we can proactively and quickly improve things and make sure colleagues feel supported."

## THANK YOU FOR ASKING

The use of online surveys has certainly spiked as companies look for ways to understand how a workforce is feeling. **Peakon**, whose clients include **EasyJet**, **Pret**, and **Capgemini** provides anonymous employee surveys to help track what's going on inside the minds of a workforce. It then uses data and analytics to recommend actions to help improve employee engagement. In response to the sudden WFH movement the company developed a set of survey questions - which can be found on its COVID-19 Support Hub online - to help organisations understand the impact of the outbreak on employees and the efficacy of the actions being taken. It would be beneficial, I feel, if more companies continued to engage with this kind of insight when we emerge to the new normal.

Peakon also offers an 'acknowledgement tool' to help people feel that they have been heard and are valued with graphical responses such as: 'thanks for sharing,' 'working on it' and 'would love to talk in person'. The company's co-founder and CEO, Phil Chambers said: "Our leaders are also using our Acknowledgement Tool more to ensure that everyone continues to feel heard and valued – even though working from afar. By reassuring our people that we are doing everything within our power to keep them safe and listen to their needs, we hope to strengthen our bond with them, and the trust they have in us in the long run."

## I HEAR YOU

Frequent recognition has also risen up the agenda for a happier and more connected, and therefore productive, workforce. And, at a time when many people may be concerned about the future of their jobs, employee-manager check-ins are crucial to reassuring employees. These are strongly valued principles at **Workhuman**, a provider of performance management and social recognition platforms. "Because we already had social recognition technology, our Gratitudes product, in place we've been able

## HR IN LOCKDOWN



**"As part of our focus on wellness, we're using our own talent management tool to help us engage and communicate with our people and understand how they're doing."**

**LISA DODMAN /** UNIT 4

to keep up company morale from the start. Peer-to-peer appreciation has been an antidote for isolation and generated some much-needed positivity. We've seen some powerful messages in the Gratitudes award feed, sharing sentiments of strength, support, and resilience, and it's truly helped us come together as a company even in these tough times," said Niamh Graham, the company's vice president of global HR.

**U**nit4 is also supporting employee feedback, performance management and productivity gains through 'Intuo'. "As part of our focus on wellness, we're using our own talent management tool to help us engage and communicate with our people and understand how they're doing. It's vital to know how your employees are performing, regardless of where they are, but it's also important to un-

derstand and gain their feedback. We believe in the importance and value of the tool and have extended this to customers for free for the next six months. We hope it will provide meaningful support to businesses as they nurture their people during the pandemic," said Unit4's chief people officer, Lisa Dodman.

"Well-being and a people-first culture have become more important than ever. As well as regular online chat sessions and mandatory breaks, we've kick-started wellness and fitness sessions to help people stay active and positive and even involve their children in our fitness campaigns. We're also running Inspiration4, where we bring in external speakers to engage our people on new topics. Those kinds of initiatives I expect to see more of, even as we get back to 'normal' in the future," said Dodman.

### SHARING COPING STRATEGIES

The nature of some companies means that remote working practices have already been in place for years and this pre-existing strategy has helped them to adapt swiftly to the lockdown. Infor is one such example and its HR tech helped the company to be able to react promptly in response to the confinement. "The company's HR service centre was equipped with technology to answer the many and various questions we were fielding as well as track illness reports, using our service centre tools. Our HCM provided us with headcount data to be able to estimate VPNs needed and load on systems," said Ben Perry, **Infor**'s vice president of international HR and global reward. He went on to say: "The business is looking to us to lead the organisation through this crisis, taking care of our employees while also keeping up with changes in legislation and learning as much as possible about COVID-19. We have also been working as a collection point, crowd sourcing and sharing good ideas. It has been an opportunity to demonstrate our caring and our culture, through the communications and resources we've made available, and the decisions we have made."

### ADOPTING STRATEGIES TO UNDERSTAND BETTER

From a workforce well-being perspective, **Advanced** has been running dedicated conference calls for managers to help them support teams working remotely – specifically those who are not used to it and may find it an isolating experience. People are being encouraged to have regular 'switch on and off times' and understand all the ways that they can keep in touch. And Sue Lingard, a director at **Cezanne HR** commented that there has been a surge in interest around restructuring existing processes such as onboarding and performance management to suit remote-working teams. "One-on-one interactions suited to working in an office are being rethought to cater to an online workforce. In some instances, it's actually giving businesses a chance to realise efficiencies that haven't been previously explored. HR systems are being turned into communication hubs, helping everyone stay in touch with each other and the business, providing much greater visibility across and between teams on resource availability," she said.

**"In some instances, it's actually giving businesses a chance to realise efficiencies that haven't been previously explored."**

**SUE LINGARD /** CEZANNE HR

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Jane Edison, Channel 4

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Louise Williams, discoverIE

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## HR IN LOCKDOWN



**DEAN FORBES /**
COREHR

Another HR tech provider, **CoreHR** added additional services for UK and Eire customers via its HCM platform, CoreHR XD. Aside from updated COVID-19 information and HR platform help, it introduced a COVID-19 tracker app for employees working from home to keep up with an individual's health and if they are appropriately supported with the right technology to be productive. Dean Forbes, the CEO at the company communicated to us that some employees weren't coping with certain aspects of lockdown but weren't forthcoming as they didn't want to make a fuss. CoreHR started using the 'pulse check' capability via a mobile app to help HR understand employee sentiments and get feedback as the new realities unfold.

A developer of consumer vacuum cleaners and kitchen appliances, **SharkNinja** also found that every team needed to adapt to new and challenging circumstances. "Overall, we were very well prepared for the crisis, but swift action was still needed to be taken to ensure a smooth transition," said Jon Wright, the company's senior director of HR Europe. "Being a relatively young business, we have been lucky to have modern systems in place which allowed for a smooth transition. Not having to spend precious time updating legacy systems meant we could instead focus our efforts on supporting the employees whose roles aren't so simple to carry out from home such as engineers and design workers. We began our preparations around three weeks before lockdown was announced. Knowing most staff would likely be working from home in a matter of weeks, we



**KEVIN GREEN**

**"The gulf between those that have invested and those that haven't has never been so stark. I predict that in the next ten years investment in HR systems and tech will be at the top of the corporate agenda".**

**KEVIN GREEN**



**"Commuting time has become communication time! Spending an extra half hour on communicating any changes and developments across the business has so far been vital to getting us through this challenge."**

**JON WRIGHT /**
SHARKNINJA

focussed our efforts on ensuring all colleagues had the necessary equipment to continue working from their homes. After undergoing health, safety and risk analyses for home laboratory working, we got started with the delivery and setup of key pieces of engineering equipment, technology and appropriate seating."

"The most important coping tactic for us has been an increase in communication. The office leadership team has a daily morning meeting to review how things are going and to discuss any issues as and when they arise. Any problems are then being reported back to HR in a timely manner and we are dealing with these on a case by case basis as usual. Commuting time has become communication time! Spending an extra half hour on communicating any changes and developments across the business has so far been vital to getting us through this challenge."

## PEOPLE DATA FOR VITAL INSIGHTS

Kevin Green is, amongst other roles, the former HR director at **Royal Mail** and also founded the HR consultancy **Qtab** which has clients such as **Unilever**, **BAE Systems** and the **UK Cabinet Office**. He said: "Many businesses when seeking employee data at speed found that their core HR systems were not up to scratch. Some deployed work-arounds often involving manual processes. Others who had invested could get access to the data they needed so that evidence based decisions could be made. The gulf between those that have invested and those that haven't has never been so stark. I predict that in the next ten years investment in HR systems and tech will be at the top of the corporate agenda."

Deborah Exell has spent 25 years in senior roles including global SVP for performance and change at **The**

**The ones that fail will face costly re-structures, stagnation and extinction. Those that master the mass of data they now have, and ally with the future reality and adapt, will prevail."**

**DEBORAH EXELL**

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**Coca-Cola Company**, and similarly integral transformation roles for financial houses such as **Deutsche Ban**k, **Lloyds Bank** and **Royal Bank of Scotland**. She said: "HR leaders will need to adapt to permanent changes to workforce planning as a result of COVID-19. Government, commercial and consumer practices won't simply snap back to where they were. Yet strategic workforce planning – predicting future

capabilities and skills – is still considered a 'nice to have' by too many companies."

Exell went on to say that: "It is clear that HR leaders are gaining a greater appreciation of the need for 'people analytics' that enable them to improve how they oversee and engage with thousands of employees remotely. Digital transformation projects that were already underway have now been accelerated as a result of COVID-19. Now more than ever, every top team needs more control over business performance and greater foresight into market changes. The ones that fail will face costly re-structures, stagnation and extinction. Those that master the mass of data they now have, and ally with the future reality and adapt, will prevail."

While stacks of technologies exist to help keep actual business going in terms of processes, there's also the other vital side to remember that we are all actually still human beings: sensitive creatures that need social contact, empathy, kindness, and encouragement. I have loved hearing about new regimes and more relaxed approaches to engaging with the workforce and thank those that got in touch about: the benefits of pets on team conference calls, corporate time out for coffee hang outs, colleagues starting book clubs, Friday night quizzes, and even mental health experts sharing uplifting advice and experiences over video sessions for workers. I think it is important to keep these engaging options open and be reminded that we are not AI, we are not simply output tools, we are not devoid of emotions. We are, however, striving to do the best we can and as work takes up the largest portion of our days - masked or unmasked - let's keep some of the new-found fun and empathy going when we're allowed out into the new world. ■

# The importance of leadership, purpose and

# Wellbeing

# in a Crisis

W hen I interviewed Mike Ettling back in April 2019 he had just taken the hot seat at Unit4. He inherited a mixed bag of fortunes but told me about a bold plan to transform the company into a contemporary ERP vendor that sold modern intuitive software to people-centric businesses. His efforts centred on internal matters first; reinvigorate the brand, revamp the internal culture and double-down on the verticals where their product delivered most value. I caught up with him over Teams to discuss how his first year had gone and to see whether he had managed to stay true to those principles in the face of a global crisis.

BY PAUL ESHERWOOD



**Mike Ettling**
Chief Executive Officer, Unit4

PEOPLE FIRST
EVERYTHING ELSE WILL FOLLOW

**Hi Mike, how's things?**

Very good. I did my first international business trip last week. I came into the UK for a week and left on Saturday.

**What was the flight like?**

Empty. Heathrow's only got two terminals open which makes it really pleasant. The only downside is you can't get anything unless you want a soggy sandwich from WHSmith.

**Is there a noticeable difference between the UK's attitude towards lockdown and the attitude of most Americans?**

Yes, there's a big difference. I was back in the UK in mid-June and it really struck me how different things were. We've been going to restaurants in the US since the start of June and beaches have been open for about six weeks. Of course, there is still social distancing, fewer people and one way systems but the US is getting back to normal a lot quicker than the UK.

**Is that a concern for you?**

Of all the markets we're operating in the one I'm the most worried about is the UK because I could sense that there's a different level of anxiety to what I've seen in other countries. There's not the same rush to get back to work.

**What's been your strategy to ensure Unit4 remains robust and resilient?**

We did really well in Q1 but I realised we needed a very structured approach coming into Q2 so we developed a detailed plan of action - we called it our 'Dyke Strategy', like the Dutch dykes. We didn't do a load of scenario planning so no

one was allowed to try to guess which sized wave it's going to be or how hard the impact would be felt, because when you do that you talk yourself into one of the scenarios.

We said there's only one scenario and that's the original budget and everyone must focus on that. We then very aggressively put all these dykes in place to protect certain parts of the business. Avoiding redundancies was the most important thing so that was the last dyke. We didn't want to take marketing spend out - we want to keep marketing and grow, so that's the second last dyke. And we've just told everyone the budget's the budget so we're not going to tinker with bonus provisions. We're going to keep providing as if we are 100 percent achievement. That's the third last dyke.

**Where did the idea of a dyke strategy come from?**

The dyke was a beautiful analogy given our history and where we started. We were very transparent about that in terms of the budgets. Here's the dykes. Don't focus on the waves. That created a picture for how we're going to tackle this which everyone could rally around.

**Have you had to cut other costs out of the business to remain profitable?**

We took out about 18 million euros of cost in two weeks. All the dykes were built and executed and that really created a huge amount of defence for our business.

**Are there some longer term lessons for you there?**

I've been attending weekly networking ses-sions; one is run by an investment bank and one by a mid-market CEO network. I remember in one of the early calls, Craig Conway, who was the CEO of PeopleSoft and now sits on the board at Salesforce, saying Beni-off's biggest regret from the last recession was he cut too deep, and then you don't ride out of it fast enough. That stuck with me and that's why I said we don't want to touch marketing and we don't want to let people go and then have to rehire later.

**And what has revenue and bookings looked like over the last three months?**

April bookings slowed down a bit because the climate was getting tougher. May was the most difficult month in terms of bookings but we actually have enough pipeline and opportunities, that in the absence of COVID, I would be saying that we beat budget. So we're in a really strong position.

**Have any of your customers been badly affected by the coronavirus crisis?**

Of our verticals, the one which has taken the biggest hit is higher education. I think a lot of organisations were really caught flat footed as they didn't have a digital model. But in the main our customer base has been fairly resilient. We were expecting an avalanche of people asking for subscription holidays and cash deferrals but in reality the numbers have been tiny.

## Of all the markets we're operating in the one I'm the most worried about is the UK

## MIKE ETTLING

**What are the positives that can be taken out of the crisis?**

There's some good things which have come out of this. People have loved the connection with their families. They've loved that they don't have to commute and being able to build a staggered day to take time to have breakfast with the family for example. Everyone's still working really hard but being able to do that work around the family environment has been a real plus.

**Do you think the changes to working environments will last?**

We're not telling our people you must work from home or you must work from the office. We're saying work where you're comfortable. If you need to come in the office that's fine as long as you stay safe but there's no pressure on anyone to do anything they don't want to.

**Do you think the lockdown has been long enough to force lasting change in peoples' habits?**

That's a really interesting question and we have been having this debate on the CEO forum. We've all managed to support our customers and even win new business working remotely but if one vendor starts flying out to see new prospects others may feel at a disadvantage. That could force others to fall back into old ways very quickly and that would be a shame. But in general, I do think the flexibility to work from home will stay for most people and for us it will just be an extension of what we were already doing. We had already hired a new head of workplace experience and he's already actively looking at how we're going to redo our footprint and our facilities because I want a very different environment based on this new model.

**How will Unit4 and other companies we able to ensure that positive change is lasting and we don't just go back to old ways?**

That's where leadership comes in. As a leader, you can't not use this crisis to change. Leaders must put their people first and really think about what kind of organisation, what footprint, what landscape do we want for our business. We've already said that 50 percent of our board meetings will be on Teams from now on and we have budgeted for 50 percent less travel across the board in 2021. Changing habits is difficult but you've got to lead your people to a better normal.

**What measures have you brought in to cope with such a sudden change to working environments?**

> " *That's where leadership comes in...* you can't not use this crisis to change.

In terms of technology we were very fortunate because we had already put things in place 18 months ago that really helped us. We had moved the whole company from desktops to laptops and we had integrated Teams as our collaboration tool. We had also abolished desk phones so everyone uses a virtual number. When lockdown happened we weren't scrambling to buy hardware or licenses.

I remember the single biggest thing was advocating to everyone to remember to hit the video button. That was the extent of our transformation. We were using it already, can you just hit the video button now please?

**Ok, so you had the technology already but what did you focus on to support your people?**

It was clear to me that the single biggest thing we had to focus on was the wellness of our people. We put all our energy into that so we had the foundations to deal with all the other issues.

**Can you give me some examples of the kind of things that you had to do for your people?**

We launched what we called our 'Fit for You' programme with daily fitness classes, meditation sessions, and training around how to avoid Zoom burnout and ensure that everyone was looking after themselves at home.

We also started a kids programme with material for parents to use to help keep children entertained and motivated. And we also sent out a resilience gift to everyone. Every single person in the company got sent a yucca plant for their home office to thank everyone for their resilience and to put some more oxygen into their home offices. We also extended our employee assistance programme worldwide so everyone had access to counselling programmes if they needed it.

My view was if our people are mentally and physically fit then they'll continue doing the right things for our customers.

**Have you managed to stay true to the ideals of leadership and strategy we talked about 18 months ago when you first joined Unit4?**

I think that's really interesting. So, if I talk about the Unit4 perspective, we had done a lot of work last year about repositioning the brand, setting out our positioning around people experience and then launching a lot of programmes around creating a great people experience internally.

We launched our work life balance policy where there's no limit on leave. Take what you need. Again, in one of these CEO forums, one of the issues in the early days, which was causing a lot of CEOs anxiety with their people was people were saying, "well, I have to take time off to work with our kids at home, am I going to run out of

vacation time come the end of this and I want to go on holiday?" They're now saying, "I don't have that problem."

I think the stuff we did in the last 12 months prior to this really helped focus the organisation, focus everyone's mind on our own people experience - because I always said, "yes, we're in business for people, but to be the best in the space we need to create an extraordinary people experience internally."

I think the other thing is having a strong sense of purpose and being authentic is crucial.

**We've talked about your leadership style in previous interviews – how would you say you have performed?**

Well, I've been true to that style right through this crisis. I've been very authentic with people and very open about our plans. I've escalated communication and been very transparent about the dyke strategy.

I also think the purpose I have talked about since joining Unit4 has played well – we had built strong purpose around being in business for people leading up to this. I would contend that companies who have real purpose will survive through this stronger. Companies who were weak with purpose before will not survive this in the same way.

**Turning to the broader ERP market, what do you think will happen in the short term? Will there be any casualties along the way?**

I do think there'll be casualties because I think what companies will do during this period is look very carefully at their whole landscape. We're doing that internally. It's a great opportunity to look at everything and ask yourself, "why are we doing that in the first place?" When we built the dyke strategy, what struck me as interesting was things which were sacred cows four weeks before suddenly got ripped up when we realised what was actually important. It really intrigued me how we could achieve so much so quickly as a result of this and I think companies should be using this opportunity to relook at everything.

**Perhaps, but many businesses are struggling just to keep the lights on. How will they find time for that kind of root and branch analysis?**

It will ultimately help you keep the lights on. Particularly companies that are 40 or 50 years old like we are. Most businesses build up a legacy over the years and often there is a simpler way to do things. I keep saying to my people "call up the CEO of a high-growth cloud company and ask them what their landscape is." You won't find the level of complexity which you build up over 50 years. I think it's part of surviving that you have to do this.

**Do you think that there will be a significant drop off in spend on ERP applications in favour of keeping the lights on collaborative technology?**

I think there's going to be winners and losers in ERP. At the enterprise level I think there's going to be some serious looking at it in terms of exercises like I've described. How do we optimise this? What do we need to do? Do we really need this massive new upgrade?

In the mid-market I believe vendors with the next generation of modern architecture for ERP are going to win. What do I mean by that? It's not just about whether its multi-tenant or micro services? It's about what's your landing page now? Four months ago my landing page was Outlook. Now its Teams and I've got Unit4's Wander on the left of my Teams folder and it keeps telling me to approve invoices and do stuff. So when I say modern ERP, ERP which has faced this, which works through the new landing pages which people have now adopted over this crisis.

We are cautiously optimistic that we will see new business pick up in the mid-market. I think it will be very different in the enterprise side where the players which augment ERP – the likes of ServiceNow or the RPA players, will see a massive boom whereas the vendors trying to sell huge ERP upgrade projects will find it very difficult.

**And finally, what's the one piece of advice you would give to a business leader that was struggling to come to terms with the complexities of a crisis?**

Find your tribe. Find your peer group. I am extremely grateful for the CEO networks I had access to and was able to share our stories and vice versa. Those things were extremely valuable and I encouraged my team to go find similar ones during this crisis for themselves.

I think that peer to peer support is crucial. Some people think that leadership has to be about being a strong individual - I made the decision. Well, the best decisions are made by a village with a lot of input and a lot of insights. If you can create those environments it will help you benchmark your decisions and you will take a lot of comfort from talking to other people in similar situations. ■

**Find your tribe. Find your peer group.**

# Ground Zero

## REBUILDING THE ECONOMY

### BY MARK SWEENY

**R**oll back to New Year's Eve 2019 and the technology industry was looking forward optimistically to a new decade of advancement and achievement. Investment funds in cloud B2B applications was increasing to record levels across Europe, the UK tech scene was flourishing, and the ERP cloud market was starting to evolve into the era of the 'experience economy'. Everything felt good and the world was full of opportunity. However, by the end of April 2020 we found ourselves in what could be described as a global economic apocalypse due to the Covid-19 pandemic.

We will beat this terrible disease that has caused such devastation to our lives and our economy. Its impact for some will affect the rest of their lives as we mourn loved ones lost, and economically, I predict we are looking at least five to seven years for full recovery.

Regardless of how dire the situation has become we have to look forward positively and rebuild. With any crisis opportunities emerge that can make a positive impact. We just have to be brave enough to take them.

The crisis has inadvertently accelerated the need and use of digital technology. Those enterprises that have deferred their digital transformation have found themselves having to accelerate their plans and immediately adapt to support new ways of working.

For some organisations it has been too little too late and unfortunately what we are seeing is pure Darwinism; *'it is not the strongest of the species that survives, nor the most intelligent - it is the one that is the most adaptable to change'.* Organisations that continue to produce over-engineered business cases, lengthy procurements, and inaction around decision making I will just be diplomatic and say nothing, but hopefully you get my point.

We are at ground zero and the only way is up in rebuilding our economy. At the 9/11 memorial in the wonderful city of New York there is a message carved into the wall that has always struck a chord and the words are just as meaningful today as we face this global crisis. It simply says; *"We came in as individuals. And we'll walk out together.".* In any progressive society we all have a role to play.

> **Enterprises that have deferred their digital transformation have found themselves having to accelerate their plans**

### SMEs are now more important than ever

The technology industry thrives on start-ups and small companies as this is where you find the risk takers pioneering innovation and new ideas. These are the people that create businesses from nothing, where the kitchen table and the garage are the innovation labs of the future. Often short of cash, such individuals pursue their ideas by being highly creative searching to deliver solutions that just make the world a better place. They create wealth in various forms, usually through employment of others and where the smart ones focus heavily on developing talent contributing to the industry and the wider economy.

Consequently, more than ever we need to support this market segment as this will become a key element of the engine room for rebuilding our economy.

## Continued government support will be key

Kick starting the economy is down to the government. In such unprecedented times, whilst criticism will always be present, I personally feel Rishi Sunak, chancellor of the exchequer, could not have done anything more than the multiple initiatives he has taken. The stimulus package has been constant – Deferred VAT, Business Tax Relief, CBILS, Furlough Scheme, Future Fund and the Bounce Back Loan.

Unfortunately, it always takes time from announcement to action, and time is an extremely precious resource that many in the SME world do not have - some businesses will unfortunately still go under. However, for those that have been able to access the measures, we need to ensure that government leaves these funding options in place for a significant amount of time. This is going to be critical as suddenly withdrawing the support will create just as many problems.

## Opportunities a-plenty

Technology advancement in regard to digital solutions comes in many forms and what has happened will make a profound difference on how we think and undertake work. From the obvious advances in video-communication technology and collaborative software platforms, through to the back office including:

• delivering new and improved experiences (the 'experience economy') by the seamless connection of the front to back office; using AI & ML technologies to not only predict what needs to be done but instinctively taking action

• scalability of a virtual workforce to handle customer queries on an unprecedented scale

• re-engineering supply chains removing inefficiencies

• empowering individuals through insight to make informed decisions across an organisation

Tim Warner, former chairman of **Certus Solutions**, said: *"Cloud technologies have already enabled us to adapt to seismic unexpected change,*

*the challenge now is to continue the journey to innovate and make the world a better place".*

The market should be more receptive now than ever to new digitalised solutions.

## We need one another – life is about human contact

Despite championing technology advancement, if there is one thing humans value above all else it is social contact.

Our time on this planet is limited. Some of us might live to 100, others will live shorter lives. But in the time we do have, wouldn't you want to spend it with your loved ones and friends? Innovation should drive our physical social contact upwards and allow us to get on celebrating and enjoying life.

Technology therefore should achieve two things at a minimum; firstly, make the work we do more fulfilling by eliminating the mundane and providing us with learning experiences; and secondly, create more time!

## People contribute in many ways – entrepreneurs have their role

We all contribute in different ways, and whilst the NHS and those on the front line are leading the efforts to tackle the crisis, I know that entrepreneurs will also play their part as they continue to innovate, generate tax revenues and further wealth creation opportunities for all. One thing is for certain, there is a lot of hard work ahead If we want a better future, but for now **#staysafe** everyone. ■

"

**It is not the strongest of the species that survives, nor the most intelligent - it is the one that is the most adaptable to change'**

*Disclaimer: The opinions expressed here represent my own and not those of my employer, companies I invest in or am associated with. In addition, my thoughts and opinions change from time to time and I consider this a necessary consequence of having an open mind. This article is intended to provide a semi-permanent point in time and as such any thoughts or opinions expressed within out of date posts may not be the same or similar to those that I hold today*

## LEADERSHIP



# HEART
## OF WAR

## WHAT BUSINESS LEADERS CAN LEARN FROM
## MODERN MILITARY EXPERIENCE

BY BEN BRABYN

**T**he best military and commercial strategists are considering questions of long-term legitimacy

*"If you want to change the world, start off by making your bed"* - former US Navy SEAL Admiral William McRaven famously advised a graduating class at the **University of Texas**.

Every military career starts with this focus on detail, discipline and routine, with plenty to polish, iron and fold. Like the Karate Kid, there are hours to spend in repetition and forming habits that ensure reliable performance under pressure.

These habits transfer well to civilian roles, and employers regularly note the reliability of military veterans and their self-discipline and effective teamworking. Veterans can bring cohesion and operational resilience to almost any organisation.

For those soldiers, sailors, airmen and marines who rise through the ranks, military experience brings a wealth of additional insights which are increasingly important to civilian leaders, especially in a commercial environment subjected to the shocks of COVID-19, international political tensions, and domestic social unrest.

And among those who rise to the very top a new pattern of thought is emerging that anticipates and responds to a new crisis, the crisis of legitimacy that threatens the commercial and the public sector alike. Commercial leaders who take note will be best placed to 'win the future'.

Over the past 20 years I've met with hundreds of military veterans, from private soldiers to four star generals and admirals, as they transition to civilian life. I've also met with political leaders and government officials responsible for national security. Over these two decades our servicemen and women have been busier than at any time since the second world war, and they've been learning and adapting at an unprecedented rate.

As the private sector adapts to disrupted supply chains, suppressed demand, economic recession and diminishing trust in public and private institutions, some of these lessons apply at the tactical, and the operational levels. But the really big change is at the strategic level - and this is where the greatest implications are for businesses.

### Small team habits
### - cohesion and resilience
For soldiers on the ground, the wars in Afghanistan and Iraq have provided unprecedented levels of complexity. Agile adversaries in challenging physical environments at the end of extended logistic chains have tested the capabilities of individual soldiers and small teams. The habits highlighted by Admiral McRaven hold true

and time and again it is team cohesion based on self-discipline, shared values and mutual trust that have proven the bedrock of performance in changing circumstances.

## Organisational adaptability - systems innovation

Likewise, larger military formations and their leaders have adapted to the distributed and networked nature of their adversaries by enthusiastically embracing new technology and methodology. General Stanley McChrystal's 'Team of Teams' summarises how he adapted the hierarchical siloed structure of the US Military to match and overtake the tempo of his rivals. His analysis makes excellent reading for leaders who need to improve the performance of distributed teams in complex environments.

## Strategic foresight - winning hearts and minds

But the most compelling insights with the most importance for defence and commerce alike come from those who have risen high enough, or been maverick enough, to question the fundamentals of their mission. And the pattern that has emerged is that they come to focus on identifying, earning and building legitimacy and trust.

With the military interventions in Afghanistan and Iraq widely regarded as costly errors notwithstanding the heroism and dedication of the people involved, many senior leaders have had grounds to consider fundamental assumptions about the role of their organisations. We in the private sector can learn from this.

## Winning the wrong arguments

Just as advanced western militaries have been winning firefights but losing the support of the people they've set out to liberate and protect, so, many commercial organisations are getting better and better at doing the wrong thing. Technology companies continue to deliver ever more brilliant technology, yet voters and politicians chide them for threatening jobs, increasing inequality and embedding biases.

Now is a time for both military and commercial leaders to lift their eyes from internal improvements and face the future. The threats that we have responded to and overcome in the past may still be present, but new ones are becoming much more important. Distracted by the dramatic and urgent challenges of terrorism and expeditionary warfare, military and security thinkers have left an exposed flank, and patient aggressors have exploited this with techniques that attack the fundamental fabric of our societies, undermining our trust in our institutions - and in each other.

For business leaders it's time to recognise that faith in business is lower than at any point in our lifetimes. Across the developed world, appeals to populism and anti-business rhetoric threaten the commercial assumptions of large and small businesses alike. We cannot assume a benign market environment as the social and economic effects of COVID-19 manifest.

## Winning hearts and minds

Military and security leaders are responding with the tools of persuasion. These hardest of men and women are turning to the tools of soft power. Rather than kinetic weapons and heavy metal armour, they are deploying the expertise of anthropologists, cultural experts and behavioural economists to counter the threats they've identified to that most vital strategic resource - national cohesion.

For commercial leaders, this vital resource is a company's social licence to operate. As the economic conditions tighten, every company will face questions about its legitimacy. Those that have accepted government support through furloughing staff or guaranteed loans will be expected to deliver for taxpayers as well as customers, employees and shareholders. And companies seen to break faith with keyworkers, volunteers and carers can expect costly reputational damage or worse.

It follows that successful commercial leaders will be those that adopt a longer term view and ensure that their companies are seen to express more broadly shared values - values that appeal beyond their traditional stakeholder set. Critically, businesses must become better at justifying their value not only in economic and technical terms, but in social and political terms. Otherwise they can expect short shrift from voters and politicians.

COVID-19 is not the fault of businesses, but it has exposed fault lines in our communities that we must fix, and if businesses are not seen as part of the solution, they will be punished for being part of the problem.

Now is a time for commercial leaders to become champions of cohesion, and to adopt the tradition of leadership embedded in the motto of the **Royal Military Academy**, Sandhurst – 'Serve to Lead'. ∎

> THE REALLY BIG CHANGE IS AT THE STRATEGIC LEVEL – AND THIS IS WHERE THE GREATEST IMPLICATIONS ARE FOR BUSINESSES

ENTREPRENEURSHIP, INNOVATION AND

# The mass movement of people

BY EMMA SINCLAIR MBE

Entrepreneurs are by their very nature built for uncertainty. Their businesses too are built to be agile and reactive and many swiftly adapted, pivoted and tweaked their businesses to cater for new challenges around people and work since lockdown.

In the last eight weeks we have seen a mass, dramatic and unprecedented movement of people in the workplace. From work to home. From employed to furloughed. And for some, employed to redundant.

At the same time, companies have had to balance an escalated focus on employee health with business sustainability and accelerating their digital agendas. People challenges associated with mass remote working have strained everyone but who better to provide the innovation needed to ensure both the near term and the new future of work are less disrupted than entrepreneurs?

Some businesses are simply well placed for the change, such as **Slack**. British co-founder and CTO Cal Henderson told me they have seen a tremendous increase in demand. "All kinds of organisations that had previously relied on being in-person to collaborate are suddenly thrust into having to work remotely and are looking for tools like Slack to fill the gap. Working from home doesn't have to mean work stops." Suddenly collaboration tools are the lifeblood of many businesses and the people who work in them.

> **Suddenly collaboration tools are the lifeblood of many businesses and the people who work in them**

Beyond collaboration, knowing people digitally and intelligently has become even more essential. Work is about more than just working. Knowing who and where people are; what they want and need; how and when to engage; where to deliver these messages and tools; community and learning; that's a tall order for technology.

In my business, we deal with the movement of people every day. Our software powers the alumni networks of large companies and focusses on post employee engagement; the move from employee to alumni. For us, giving alumni community and opportunity is part of the day job and organisations want an army of people to aid their recovery to hand. And with an upswell in unemployment, companies will no longer need external recruiters to fill jobs, how people hire will change and alumni is firmly on the people agenda.

But for some entrepreneurs, changing their business model wasn't a choice. Location data and transport tech changed overnight with lockdown and for those companies, it was evolve - or die.

Pre-COVID, **Zeelo** was providing smart bus transport services for commuting, using data and technology to find and digitalise bus routes to connect people to work via sustainable transport. As lockdown took hold, and the movement

of people changed overnight, they pivoted to providing safe bus transport services for critical workers, adapting their technology to enforce onboard social distancing and allow for contact tracing.

Now they are seeing increased interest from companies thinking about how they reopen their sites safely when they are keen to keep their staff off public transport and given not everyone has access to a car or can cycle or walk, particularly those who work in industrial locations. Founder, Sam Ryan, spotted that "companies need to step in and take control of how their staff get to work safely knowing they need to provide a safe and sustainable commute with robust technology to manage that." People have lost trust in public transport and not everyone can drive or cycle to work – or afford a taxi.

**Screen Moguls** helps companies make decisions based on their behaviour profiles combined with real-world location. With lockdown, location data nosedived and decision-making based on how people behave when they move has no real market. Cinemas were no longer targeting specific audiences for film releases and struggling retailers pulled back on advertising spend overnight.

As lockdown came into effect, small businesses and in particular retail and entertainment were going to struggle to survive and digital media channels were the only ways of staying in contact with customers. Screen Moguls responded by developing a platform to simplify the process of running campaigns on digital media channels and allow independent businesses the same access to the same targeted audiences that they typically provided to their bigger customers.
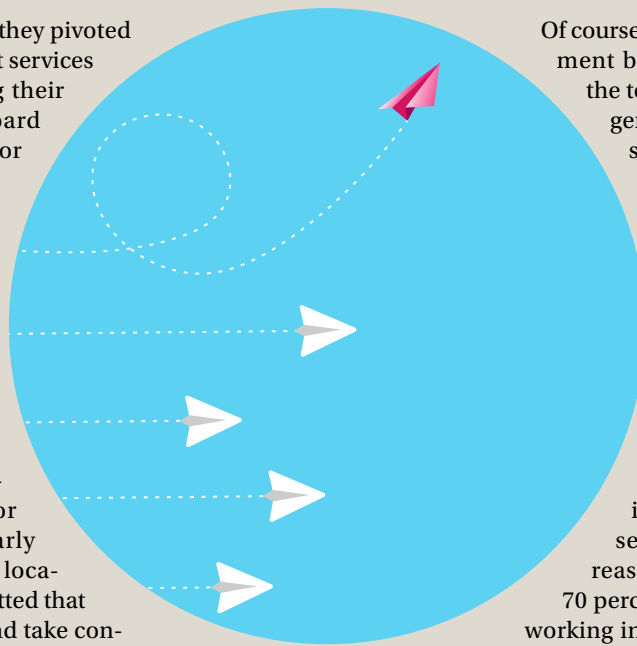
> " **Entrepreneurs' blood runs rich with confidence, determination, a predisposition to adapt to change and a strong purpose**

Of course many small retail and entertainment businesses don't have access to the tools or experience that their bigger counterparts have to help them survive. Co-founder Jess Carlin told me: "What we're trying to do is give them these tools and remove roadblocks so they can compete on a level playing field." And in doing that, they created a new, much needed revenue stream.

And for others, this environment has led to business booming. Ed-Tech is one such vertical that has seen a surge in business. With **Totaljobs**' research showing that workers are reassessing their career plans, with 70 percent now more likely to consider working in a different industry as a direct consequence of COVID-19 and nearly half wanting to change industry to strike a better work-life balance.

Before the pandemic it had been widely reported that there are skills gaps that graduates entering the workplace don't always have and employers expect. Jobs for life rarely exist anymore so people need to reskill and upskill in order to meet the requirements of today's workplace.

Lockdown has seen micro-credential courses surge with businesses like **FutureLearn**, 50 percent owned by **The Open University**, seeing traffic and enrolments to courses increase by some four times from pre-COVID levels - and they are still increasing.

Entrepreneurs' blood runs rich with confidence, determination, a predisposition to adapt to change and a strong purpose – that being survival. No doubt despite the vast challenges that COVID presents in forcibly shifting vast numbers of people, innovative ideas will flow and the best of the problem solving technology is yet to come. ∎

# The future of human touch in business

**BY JAMES JEFFREY**

Around the world, humans are struggling to ignore thousands of years of bio-social convention and avoid touching each other. What are the implications for how we conduct business?

## HUMAN TOUCH

Various business-related activities and customs we took for granted could be on the chopping board as a result of the fallout from the COVID-19 outbreak. From the humble handshake sealing a deal to business conferences and even business flights themselves, no one knows when or if these will return.

———

In the short term, these once taken-for-granted business norms are compromised as a result of social distancing restrictions. But they may be fatally imperilled in the longer term due to how technology has stepped in to fill the gaps—while doing such a good job—during the largest work-at-home experiment the world has ever seen.

Employees forced to work at home have found that they can still perform adequately thanks to video conferencing platforms such as **Zoom** and the likes of **Slack** and **Microsoft**'s Teams product. Commuters are left considering if going into the office is so vital especially when factoring in COVID-related risks presented by the likes of **London Underground**.

Meanwhile, companies have good reason to reassess why they fork out small fortunes to pay for business flights around the world when virtual business meetings in lieu appear to be producing the required results.

A paradigm shift is occurring in relation to the culture of presenteeism that has traditionally pervaded office life and doing business.

But—and it's a big but—at the same time, while communication technology has undoubtedly provided salvation during the lockdown, as any science-fiction fan knows,

overreliance on technology's tools can diminish what makes us most human. It can also generate unforeseen problems. Beyond the widely reported security and privacy concerns, there are plenty of reasons to be wary of replacement technology, and hence, not give up too readily the old ways of doing business.

"Touch matters for many reasons," says Arthur Markman, a professor in the department of psychology at the **University of Texas** at Austin. "People make rapid judgements about other people based on just a snippet of interaction with them. That can include a handshake, but also facial expression, a smile and the way people are dressed."

More than two decades of research into so-called 'thin-slicing methodology', which is the theory that humans make a reasonably accurate assessment of a person from observing just a few seconds - or a 'thin slice' - of their behaviour, has reinforced the value of face-to-face encounters occurring in the flesh. Speed dating is an example of thin-slicing in action. As a result of this human propensity, just a handshake can be all that it takes to create a memorable first impression from which far greater things flow: ranging from a new career path to the completion of a multi-billion-dollar deal.

**"Touch matters for many reasons. People make rapid judgements about other people based on just a snippet of interaction with them"** ARTHUR MARKMAN

Giving up on handshakes, Markman explains, could eliminate a source of seemingly extraneous information that affects how we judge others. While there are other points of information to use to make judgements, the handshake remains a particularly effective conveyor.

"They tell us about other people's cultural competence and how much do people understand about what is expected of them socially," Markman says. "That is useful, because it is a reliable and quick guide to whether someone is likely to do what is expected of them given their position within the social system."

Humans have evolved to be deeply social, tactile-orientated animals, hence our hands have such prominence in our interactions.

There are various ideas about the origin of the handshake. It may have originated in ancient Greece as a

symbol of peace between two people by showing that neither person was carrying a weapon. Or the shaking gesture of the handshake may have started in Medieval Europe, when knights would shake the hand of others in an attempt to shake loose any hidden weapons. The Quakers are credited with popularising the handshake after they deemed it to be more egalitarian than bowing.

As the 20th century progressed, the gesture evolved into a near universal and unassailable symbol of greeting, particularly among business professionals. Scientific studies of the ritual have identified how a good handshake activates the same part of the brain that processes other types of reward stimulus such as good food, drink and even sex.

But the COVID outbreak has made the handshake verboten - possibly permanently. Fortunately, humans are highly adaptable - hence the emergence of the elbow tap -and good at leveraging available technology to work for the situation. Hence the current boom in video conferencing.

"Change gets deferred until one day something happens and suddenly everything that was familiar is broken," says Phil Wainewright, a blogger and analyst on cloud computing and the transformation of 21st century business through digital technology. "At a stroke, all those fixes that have been waiting on the side-lines get fast-tracked to the mainstream."

COVID-19 means "we are in one of those exceptional moments," Wainewright says, adding that "in adjusting to the new normal we are learning new habits and skills that we won't want to unlearn."

This means, he says, that remote digital teamwork will become the norm and no longer appear the second-best choice as it once did when work was centred on the office and working from home was perceived dismissively as slacking off. Employees are finding how to keep their work in sync with other members of a distributed team and how to balance work deadlines with domestic demands.

"What used to be the fringe community of remote

> ## "What used to be the fringe community of remote and nomadic workers is now, very suddenly, all of us"
>
> **FRED SCHMIDT**

and nomadic workers is now, very suddenly, all of us," says Fred Schmidt, a global serial entrepreneur working between Austin, Los Angeles and London. "And that's a game changer that will have profound and lasting impact on every aspect of our Western working and social worlds."

Similarly, Wainewright explains, virtual conferences that have been around since the mid-2000s but previously never took off, now find themselves "all the rage" because travel and large gatherings have been abruptly vetoed.

"Now that everyone has an incentive to make a success of virtual events—because there's no alternative—huge amounts of talent, creativity and funding are suddenly being devoted to finding out what works best," Wainewright says.

He argues that once there have been several significant successes illustrating how virtual conferences can replicate much of the experience of a physical event – whilst mitigating a large part of the cost and hassle - there won't be the same appetite for a full return to the old model.

Other long term changes being discussed by commentators include the adoption of automation and artificial intelligence, and of industry-specific online training platforms as education in general goes online and on-demand.

But, as we work and communicate online even more during the lockdown, people are noticing problems with the likes of video conferencing, indicating it isn't the unqualified blessing initially assumed.

A recent **New York Times** article entitled 'Why Zoom is Terrible' notes how experts increasingly agree that "the distortions and delays inherent in video communications can end up making you feel isolated, anxious and disconnected (or more than you were already)."

## HUMAN TOUCH

This, the article notes, tallies with previous research on interpreters at the **United Nations** and at **European Union** institutions who 'reported similar feelings of burnout, fogginess and alienation when translating proceedings via video feed.'

"Our access to technology is proving to be the glue that is keeping us all connected and many parts of business operating," Schmidt says. "But will our 2D existence replace our 3D one? Absolutely not. Humans are a naturally grouping species. For the most part, we long to be together—to seal a business deal with a simple handshake and a square look in the eye."

When it comes to more large-scale interactions such as business conferences, Markman cautions how their demise would cut down on the number of opportunities for people to connect with others through the valuable commodity that is coincidence.

"A significant value of conferences is the chance for people to meet new people that are outside of their social network and to connect over topics of common interest," Markman says. "Without that mixing, existing social networks will have greater power. That can make it harder for people who are not already well-connected to break into those social networks."

This, he explains, could lead to a "rich-get-richer" effect: those who are already well connected within a business social network increase in stature relative to those who are not. "That means that people on the outside of an industry will have to find new ways to break into those industries."

Similarly, those business flights may still be worth it. Our ability to thin slice - and which enables us to tackle highly complex situations speedily—largely depends on being on the ground and interacting directly with people.

In his book "The Power of Thinking Without Thinking," American writer Malcolm Gladwell discusses how "many different professions and disciplines have a word to describe the particular gift of reading deeply into the narrowest slivers of experience."

> ## "Huge amounts of talent, creativity and funding are suddenly being devoted to finding out what works best"
>
> **PHIL WAINWRIGHT**

Gladwell gives the example of the military where brilliant generals are said to possess 'coup d'oeil' which, translated from the French, means 'power of the glance' - the ability to immediately see and make sense of the battlefield.

Despite the potential pitfalls of reducing physical interaction the general consensus is that the lockdown fallout will inevitably infuse technology more broadly and deeply into almost every aspect of our lives. And it's agreed this is by no means necessarily a bad thing. For example, communication technology will help us mitigate - and perhaps even defeat - COVID-19 by tracking public health threats, spreading the word about risks and precautions, and speeding the sharing of knowledge in the hunt for a vaccine.

Similarly, business has much to gain by embracing these technologies. Wainewright notes the previously uneven trajectory of the relationship between emerging technology and business. Initially, technology lacked the necessary maturity. Even when the technology improved, the time was never right, and then when the time had finally come, the business case was never compelling enough.

"Now the business case has arrived it is demanding immediate action," Wainewright says. "The world has changed and however much we may yearn for a return to what we knew as normality, all of these fringe ways of working have now become the new mainstream."

Or have they? The COVID-19 experience has proven unchartered territory. It will remain so as the lockdown is eased, and the world figures out how to proceed.

"Let's be honest here; we all still yearn to see our family, friends, colleagues and co-workers again," Schmidt says. "Ask anyone - virtual beers over Zoom is no adequate substitute for pints with your mates at the local pub. We will return to that proverbial handshake to affirm our human connection. We may be wearing gloves for a while, and it may take a year or two, but the handshake will be back." ∎

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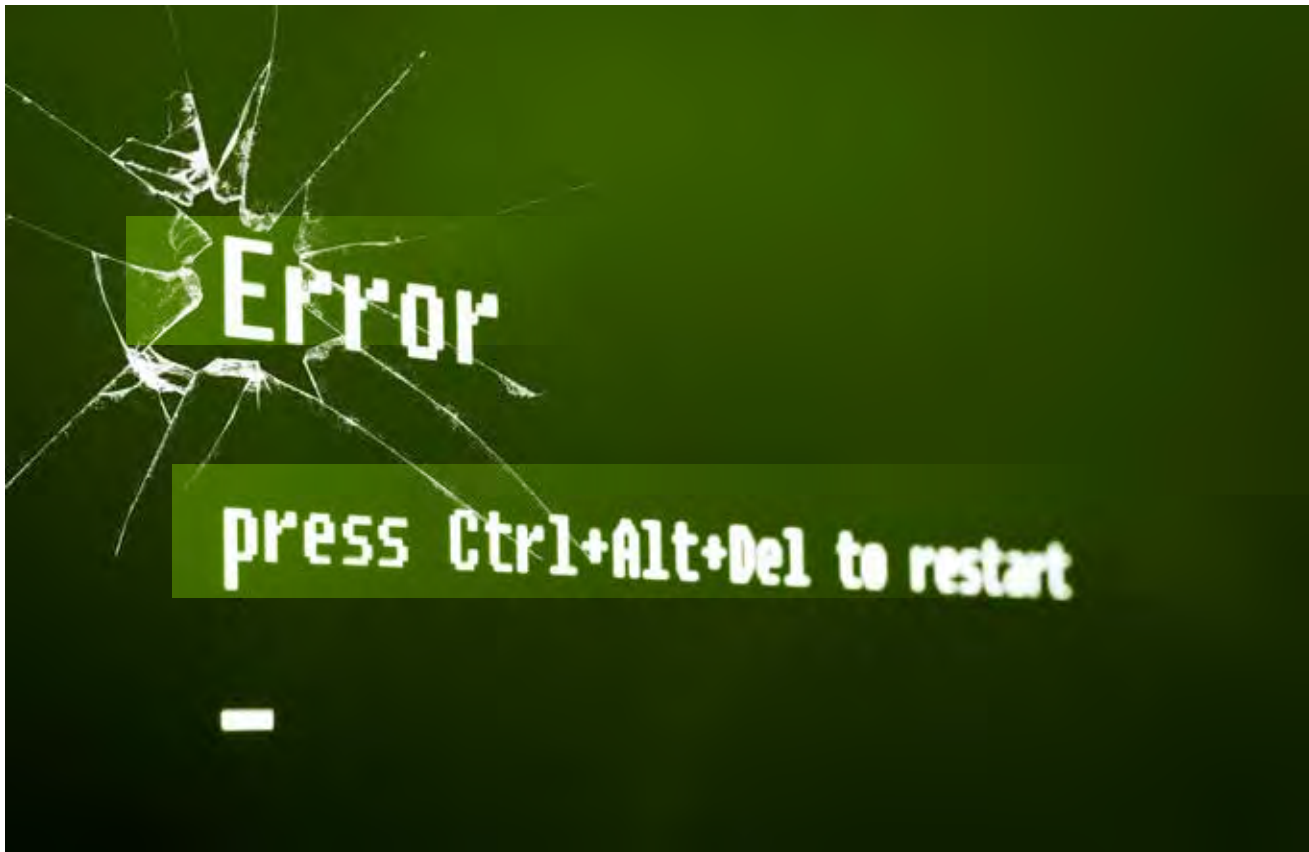
# PRESSING RESTART

## – how businesses can recover and get back to work

BY ADAM SPEARING

COVID-19 has caused profound disruption, like never seen before in our lifetimes. The way in which we interact, socialise and work with each other has been completely rewritten. Businesses of every size from every sector are facing seismic shifts in the way they need to operate and serve their customers.

Throughout the period of lockdown, many organisations have found digital services indispensable in keeping some degree of operations running. Staff have quickly pivoted to working remotely and have rapidly settled into interacting entirely virtually.

### Digital imperatives

The pandemic has placed a greater emphasis on the need for digital transformation. Those organisations that were further behind on their journeys to transform have found they need to innovate at speed, invest and adapt. There's been an urgent need for company-wide behaviour

change for quick adoption. The kind of decisions that once might have taken months have been made in a few days or weeks. Every element of running a customer-facing business has changed, from capturing initial leads to aftersales and service.

As we look to the second phase of this crisis – recovery and reopening – return-to-work readiness will be crucial. While the initial phase required a rapid shutdown and the ability to make decisions quickly, this second phase will need to be more structured, strategic and gradual. As government guidance develops and changes, businesses will need to adapt accordingly, and technology, like our own platform Work.com will continue to play a key role in keeping people connected, support leadership decisions, and help organisations adapt to change. We built Work.com to be a trusted playbook for every business and community on how to reopen, prioritising the health and safety of employees and visitors.

All kinds of businesses have already had to shift, scale and adapt their products to work in new ways, and the technology sector has a responsibility to be supportive. Never have things like data availability and the ability for teams to collaborate on a problem in real time been more important. Shift management, compliance to new health and safety regulations, and the need for more agile and sustainable work practices all compound the imperative to digitally transform in the face of this pandemic. There's an ongoing need for tools to help communicate to employees, partners and customers with agility.

## Virtually connected customers
All aspects of sales, marketing, commerce and analytics in the cloud is about connecting people in ways that make them more efficient and secure, no matter where they might be physically located. The expectations of customers remain as multi-faceted

as ever and reaching them with all the current constraints in place is a great challenge.

Physical environments have for now become challenging to manage. What touch points customers still have with organisations take on added importance, and businesses may in fact have more data than they know what

> **The expectations of customers remain as multi-faceted as ever and reaching them with all the current constraints in place is a great challenge.**

to do with. Our recent State of Marketing Report revealed how marketers are turning to a myriad of customer data sources with the top three being transactional data, declared interests and preferences, and known digital identities.

Consolidating those sources in order to know customers better will be a vital tool in the race to provide more meaningful interactions with existing customers and maximise the value for new ones. For retailers, this might be understanding the best time to offer online discounts or recommendations, or for service organisations, how to resolve customer enquiries in the most useful way. The data exists to inform the right approach at the right time across all industries, but it's only when it's all joined together that brands have the capability to take action.

## Transforming workforces
The second phase will also redefine how we learn, develop and upskill our people. Beyond the immediate challenges of today, employees need to be equipped with the skills to fully navigate a world that's rapidly digitised. Many of these changes were already well underway, but the pandemic has had a multiplier effect.

Data science and AI, for instance, will remain highly sought-after skills, as will technical skills like programming and app development, but also those that are uniquely human, such as creative thinking, problem-solving and negotiating are all taking on new contexts. In fact, creative, strategic thinkers have the skills that an AI-powered future will be desperately hungry for. Before the pandemic, the **World Economic Forum** estimated that more than half of all employees will require significant reskilling by 2022.

Efforts on workforce development can be just as successful in an era of social distancing. Many online learning platforms, like Salesforce Trailhead, exist to help continuously develop employees' digital skills, which can take place completely remotely, and are open to anyone with a computer and an internet connection. Everything from data science to the softer skills of management and productivity are on offer.

Those companies that prioritise their digital transformation and prepare for the 'new normal' accordingly are those that will be best placed to restart and re-establish themselves in a post-pandemic world. By using technology for the good of everyone, we can help prove that business is the greatest platform for change. ∎

*Adam Spearing is EMEA field CTO at Salesforce.*

# Work
## from
# home

**Motivation, training, security, and how not to have yet another piece of toast.**

BY GEORGINA ELRINGTON

**Georgina Elrington has been finding out how businesses reacted to the challenge of a mass exit from the traditional office environment.**

t's all very well if you're used to working from home (WFH), have honed your own tricks to manage self-imposed work blocks for optimal performance, and are generally OK working in solitude either in whole or in part. But if this is an all new situation it can be a bewildering and difficult experience. Many HR teams have been looking for solutions to help support staff that have suddenly found themselves working remotely and sometimes in total isolation, with an emphasis on maintaining culture and well-being for employees.

The CEO at workplace wellness platform **Welbot**, Mykay Kamara told us that there has been "an uptick in mental well-being support due to increased vulnerability and stresses from isolation as well as nutritional guidance, as people find themselves falling back on unhealthy eating habits. Our well-being platform features custom desktop notifications that clients have been using to provide staff with up to date COVID-19 advice as well as promoting internal EAP (employee assistance program) and signposting to tailored employee benefits." Another company addressing how to cope with the WFH movement is the ERP provider, **Advanced**. It has been providing specialist online training to offer guidance and best practice aimed at maintaining employee engagement and manage well-being during

COVID-19 stipulations. It also offers additional help for employees working from home with children given that it can be tough to look after loved ones and work effectively at the same time.

**BEING UPSTANDING FOR DIET AND MENTAL HEALTH**

It was clear that many companies have gone to great lengths to support people through these times. I got a lot out of a blog by Will Gosling, the UK human capital consulting leader at **Deloitte**, who put trust and productivity as top considerations when trying to help a remote workforce. In his piece he wrote that 'an employer puts its trust in an employee to work remotely recognising it's not about hours sat at a desk, but about productivity and using time effectively to produce results.' He also stressed the importance of connecting with people and having structured days, and that 'a lack of human interaction, feelings of isolation and economic worry can trigger poor mental health.' On the topic of mental health, Deloitte has hosted webinars with guest speakers like Poppy Jaman, CEO, **City Mental Health Alliance**, along with other company mental health champions talking about their own wellness journeys, how enforced isolation is making them feel, and tips for anyone feeling the pressure. Nice.

Gosling also made a point in his blog that called me out on my bad habits: "Think about your cupboard and fridge as the office vending machine - and how many cash payments you'd have to make for 'just another biscuit.'" My face at this point resembled an embarrassed emoticon as I lowered the fifth piece of buttered toast away from my face (it is 11:00hrs as I write this). He also made me rethink my working environment and attitude to avoid long periods of being seated. He's right - my lower back hurts from sitting too much. I've done too much of home computer sitting for work, straight to couch.

**There has been an uptick in mental well-being support due to increased vulnerability and stresses from isolation**

MYKAY KAMARA / WELBOT

Capgemini

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## WORK FROM HOME

### CONNECTION AND COLLABORATION

Over at **Infor**, roughly 35 percent of its employees already work remotely so the physical transition to a virtual workforce was relatively simple. "During the lockdown period we have focussed on ensuring the well-being of our employees including assisting employees working from home whilst juggling home schooling, entertaining younger children and elder care. With the hiring slow down, and some teams having less work, the HR team has shifted focus to launch various learning and development activities, personal connection events, wellness programmes delivered in interactive virtual classrooms. We have also provided examples of how to best work from home including scheduling breaks, standing up, exercise and using video meetings," said Ben Perry, vice president of international HR and global reward at the company. Enabling technology such as **Microsoft** Teams with video is being used more widely in the business as well as encouraging virtual video coffee breaks to "allow employees to talk to each other generally and maintain our sense of community. A chat with even a virtual friendly face greatly removes the sense of isolation. We've used our intranet, Webex, video messages, and collaboration platforms like Brightidea to collect best practices and stories from the ground," said Perry.

**We are working alongside customers every day to help them adapt and stay open for business in a world of remote everything**

JARED SPATARO /

MICROSOFT

The confinement period has, undoubtedly, spiked the usage of online video platforms. At the end of April 2020 Jared Spataro, the corporate vice president for **Microsoft 365**, shared updates from the company's quarterly earnings report to Wall Street noting some impressive numbers including more than 75 million daily active users. Satya Nadella, Microsoft's CEO is quoted as saying that: "We've seen two years' worth of digital transformation in two months. From remote teamwork and learning, to sales and customer service, to critical cloud infrastructure and security – we are working alongside customers every day to help them adapt and stay open for business in a world of remote everything."

**Allow employees to talk to each other generally and maintain our sense of community. A chat with even a virtual friendly face greatly removes the sense of isolation**

BEN PERRY

/ INFOR

### HAPPY HOURS, PACHA PARTIES, AND WIDE-REACHING WEBINARS

Another online video platform that itself is adjusting to full remote work mode, as well as helping so many others to do so too, is **Zoom**. The company's head of UK & Ireland regions, Phil Perry told ERP Today that: "We believe it is important to provide ongoing support so we are providing informational sessions, mental health training and on-demand resources for anyone to utilise. In addition, we are continuing to take great pride in providing our employees with a fun yet productive culture. Zoom UK has always been a social bunch, every Friday we have a Happy Hour connecting the whole team. Last Friday for example was 'Cocktails and Quiz' using the

**Kahoot** app. As a group we are also keeping pace with how others are using the platform in new and innovative ways. For example, a number of the team participated in the Pacha House Party last week.

"Ultimately, we are entering a new era for every element of our life and work, and we are committed to doing our part to help during this challenging time. When employees are not able to get to the office and when teams cannot travel to see customers, we want to provide a platform for businesses to continue to be productive," said Perry. Zoom has also been hosting webinars on topics around working from home: Best Practices for Working From Home covering ideas for attire, staying focussed, how to get set up to look and sound your best, as well as must-know features to enhance team collaboration.

## OPENING UP LEARNING AND DATA SECURITY

Providing employees with the flexibility to work from wherever they want is also part of the culture at **SAP**. Jens Amail, managing director for SAP UK&I said that employees were well prepared for the rapid shift to remote working for this extended period. Access to a VPN, video conferencing tools and the collaboration technologies were already in place. In fact the majority of its UK and Ireland employees already either split their time between home and an office or work from home full-time.

"At SAP, we believe that the feelings and experiences of employees will define the success of companies in the future. Experience management is particularly vital in helping businesses navigate this turbulent period and ensure they're supporting their people in the moments that actually matter," said Amail. "Our SAP Qualtrics Remote Work Pulse has been invaluable providing real-time monthly feedback from our employees on what's working, what isn't and how we can help. We're also providing this tool free of charge to the wider industry and have since seen over 7,600 companies and organisations implement it already."

He also told us that: "Remote working has provided different challenges for those not used to working from home, while it has also put much greater emphasis on everyone's mental well-being. We are doing a number of different things to help our colleagues put their health and personal development first, such as daily meditation and mindfulness classes, weekly music lessons and remote workouts with our personal trainers. We've also launched digital learning initiatives, such as openSAP, to support our employees, customers and the wider society, to upskill from anywhere in the world with interactive content and learning courses."

## DEVELOPMENT AT THE HEART OF PRODUCTIVITY

Virtual learning to aid advancement and productivity during confinement have actually risen in popularity – bucking the trend that, historically, training is one of the first resources to be deprioritised. That certainly seems to be the case for the people development company, **Cornerstone** which reported a significant increase in online learning as organisations scurried to transition to remote working on a global basis. It experienced a spike of 27 million hours on its services in March 2020 from people seeking training for soft skills, an area that has come to light since the lock-down. A survey conducted in partnership with **YouGov** found that workers believe they have skills gaps in the areas of work-life balance (54 percent), time management (51 percent) and active listening (40 percent) now that they are remote. Cornerstone is offering free courses related to COVID-19, remote working, and stress management via its Cornerstone Cares learning resource.

Increased online training also happened over at the sales training platform, **Showpad**. "As sales teams have been forced to go remote they're turning to digital tools to interact with their teams and engage their customers. Since the outbreak we've seen an uptake in interest as well as usage and adoption of Showpad. For many customers this pandemic has triggered an acceleration of their digitalisation initiatives and this is likely the case across a whole ream of industries. With in-person meetings and training no longer



## We are continuing to take great pride in providing our employees with a fun yet productive culture

**PHIL PERRY / ZOOM**

## WORK FROM HOME

possible, sales has had to switch up strategies and approaches fast and we've seen this all first-hand with our own customers," said the company's vice president of EMEA sales, Jim Preston.

### SECURITY NOW STARTS AT HOME

Alongside all the increased online activity from within people's homes, firms have had to react fast to implement tools and advise staff of what tech to use and how to use it. In the previous 'normal' state of play, security could be monitored quite well from inside the relative safety of a secure corporate network. But it is not always easy to replicate those security levels for every individual's home set up. And even if it was simply a case of hopping on to a secure intranet, there's a necessity for the people using it to adhere to security guidelines. **DSA Connect**, which specialises in the permanent deletion and destruction of electronic data, expects a huge increase in data breaches by British organisations as a result of the fall-out from the coronavirus crisis, warning that this could add millions of pounds to the losses potentially incurred by employers as a result of economic impact from COVID-19. The increase in data breaches is expected to be fuelled by a dramatic rise in phishing websites as depleted workforces and employees working from home are more susceptible to cyber-attacks. In part, this is due to people visiting websites that they wouldn't perhaps normally do from the workplace. They will also

**Experience management is particularly vital in helping businesses navigate this turbulent period and ensure they're supporting their people in the moments that actually matter**

JENS AMAIL

/ SAP

find it harder to prove the identity of people contacting them from external organisations.

An alarming number of users' machines have now, in fact, become security compromised since the lockdown. If using a personal device such as a laptop (rather than one supplied by the company) what checks are there to ensure that it is secure? Has additional software been sent from the corporate hub to all remote workers to install to help with optimum security? How might a company monitor that it has been installed? There are bound to be instances of no available corporate VPN as well as other household members using someone's work device for their own purposes. To help, analyst firm **Omnisperience** has released a green paper on UIP (user isolation protection) as a call to businesses to make protecting users and their data a primary purpose. It proffers the need to realign security offerings around a new purpose, which is to protect the most vulnerable target of attacks - the user - to help minimise damage to data, systems, and businesses.

With all this in mind, and so much effort having been put in place to support the WFH initiatives, will the old protocols come back with de-confinement? What have we learned, what will we keep, and how will we decide? I sincerely hope that trusting employees to do their best for a company, from whatever environment they feel best in to get the job done, is something that we see more of and helps to further the work/life balance. ∎

**For many customers this pandemic has triggered an acceleration of their digitalisation initiatives and this is likely the case across a whole ream of industries**

JIM PRESTON /

SHOWPAD

# The future of work

## WON'T WAIT FOR YOU TO EVOLVE

**BY ZARA NANU**

Instead of a grand movement shaped by AI and automation, self-driving cars and trips to Mars - as we were expecting - the future of work has arrived because of a virus. Rushed and sometimes uncomfortable, change has been constant during the initial months of COVID-19 with long term implications for companies, employees and wider society. And change is coming at such a fast pace that by the time this article is published, some of it will be outdated. We're all grappling with our new normal, but this is also an opportunity to rethink how we see work. We can discern why our economies were so fragile before, and understand how to ensure their strong return. We can shape the future of work on our own terms.

"The health of local economies today will affect their ability to adapt and thrive in the automation age" said a **McKinsey** report in 2019. They called it - we need to look at how businesses, people and economics have been affected by the crisis as a way to emerge into a new era of work.

In the early days of the crisis, the team at Gapsquare did just this - always ones for measuring the unknown, we launched a dashboard to track the impact of the crisis on workforces. We called on companies to share their experience in an open source space, allowing us all to build up knowledge, context and understanding of cross-

> **"**
>
> **Now is the time to be aware of these findings in our decision making if we want a stable future for work**

industry experience. This has become for us and the contributors, an example of working together towards a better solution for all. Although there may be time for survival of the fittest in crisis, this is not it. We are increasingly aware of our total interdependence, and the future of business, just like the future of work, is through intelligent networks, communications and intelligent ideas.

So, we want to share with you some of the results of this survey:

### A universal fall in business

Instability across different business functions was reported by almost all sectors, and more than half of the businesses reported a fall in business activity (51 percent). Ultimately, local economies were not prepared. (Fig 1)

### Being unprepared matters

This affects how business leaders make decisions. Our dashboard showed that employers were more likely to furlough and have compulsory annual leave when they felt unprepared. (Fig 2)

Our findings are reinforced by the fact that 17 million Americans filed for unemployment benefits in the first four weeks of COVID-19. In the UK 1.2 million registered for Universal Credit in the same period, 27 percent of the workforce had been furloughed across 6,150 businesses and many more companies have announced their intention to make thousands of roles redundant in the next few months. The changes happened with no regard to how many of the jobs have been automated or are possible without human interaction. Construction workers, managers, educators, gardeners and hospitality workers have been wiped out of the employment market in weeks. Some roles have moved online, others have been replaced by apps.
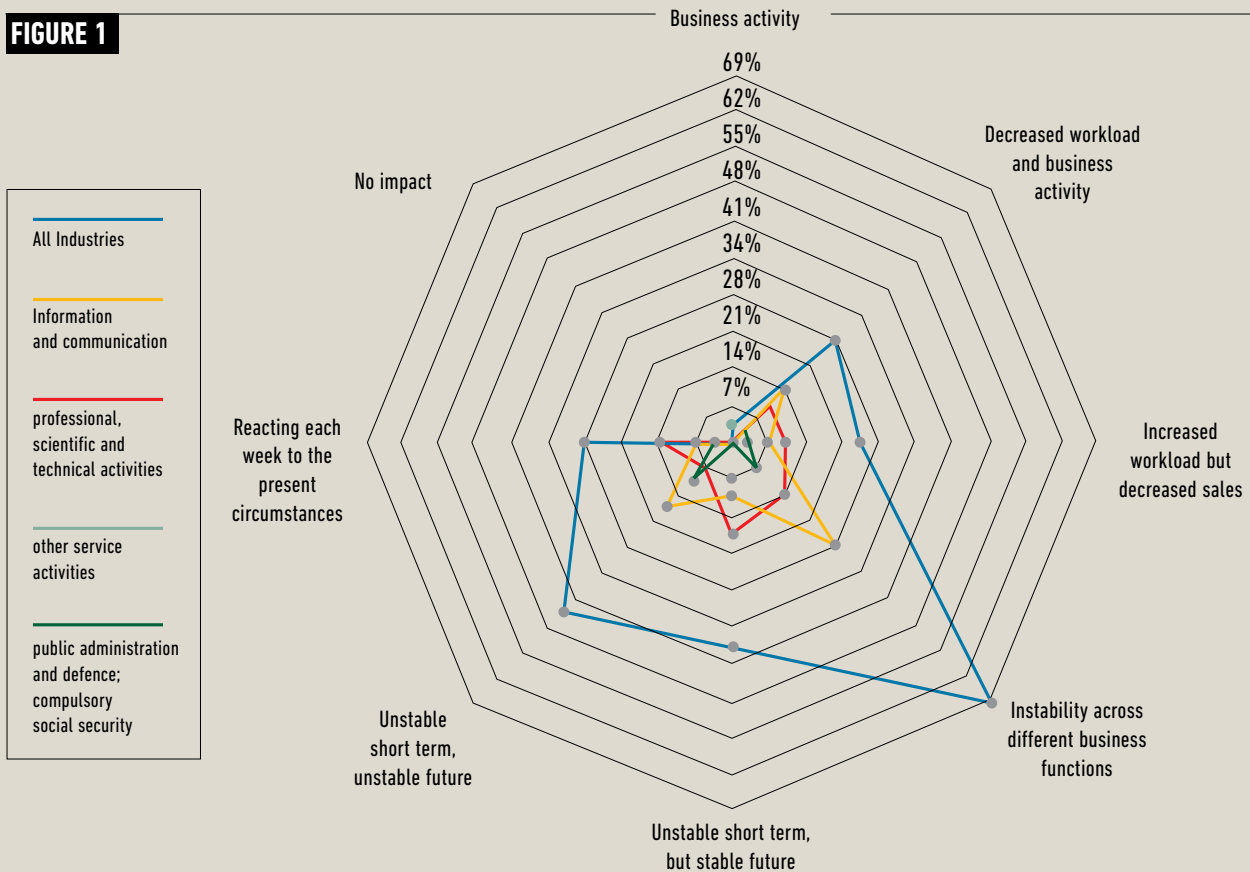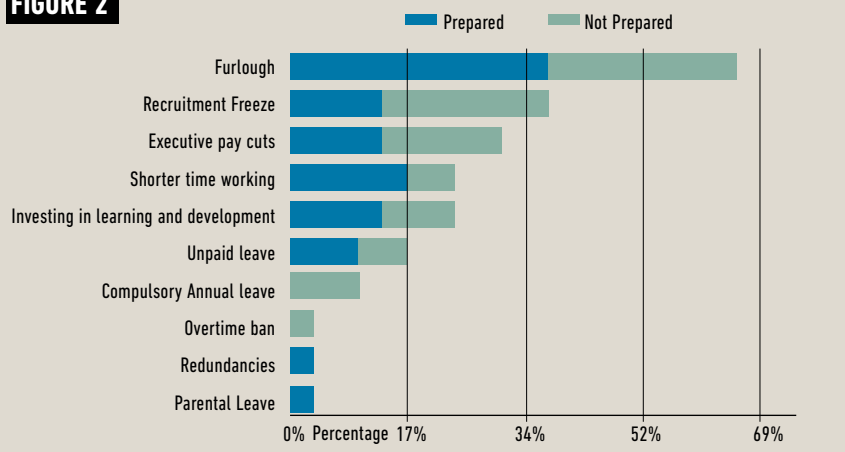
FIGURE 1

Business activity

69%
62%
55%
48%
41%
34%
28%
21%
14%
7%

Decreased workload
and business
activity

No impact

Increased
workload but
decreased sales

Reacting each
week to the
present
circumstances

Instability across
different business
functions

Unstable
short term,
unstable future

Unstable short term,
but stable future

Legend:
- All Industries
- Information and communication
- professional, scientific and technical activities
- other service activities
- public administration and defence; compulsory social security

FIGURE 2

Prepared     Not Prepared

Furlough
Recruitment Freeze
Executive pay cuts
Shorter time working
Investing in learning and development
Unpaid leave
Compulsory Annual leave
Overtime ban
Redundancies
Parental Leave

0%  Percentage  17%        34%        52%        69%

## Unfair systems glow in the dark

These changes to business are disproportionately affecting minority groups. We've seen that most key workers are women, that the occupations and roles at risk of displacement are held mostly by BAME people and women. Reports from McKinsey have been telling us for years about the benefits of diversity for business, but we see now how easily our efforts can be undone. In crisis, the unequal representation of male/female carers or number of BAME employees in vulnerable roles is impossible to ignore and gives us a tangible representation of how far we have to go. Now is the time to be aware of these findings in our decision making if we want a stable future for work. If you lose your diverse workforce now because you make blanket decisions about which roles, departments and pay brackets have to go; you might find you've whitewashed your workplace.

So, it's clear that what we were doing before wasn't working. Now, we need to focus on turning this around, and building a more resilient economy that delivers for all employees and all types of people. Are we going to watch workers be displaced, deprived of income or purpose, or will we take a leading role in creating change that leads to a fair workplace for all?

It is essential to rethink how we view work, and who is doing that work. We have an opportunity to skill and reskill our employees, we have an opportunity to evolve beyond what we were before. ∎

A COMMITMENT TO
COLLABORATION AND
CIRCULARITY CAN SPUR

# A green recovery

BY STEPHEN JAMIESON

L ike many of you, it's been months since I've sat in a conference room, debating and discussing business issues with colleagues and customers. In my case, those conversations usually centred around how data companies could work with B2B and B2C manufacturers and suppliers to improve corporate and global sustainability. As you may know from my previous ERP Today columns, for the past couple of years my focus has been on reducing single-use plastic waste and, by extension, improving visibility in global supply chains to help build a cleaner world.

Those conversations are still happening, albeit now through video conference screens where we join each other in home offices, busy kitchens and living rooms. But the change I've noticed most on those calls isn't the setting. It's the heightened urgency and momentum behind our discussions. There is clear awareness that any coronavirus recovery programme must tackle climate change.

When considering the impacts of climate change, many people don't think of the coronavirus pandemic as a symptom of a larger problem. However, the world's leading biodi-

> **There is clear awareness that any coronavirus recovery programme must tackle climate change**

versity experts strongly believe that the destruction of the natural environment is a driving force behind the outbreak.

According to a powerful article published recently by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES): "Rampant deforestation, uncontrolled expansion of agriculture, intensive farming, mining and infrastructure development, as well as the exploitation of wild species have created a 'perfect storm' for the spillover of diseases from wildlife to people."

The article goes on to warn that unless we stamp out the root cause of the destruction of the natural world, the coronavirus pandemic is likely to be followed by even more deadly and destructive disease outbreaks.

It seems the quicker we can ramp up our collective efforts to deliver a more sustainable, circular economy, the quicker we reduce the risk of even more deadly and destructive disease outbreaks.

Indeed, we don't have the luxury to prepare for the next pandemic. We are already deep in the midst of the current one, and facing off global turmoil and a recession that has come with it. Our most pressing long-standing global

problems have been brought into sharp relief; at the same time, we are faced with new, life threatening challenges. We must respond in real-time to the epic challenges we're facing.

## Businesses taking an agile approach

From a business perspective, COVID-19 is putting great pressure on organisations, forcing them to reimagine operations, business models, and the way they work. This has led to tough decisions for many businesses who are struggling for survival. But there is a silver lining; it has also led to an unprecedented wave of purpose-driven innovations designed to not only ensure business continuity, but also to alleviate the crisis.

There are hundreds of examples to choose from. Take **Dyson**, which invented and was prepared to produce a new type of ventilator within a fortnight if required. Or carmakers **Volkswagen Group** which is using its own facilities to produce medical equipment for areas in need. Or tech companies like **Apple** and **Google** or SAP, **Qualtrics** and **EY** which are teaming up to develop coronavirus tracking tools for governments in their battle against the spread of COVID-19.

The nation and the general public want to see these commitments to purpose continue. According to an April 2020 study by the **RSA** think-tank, only nine percent of people wanted a total return to "normal" after the lockdown; 51 percent had noticed cleaner air and 40 percent felt a stronger sense of local community during the crisis.

From an uncertain present, there is a strong drive for the so-called 'new normal' of the future, to value health and wellbeing above all, including the health and wellbeing of the planet.

> **From an uncertain present, there is a strong drive for the so-called 'new normal' of the future, to value health and wellbeing above all**

## Bringing the supply chain into the well-being and sustainability equation

For businesses like SAP who run the data networks that power global supply chains, there are two clear imperatives. First, we must adapt to the current situation by ensuring we maintain resilient supply chain systems for our customers and end consumers. We must help connect buyers and sellers to ensure supplies are available when and where they are most needed.

Second, we must accelerate and establish the adoption of circular economy practices and processes that maximise the use of existing resources. Last year, 92 percent of the 100+ billion tonnes of materials used by people were extracted from the 'natural' environment. Only 8 per cent came from materials already in use.

The earth cannot sustain this level of consumption without the kind of consequences we're now facing. This dependency on new resources also undermines our material security. For example, while our most critical care workers struggled to source the PPE equipment that would protect their safety, we already had enough existing materials in the UK to produce over one billion of the PPE needed. We must commit to using what we already possess.

The future of our industry and the world will be defined by our response to this current crisis. There is no better time for businesses to commit to delivering a greener future. By focussing on finding their higher purpose and how they can deliver valuable sustainable experiences to all stakeholders — customers, employees, suppliers, environment, communities and shareholders. ∎

# Some of our pledgers

**David Mclean**

"The mental wellbeing of our society now matters more than ever and I believe that GenieShares can be a catalyst for this."

**Kiran Bhagotra**

"Who would you give 1% of your life to? That's what GenieShares means to those who're pledging."

**Adrian Wong**

"Moxi brings friends together to enjoy great experiences, but the only reason that will be possible in future is because of the dedication and hard work of the NHS keyworkers, volunteers and carers."

**Adam Grainger**

"By participating in GenieShares www.accomplish.world aims to transform society for good by forging a link between private enterprise and the local communities it serves."

Entrepreneurs giving away 1% of their equity
to deserving individuals - including
NHS keyworkers, volunteers and carers.

# GenieShares

It's time to share the magic

# Return On Investment

# Is now a good time for an ERP project?

As we slowly start to see the easing of restrictions on the UK economy business leaders are faced with a dichotomy; the sudden shift to new ways of working has highlighted the fragilities in many business systems and process – if you hadn't invested in digital technology before COVID struck it must be an absolute priority now. On the other hand; many businesses are facing significant financial pressure as markets contract and customers become harder to find – surely now is the time to hold on to cash, hunker down and wait for better times?   **BY PAUL ESHERWOOD**

I can argue this topic both ways. I see the imperative for all businesses to modernise their operating platforms so that they can be agile and respond to the rollercoaster economy. But I can also see the wisdom in protecting cash, reducing spend and rationalising business models. In search of answers, I spoke to three ERP vendors and some of their partners to find out what advice they were giving to their customers and how they proposed to overcome the delicate balance between financial prudence and future proofing business resilience.

It should be obvious that if a company had an ERP project planned it follows that there was a requirement for the project in the first place – or at least it should. It is unlikely that those drivers will have disappeared, perhaps they have even been brought into sharper focus, so the underlying necessity for change remains. However, with many businesses struggling just to keep the lights on there will be a new and bigger set of challenges facing any organisation embarking on an ERP project.

"For projects that were planned there was inevitably a reason why it was on the roadmap. These factors are unlikely to have changed," said Marie Abery, Dynamics business group director at **Microsoft**. "Some factors will be more relevant than ever, for example, streamlining operations, improving efficiency and saving costs. In other cases the rollback option will not be very desirable."

As Abery states, the underlying reasons for planning an ERP project will remain. However, it is important that business leaders do not confuse the COVID-19 pandemic and associated business disruption with the type of disruption that was previously driving decisions to invest in new technology. It's been said many times recently that COVID-19 was more likely to drive digital transformation than any CxO could. But the reality is that coronavirus is not a disruptor – it is an accelerator and a magnifying glass. What was true before remains so today – we are just likely to get there a little quicker now that everyone has had this very unwelcome shot in the arm.

If we are to conclude that the rationale for most ERP projects has not gone away - and in many cases has been exacerbated by recent events – what is the prognosis for the ERP market in the short and medium term? Despite the apparent need for new technologies to meet the demands of a rapidly changing global environment – is there the stomach for investment in technology right now and can businesses afford to take their eye off their core activities when many are in such a state of flux?

Abery concedes that some projects will stall or get postponed but suggests that doesn't mean businesses can't still continue to innovate even if now is not the right time for a full scale ERP transformation.

"Undoubtedly some projects will be put on hold as businesses look to conserve cashflow and focus on business continuity," said Abery. "For companies that decide it's not the right time to replace their ERP system this doesn't stop a level of innovation. Using low-code platforms like Microsoft's Power Platform, companies can orchestrate processes and build applications that span those systems through hundreds of pre-built connectors and put a modern, mobile and potentially virtual agent face on those systems."

Owen Dowden, director of business development at **Hitachi Consulting**, says that while some projects that were yet to start have been pushed back there are signs of a quick recovery as businesses recognise the shortcomings in their incumbent systems and move towards solutions that offer greater agility.

He said: "Many plans and projects were understandably put on hold as the lockdown hit to allow resources

**OWEN DOWDEN**
HITACHI CONSULTING

to be prioritised towards COVID response or in some cases furloughed, but we are starting to see things move again and we are not seeing any projects scrapped, just delayed. For many, COVID has emphasised the importance of modernisation by exposing the limitations and risks within existing, analogue operating models. It has also highlighted the importance of

**MARIE ABERY**
MICROSOFT

agility - or how quickly and effectively companies could reforecast, scenario plan or support new reporting needs and how reliant businesses were on small groups of individuals and the consequences of them becoming ill."

The crisis facing businesses of all types has highlighted weaknesses in the most robust of businesses. Now that the initial storm has subsided business leaders must focus their attention on tackling concealed weaknesses in their technology landscape so they are better prepared for future disruption - however it may come.

Many of those weaknesses will have been felt in the extreme by businesses that remained on legacy platforms as they simply do not afford the same level of agility and flexibility as modern cloud ERP. Phil Burgess, managing director at **Inoapps** agrees and told me that continuing with legacy applications and infrastructure made even less sense in the post-COVID world.

"It's a bit like the foundations of your house – you can't keep building on rotten foundations and expect the house to stay up and the same applies for ERP systems. At some point you've really got to address the underlying issues and you are going to have to adjust the core of your business."

Burgess also noted that whilst he had feared a downturn in their project related work as organisations retrenched

**PHIL BURGESS**
INOAPPS

and refocussed on the immediate implications of the COVID-19 crisis, the reality had been that far fewer projects had stalled than expected.

"A good example would be **Skanska** - we're in the middle of a big implementation with them and they are in construction so you couldn't be any worse hit. In our conversations with the programme sponsor it was made absolutely clear that the project to modernise their systems and processes was absolutely key to their strategic plans and they wanted us to carry on delivering to the same timetable before COVID struck. It was the same for the **University of Edinburgh**. They are two really big projects for us which would be substantial if they stopped. But both of them said the same thing so one of the lessons learned for me has been - I think we probably underestimate how important our projects are to the customers."

Gary Barnes, senior vice president at Evosys, also stated that whilst the general outlook for businesses in the short term is uncertain, the need for modernisation of ageing business systems was more paramount than ever.

He said: "Whilst the post COVID-19 economic market remains fragile and highly volatile, there are strong signs that the extremely challenging times faced by business leaders have further highlighted, and indeed accelerated, the consideration of modern integrated cloud ERP solutions.

"These considerations in my experience are being driven by three key aspects; the constraints of the link between a traditional office and a data centre, the ability to make agile decisions based on reliable information, and the capability to react rapidly to unexpected changes in circumstances. Modern cloud ERP solutions tick all of these boxes by providing a single source of truth that affords businesses connectivity, flexibility, and innovation that is simply not available from legacy solutions. This along with the prospect of a significantly lower TCO and constantly reducing cost of change is driving the consideration of cloud ERP up the corporate agenda, even in the most demanding times."

**GARY BARNES**
EVOSYS

## WHAT SHOULD BE AT THE TOP OF THE CxOs AGENDA?

As if the challenges for business leaders were not great enough before coronavirus – now they have to contend with greater acceleration in disruption, rapidly changing human capital management requirements, increased uncertainty and more pressure to deliver systems that support their people and customers – all at a time when most are struggling to identify where their next customer is coming from.

"In the short term, CxOs need to get businesses moving again and ensure they can operate effectively and safely while ensuring they have a clear plan for managing any future COVID-related restrictions", said Dowden of Hitachi. "In the medium term, CxOs must plan for uncertainty by building a more agile operating model. No-one knows exactly how COVID will play out for the rest of this year and it will not be the last crisis to deal with. The only thing certain is the need to manage uncertainty by becoming more responsive to change. Building agility into systems and processes is the key competency for success in the new world and we expect this need to be a key driver of investment."

And Abery from Microsoft agrees suggesting that establishing operational efficiency is key to getting businesses back on their feet.

# Compelled to reduce costs, yet anxious to increase your resiliency?
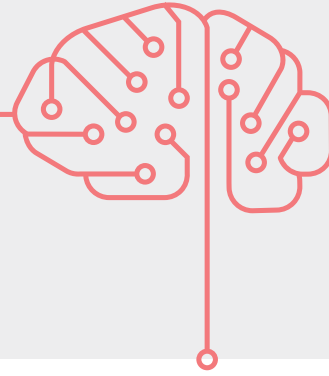
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"CFOs need to operate with speed and flexibility across forecasting, planning, resource allocation and decision making. Digital tools like robotic process automation, analytics and machine learning can help with quicker decision making. There will be a renewed emphasis on operational efficiency, expense management and cost control. For CIOs, they are setting their sights on the 'new normal', with a remote workforce being a larger proportion than pre-COVID. CIOs will continue to invest in remote working capabilities including virtual contact centres, remote learning, employee collaboration and meeting technologies whilst securing additional bandwidth and network capacity.

## WHAT ARE THE QUICK WINS FOR ERP CUSTOMERS?

Very few of the vendors sell any net new on-premise solutions so the type of projects most people are considering fall into two brackets; transformation and SaaS, or platform migration and co-existence - which is a half-way house towards transformation.

If we look at the **Oracle** landscape in isolation, many users are at a crossroads with their systems. The on-premise solution has been around since the 1980s and although Oracle is now investing in EBS (Oracle E-Business Suite), many customers are not seeing any of that benefit because they have been left behind on old versions. The deadline to move to the latest and last version is looming and the timescale can now be measured in weeks and months rather than years - customers will soon be faced with some difficult decisions. But those decisions will likely have a different focus in the wake of the coronavirus crisis. Legacy customers will have felt a particular strain on their ageing systems and some will not have been able to adapt and pivot with the same speed and agility as their competitors. The argument for many businesses staying on legacy apps is that 'it works for them'

**BRADLEY JARRETT**
BANCON

and when the seas are calm that is all they need them to do. But in choppy waters any shortcomings will be exposed and if a change of direction is required in short order, few if any will have been able to react as eruditely as competitors operating with a flexible cloud solution behind them.

As Burgess of Inoapps told me, moving the infrastructure layer to the cloud so that the business is operating on a modern platform is often the best stepping stone that can deliver easy wins in terms of cost saving and business dexterity. "If you're a big user of EBS and you're not ready for your big cloud transformation yet, there are cost savings and improvements to agility to be had just in moving your technology platform to the cloud," he said.

And Dowden from Hitachi agreed, saying: "Moving Oracle EBS onto cloud infrastructure is the quick win in my opinion and can offer improvements in operational costs, system performance and agility.

EBS customers can also explore wider optimisation opportunities, for example introducing robotic process automation (RPA) software to auto-

mate high volume and repeatable EBS processes or apply a modern visualisation layer to empower users with improved and more flexible reporting."

## NOW COULD BE THE TIME TO NEGOTIATE A GREAT DEAL

ERP vendors always put some gloss on their numbers. It keeps the sales teams motivated, reassures existing customers that they are in safe hands and attempts to demonstrate to the markets that everything is 'hunky dory'. Reporting that you've missed a revenue target or your subscription numbers are down is not something that sits particularly well within the boardrooms of the big players. Of course, many execs will know by now that the numbers they predicted last year are unlikely to be met – even if they won't publicly admit that just yet – and that represents an excellent opportunity for the savvy CFO to negotiate a great deal for some new ERP software.

Bradley Jarrett, managing director UK&I, at **bancon** agrees and told me that the ambitious targets that vendors set out to the markets and analysts could play into the hands of business leaders who are planning an ERP project soon.

"The impending economic downturn provides the perfect backdrop for businesses to negotiate discounts with vendors. The salesforce will still be encouraged to meet optimistic targets set prior to the coronavirus pandemic and whilst boardroom members may have accepted the fact that these targets are unlikely to be met, it's doubtful these views will be shared across the business. However, while the economic environment is often the deciding factor as to whether an upgrade takes place or not, it's actually only one of many just factors to consider when trying to achieve a reduced licensing cost. One key factor includes whether or not you are considering a cloud variation opposed to on-premise. The reason for this is that several vendors, including **SAP**, have set optimistic targets for

## REPORT

their cloud-based solutions. Meeting these targets, irrespective as to whether they are sold at a considerable discount, brings benefit in itself to the vendors. So, if a cloud-based solution is a viable option for your business this could further increase your negotiation power."

Whether you are an Oracle customer moving your EBS applications to the cloud or an SAP customer migrating to Suite on HANA, often the shortest route to tangible value from your investment in enterprise technology is in the infrastructure layer.

Whilst Burgess' previous comments about addressing the core issues of your system are valid it may not be the appropriate time to consider a rip and replace of your back office functions. Innovating around the edges, rationalising costs and above all else, migrating to a platform that allows you to be agile should be the first priority for any business seeking ways to thrive in the rollercoaster economy.

One thing is for sure, businesses won't be able to save their way out of trouble. Whilst reducing costs where possible is a sensible strategy, failing to invest in technology which will offer longer term cost reductions, along with the agility required in the short term, would be a tragic mistake. There will be winners and losers in every vertical sector and the winners are likely to share some common DNA – near the very top of the list of attributes for enterprises wishing to ride out the storm and come out the other side stronger will be agility – and modern cloud erp infrastructure offers that in spades.

Summing up Abery said: "Leaders know that now is the time to evolve their product or service offerings to respond to evolving customer needs. The worst thing to do in a likely recessionary period is to stop innovating. Relying on reducing overheads and cost is one way to save but having this as the only strategy may mean missed opportunities to deliver long-term growth." ∎

# How will COVID-19 impact the world's biggest ERP vendor?

**S**AP is the world's premier ERP vendor with more than 440,000 customers worldwide. Virtually every **Forbes 2000** enterprise has some sort of SAP tentacle in their business and the vendor's favourite boast is that 77 percent of all transactions across the globe touch an SAP system. It's a $30bn juggernaut that sets the standard for enterprise technology but it is wrestling with a problem that doesn't seem to have an obvious fix.

All vendors develop new versions of their software – that's their business model and moving existing customers to the next

**JAN GILG /** SAP

best thing is how they all operate. But SAP's move to S/4 has not been without issue and the recent departure of two CEOs coupled with a massive acquisition which is yet to gain serious traction has caused some nervousness amongst partners and customers. Analysts and integrators that rely on SAP's product success for their lifeblood had predicted big things for S/4 in the latter half of 2020 – but coronavirus had other ideas and now many are left wondering if and when the surge towards S/4HANA will begin.

## COULD THIS HAVE COME AT A WORSE TIME FOR SAP?

The anticipated tsunami of enterprises rushing to upgrade to S/4 hasn't re-

ally materialised and the world's most dominant ERP vendor has been trying to balance supporting their install base with some shock and awe tactics to get them to buy the latest product. Whilst it claims that more than 300 customers signed up for S/4 in Q1 of this year there is little evidence that many of them have started their projects, let alone are actually live. Two notable highlights for SAP were the announcements that the first phase of the **De Nora Group** (S/4HANA on-prem) and **Komax** (S/4HANAH cloud) projects managed to go live right in the middle of the global lockdown – no small feat considering the projects were delivered with a completely remote model - but it's hard to imagine too many other projects would have been started or finished under the same circumstances.

About six months ago I hosted a roundtable with all of the major SAP partners and they expected a significant uptick in the trajectory for new projects – right about now. Whether it would have materialised without the intervention of COVID-19 is debatable but what is certain is the presence of a global economic shutdown has done little to entice enterprises to take the plunge into a long and expensive SAP project.

I asked Jan Gilg, president of S/4HANA at SAP, whether coronavirus had come at the worst time possible for S/4 and his response was unsurprisingly positive but did lack the kind of detail and substance that would lead me to believe that all but a few enterprises are still very cautious about diving into S/4.

He said: "There is never a good time for a pandemic and COVID-19 is a global crisis that is impacting both businesses and private lives. It will have a lasting effect on our societies and I'm convinced it will accelerate the trend towards digital

transformation and cloud computing. Companies will have to redefine and focus on their core competencies, dive deeper into customer relationships, develop new business models, adapt their supply chains, streamline their operations, and manage their finances. Those that have an intelligent ERP backbone such as SAP S/4HANA to support their business functions will be able to do this quickly and will emerge stronger."

Asked whether the global lockdown would have any impact on the planned trajectory for the S/4 roadmap Gilg was keen to point out that COVID-19 has not affected the vendor's ability to support its customers and highlighted the latest release which was delivered remotely and contained the much anticipated integration for SuccessFactors, along with updates to finance and supply chain functionality.

He said: "As a knowledge company, SAP employees are able to work remotely, and still develop software, support our customers, and operate mission-critical systems. From cloud infrastructure to customer support and learning, contingency plans have been put in place very quickly and activities switched to virtual. We were able in turn to empower our customers like De Nora to go live with SAP S/4HANA and Komax to go live with SAP S/4HANA cloud in a remote way. The latest release has functions for supply chain, finance and SuccessFactors integration which addresses the most urgent needs of our customers dealing with the COVID-19 crisis. Productivity of our development teams has remained consistent. We recently delivered the May 2005 release of SAP S/4HANA Cloud remotely and we also do not see any COVID-19 related impact for delivering the next release."

So how does the narrative from inside SAP compare to the thoughts from within the partner eco-system

that SAP is so heavily reliant on it to deliver its products? I spoke to Gerren Mayne, SAP director for digital technologies at Fujitsu to get his views. Mayne has lived and breathed SAP for three decades and by his own admission – he loves the product. But, like many other SAPers that I speak to there is a growing sense of disconnect between the SAP narrative and the reality in the market.

He said: "If you cut me in half I'd be SAP through and through. It's been very kind to me and my career and I genuinely love the product. But I fear at the moment that this has come at absolutely the wrong time for them. I think most people that look at SAP feel it's a little bit confused and the messaging is not quite right. Most of the marketing in the early days talked about speed but they really should have focussed on the business case."

**B**uilding a business case for S/4 is a recurring problem that I hear from both end-users and the partner eco-system. The original idea for S/4 was a greenfield approach which looked horrible on paper and the time to value, if that was even a consideration, was lengthy in the extreme. More recently, partners have developed innovative solutions to expedite the migration path to S/4 and some projects have been conceived, designed and implemented in as little as nine months. But they are the exception rather than the rule and big businesses, and their weary execs know full well that a global greenfield implementation of S/4 is an undertaking not for the faint-hearted.

"The problem is you can't decouple the specific business case for S/4 with what's going on more widely in the organisation," said Mayne. "Most of the S4 programmes we've worked on have not been driven by a business case for S/4 - there's been something

else going on in the business. We're seeing a lot of projects being wrapped up in bigger business transformation programmes rather than being a pure S/4 programme. If you can sit off the back of a wider business transformation you can start to see the value – the only thing is if that's happening next year, they'll move to S/4 next year. If that's happening in four years' time, they'll do it in four years' time."

**S**AP recently announced that it was extending the deadline for ECC6 and whilst the deadline imposed by SAP was never going to be a driver to buy S/4, taking the pressure off has allowed customers the time and space to consider the options more carefully.

"We weren't seeing a rush in the UK for organisations to upgrade to S/4 before the ECC deadline was extended and when it was we instantly saw the fizz come out of it. Now the pressure is off we are seeing a lot more clients talking to us about taking their ECC6 environments and putting it onto the new platform so they can use the data tools within those platforms to give the end to end visibility that perhaps they would have got with S/4. It's a move towards S/4 but in an incremental way and that's the way a lot of organisations are looking at this now."

Undoubtedly the timing of the COVID-19 shut down has impinged the trajectory for S/4 – but it has affected the other vendors too. The reality is that I can't see too many big ticket ERP projects kicking off in the second half of 2020 as businesses will be far more cautious about adding in new layers of disruption in already difficult circumstances. That said, as Gilg rightly states, enterprises will need the agility and intelligence that S/4 offers to come out the other side stronger and more able to deal with the ups and downs of the post-COVID era. But the anticipated surge is more likely to be a gradual trickle, and as Mayne concluded, "I think we're all going to have to be a little bit patient with S/4 because it's going to be driven by business timelines, not by SAP sales targets." ▪

**GERREN MAYNE /** FUJITSU

# ACCELERATING YOUR
# Survival Strategy

BY MARK ARMSTRONG

## Can we learn anything from the 2008 Financial Crisis?

It is not entirely accurate to compare all of the economic impacts of the 2008 financial crisis to the current pandemic, but there are certainly lessons for companies looking to survive what is the most significant downturn since the Second World War. Following the financial crisis academics talked a lot about the importance of innovation even when budgets and markets contract dramatically, but this time around survival is even more pressing than innovation. With many companies in industries such as retail and travel almost entirely losing their customer bases overnight, companies have to find ways to manage their cashflows to stay afloat.

We face a form of 'Corporate Darwinism.' It is not the big that will eat the small it is the fast that will eat the slow. This has some similarities to the previous crisis as a number of agile digital start-ups emerged to compete with the established players. They were unburdened by legacy infrastructure and traditional business models. It did not mean that all established businesses failed, but it forced them to focus on digital transformation and build robust digital business plans. Not everyone responded rapidly as corporate inertia slowed down their reactions and it is easy to ask: "Where are they now?"

Therefore, the key question for businesses today is how do we ensure we are faster than our competitors? Innovation can play a role, but the strategy must invoke a business version of 'Fight or Flight.' It means asking "How do we preserve cash and drive out costs or minimise the potential risk exposure for the business?"

For IT this increases the pressure to operate with heavily constrained budgets and become far more targeted with expenditure. Back in 2009 the **Harvard Business Review** offered an insightful reflection on the 2008 financial crisis that could well provide a guide to survival strategies in 2020. I would summarise its advice as follows: if you set the right strategy you can accelerate your survival and even create the resources to innovate. What you cannot afford to happen is for inertia to slow down your response. It really is becoming less 'fight or flight' more fight or die.

## Overcoming instinctive corporate habits

Whenever there is an economic downturn it is instinctive for the senior management team to look first at the big ticket items of staffing and suspending unused services or major projects that have not yet been commissioned. However, to survive companies should not be afraid to radically alter their plans. For the IT team it means using something like the MoSCoW model to re-examine priorities, and not allow inertia to slow the business down.

The goal is for the IT strategy to help the business buy time, postpone what is not essential and speed up decision making. That means what may have previously been a 'must have,' such as investing in an artificial intelligence application to monitor footfall through your retail environment, may no longer be a priority in the current circumstances. It could be that technologies and projects listed under 'should have' and 'could have' may become more important as they prove more helpful.

## What does that mean for your ERP strategy?

Prior to the crisis the big ERP vendors were suggesting to their customers that the cloud was critical to delivering the innovation and agility they needed to transform their businesses and compete with more nimble digital native companies. In the current scenario
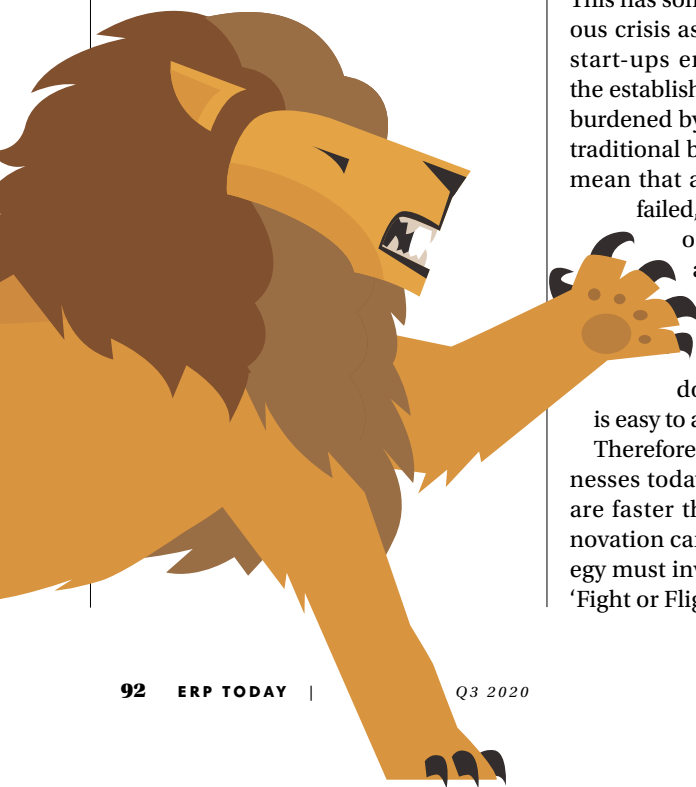
and applying the MoSCoW thinking it is questionable whether cloud migrations are even a 'could have' priority.

Moving your HR, Financials or Payroll to SAP S/4HANA or Oracle Cloud will not help you to drive down costs – if anything it could potentially create more challenges. In most well established industries – retail, financial services, manufacturing – you have built up stable, reliable processes for managing financials and moving to the cloud will require a re-implementation. In reality, not only does this mean you are unlikely to achieve the same level of functionality as in your existing in-house applications but the resources required for such a migration will be intense and costly. You only have to look at recent history to see examples of failed, costly implementations. Add to this the potential exposure to security vulnerabilities of adopting and integrating cloud-based applications and the opportunity to increase your business risks increase dramatically. You only have to look at **SAP**'s recent announcement of security vulnerabilities in its acquired cloud applications to understand how adding complexity to your IT infrastructure can leave you vulnerable.

At this time of crisis you cannot afford to take such risks.

## But what about support?

Of course, the big vendors will say that if you don't move to their cloud platforms you will lose full support. Indeed, they've imposed various deadlines for support of existing applications to drive the point home.

What this really underlines is that if you're not on the latest version of their applications you are probably not receiving the best support. And yet your ERP application is stable and works well for you. Why then would you pay for vendor support which does not allow you to keep your existing application intact to stay fully supported - it does not make sense. Furthermore, if you move to the cloud the re-implementation will likely mean you will have to bring in an entirely new team to support the platform - adding to, not reducing your costs. And on top of that you will face challenges to maintain those precious customisations you have built up in your long established internal ERP applications, because the big vendors don't want you to take your customisations to the cloud. If you do guess what, it will probably cost extra.

You do have alternative strategies, including outsourcing and adopting third party support.

Typically today in the UK third-party support has fallen into the category of 'Could have' priorities, but now it can play an integral role as companies seek to accelerate their survival strategies. Aside from the immediate savings of reducing your maintenance fees by 50 percent you have the potential to reduce the total cost of ownership (TCO) of your ERP applications by up to 90 percent. Importantly, this gives you the space to release, reallocate or refocus resources. It allows you to retain your existing ERP applications for up to 15 years, rather than having to contemplate a complex, costly move to the cloud with questionable returns. With the time you gain you can concentrate on what will really make your business fit for purpose and drive competitive advantage when right now survival may be the only advantage on offer.

Fundamentally, why would you try to fix what isn't broke?

## Stay focussed on IT strategies that drive survival

In the next few months you must take decisions that will be critical to your business' survival. You cannot allow corporate inertia to cause delays. The decisions must be business-driven not led by the cloud vendors and shifting your stable ERP applications to the cloud will not accelerate your ability to survive. Using third party support to redirect resources to core business needs will help enable you to support the business and ensure your IT strategy is leaner and more focussed. This approach lines up with the concept of small teams enabling you to speed up your decision making and hopefully allowing you to avoid the fate of the gazelle in the proverb:

*Every morning a gazelle wakes up. It knows it must run faster than the fastest lion or it will be killed.*

*Every morning a lion wakes. It knows it must outrun the slowest gazelle or it will go hungry.*

*It doesn't matter whether you are a lion or a gazelle.*

*When the sun comes up, you'd better be running.*

Even before the current crisis the life expectancy of a company on the S&P 500 had been forecasted to dramatically reduce to less than 20 years by 2027. In 1964, companies remained listed on the S&P 500 for an average of 33 years. While we don't know the full outcome of the current crisis one thing is certain. If you don't run faster than your competitors, you will not survive. It is an incredibly brutal reality of market forces, but if you create a far more focussed IT strategy you will increase your chances of survival. Do not allow your decision making to be overly influenced by what the cloud vendors want you to do. Make sure the business risks of moving to the cloud are considered and do not accept that it is your only route forward. Above all, do not allow inertia to creep in and slow down decision making. If you do the lions will hunt you down very quickly. ∎

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*Mark Armstrong is GVP and GM EMEA, Rimini Street*
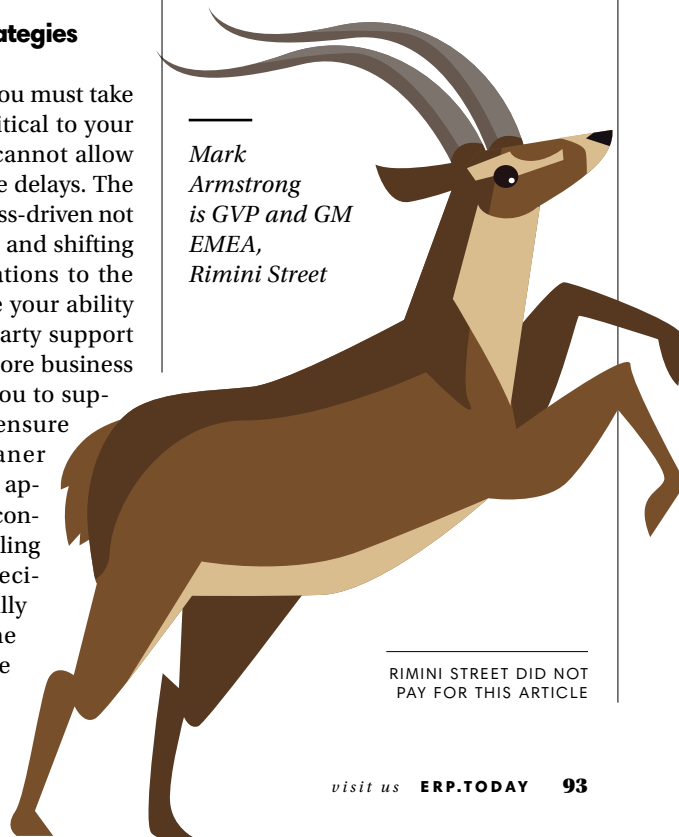
# DELIVERING BUSINESS CONTINUITY WITH

# Intelligent Automation

**PRINCE KOHLI**

We cannot ignore the COVID-19 health crisis. Still, we must also recognise the shockwaves the pandemic has sent across the global business community testing infrastructure, resources and economic models of organisations of all kinds. **McKinsey** recently predicted that global GDP growth would drop from 2.5 percent to 2 percent, potentially resulting in a worldwide recession. For businesses large and small, this crisis has brought about a fundamental change to the way they operate, where finding efficiencies and utilising the creative and strategic strengths of the workforce is crucial.

### An abrupt shift in working practices, processes and systems

As governments took action to limit the spread of the disease, workforces were ordered home and all but essential businesses closed. It has brought about an abrupt shift in the way we work, and leaders were challenged to pivot businesses to a more digital world and find new ways of working and serving customers to keep business operations going.

For the operations teams this meant quickly adjusting critical operations, HR focussed on employee welfare, and customer care teams upscaled to manage increased customer support demand.

However, critical to the success of all these groups is the IT function. IT teams were required to set up and scale remote working in a matter of days, ensure existing infrastructure could handle the additional stresses and where required, bring in new providers to better manage and support a suddenly distributed workforce.

Quick and decisive action on the part of the IT organisation, has allowed many businesses to maintain a level of productivity and mitigate impacts that could have a long-tail effect on the company. However, the businesses that survive this crisis will be ones that in an agile manner, make better use of resources with a focus on innovative thinking while ensuring business continuity.

### Protect critical functions and deliver business continuity with RPA

RPA can help mitigate disruption by enabling businesses to stay connected across teams and systems and allowing required processes to function better and faster, bringing greater human capacity offering stability in times of uncertainty.

Software bots, or digital workers, work side-by-side with human workers to automate repetitive, mundane tasks and free up valuable time for employees to focus on innovation-led tasks and creative problem-solving. Faced with a reduced workforce, RPA can help maintain business continuity with a 24/7 digital workforce which rapidly scales along with business demand and alleviates workload from labour-intensive tasks.

Over 20 percent of enterprises globally have deployed RPA and on average see a 30-40 percent improvement in operational metrics such

> " The businesses that survive this crisis will be ones that in an agile manner, make better use of resources with a focus on innovative thinking

as accuracy, cycle times and productivity. At a time when resources are limited, these gains can deliver invaluable benefits to enterprises.

Because RPA bots work the way people do, it's possible to automate any ERP process. No changes to process flows are required as bots can see, compare, reference and establish patterns, just the way employees do. Automating business-critical ERP processes offers a flexible, scalable workforce with always-on capacity and frees up human workers to focus on higher-level, value-added work. These digital workers are beneficial across all areas of the enterprise, from core back-office systems such as HR and finance to front office customer relationship management and anything in between, including controlling machinery and physical systems.

## Supporting the customer, securing brand loyalty

Customer support functions are crucial during times of crisis. The experience delivered at this time can provide lifetime brand loyalty or result in a significant increase in customer churn. The present challenge is two-fold – enabling office-based workers with the tools and systems necessary to perform their roles while at home and handling an inevitable surge in customer calls.

For example, with no choice but to cancel flights, airlines have seen a spike in customer support cases with passengers seeking refunds or credit, with prolonged hold times for customer service. This has made it difficult for existing staff to handle a surge in demand which could negatively affect customer experience and brand reputations as well as trigger fines for non-compliance. To reduce cash outflow, many airlines have added e-voucher refunds for future flights, adding to the processing complexity.

With RPA, airlines have been able to reduce the manual processing of vouchers from 20 minutes to less than three minutes. An AI bot automatically extracts ticket information from customer emails on file, opens booking and re-

"

**Deploying a digital workforce frees up valuable time for finance professionals to focus on critical high-value strategic tasks**

fund applications and validates the passenger name record, customer itinerary, airline reward, coupon status and commission to process requests and issue an e-voucher – helping to ease the burden to customer service departments, massively increasing efficiency and ultimately, improving customer satisfaction.

## Digitally transform finance and accounting

The impact of COVID-19 is requiring business plans and financial forecasts to be adjusted across all industries. At a time of immense economic uncertainty, the pressure is on to ensure finance operations are more accurate, efficient and compliant than ever before.

Automating financial and accounting processes reduces the manual touch points while eliminating human errors and improving data validation across systems. With RPA, enterprises can automate repetitive tasks, access unstructured data (including within scanned documents) and tap into disparate data sources across legacy systems in the business. The applications for RPA within the finance department are many and varied and it is predicted that up to 50 percent of manual financial processes are likely to be automated in the next few years.

Deploying a digital workforce frees up valuable time for finance professionals to focus on critical high-value strategic tasks such as financial planning and analysis, helping to support the business as it adapts to fast-changing economic circumstances.

During this time of unparalleled economic uncertainty, more than ever, we need increased critical thinking to create innovation-driven value in business. Enterprises which harness the power of intelligent automation will find it easier to navigate through these times with greater certainty, speed and accuracy and emerge stronger. The digital workforce will help minimise the current levels of disruption and uncover new opportunities for our economies, customers and communities. ∎

**REPORT**



# NEW
# BEST
# PRACTICES
## FOR A PANDEMIC WORLD

The COVID-19 pandemic has caught enterprises off guard and now CxOs are under pressure to determine their new business plans and how to get their enterprises started again. Markets, customers, business and ways of working have fundamentally changed, never has there been a worldwide event that has created uniform market realities on a global basis. BY HOLGER MUELLER

The lockdown orders established around the world have accelerated digital transformation by more than a decade of continuous performance improvement. Remote work is not going to disappear, but is likely to be the infamous 'new normal' for the future to come. Offices are empty wastelands and monuments for wasted capital expenditure (CAPEX). Inaccessible data centres are capital investment dumps that may not be recoverable.

Complete industries are changing fundamentally (healthcare, travel, retail) or are in a major crisis (e.g. tourism, events, sports) or even cease to exist (e.g. classic retail performed in malls). It is not that these industries were not affected by adverse trends before or were not struggling, but the COVID-19 pandemic has accelerated the rate of change for them to a point where they may not survive. The industries that will survive, even thrive (e.g. online retail, advisory services etc.), face massive changes in best practices. Gone are the in-person meetings, CxOs are challenged to implement enterprise software with a remote workforce and consulting engagement versus the no longer safe 'glass conference room' model of the past. A conservative CxO can bet on a short crisis and expect business 'as usual' may return, but recent second waves of COVID-19 in Singapore and South Korea make this unlikely.

When you use the roller coaster metaphor for an enterprise to grow and shrink, then enterprise needs to prepare for a long time of short ups and downs. Gone are the traditional seven-year cycles of expansion and recession. Instead it will be more like a 70 day expansion followed by a likely as long contraction due to new COVID-19 outbreaks (20 days where things go wrong, 20 days of lockdown, 20 days of loosening restrictions, 10 days buffer).

## EMERGING BEST PRACTICES FOR CxOs

It is too early to write the book about the complete list of best practice changes in a pandemic world, in fact – that book may never be written – but there are six key trends that CxOs need to create new enterprise strategies for:

### Post Pandemic Playbook for the CxO Emerging Best Practices

| ESTABLISH DUAL LEADERSHIP | TACTICAL SUCCESION PLANNING | RE-ESTABLISH ON SITE HEALTHCARE |
|---|---|---|
| ENABLE THE REMOTE WORKPLACE | SECURE THE WORKPLACE | GLOBALISATION MATTERS FOR RESILIENCE |

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**REPORT**

Enabling and securing the remote workplace are the most important and immediate actions and they are highlighted below. Here are the other four in bullet form:

• **Establish dual leadership.** Despite recent headlines on stopping co-CEO models, the idea provides a superior business continuity over other models, especially when a leader gets sick. Expanding beyond CEOs, CxOs down to middle management is key for enterprises' resilience.

• **Tactical success planning.** Dreaded, often not worth the paper (or bytes) it is documented on, succession planning needs a new view for enterprise. All the way down to tactical levels, on who can perform and do what in an enterprise.

• **Re-establish on-site healthcare.** Enterprises commonly offered healthcare before governments and/or the healthcare sector took care of it. It merits reconsideration for CxOs to weigh up what matters more – keeping the enterprise open thanks to in-house healthcare capacity – or hoping governments/the healthcare sector will be appropriately staffed and have enough capacity for handling a pandemic.

• **Globalisation matters for resilience.** You do not have to be a mind reader to know what is on Elon Musk's mind; producing **Tesla** cars in one single location. CxOs need to play geographies and countries to operate their enterprises on a global level.

### ENABLING THE REMOTE WORK
Obviously, this is a totally new dimension for enterprises with over 2 billion people confined to their homes with lockdown orders effective. Enterprise leaders need to categorize their people as follows and then take the appropriate action.

Needless to say, these capabilities are better and more easily evaluated and implemented before a pandemic, not during a pandemic. For enterprises reluctant to provide technology to their people, **Uber** is a good example to think differently. In its early days Uber would provide any qualified driver, regardless of work volume and revenue, a clamped down iPhone 4 that was only able to operate the Uber app

and do calls with riders. If a startup can afford an information technology platform for its gig workers it puts the demand for CxOs to put technology in the hands of the people of their enterprise at the highest level.

NEVER HAS THERE BEEN A WORLDWIDE EVENT THAT HAS CREATED **UNIFORM MARKET REALITIES ON A GLOBAL BASIS**

### People Groups and Remote Work Strategies

| PEOPLE GROUP | DESCRIPTION | ACTIONS | PRIORITY |
|---|---|---|---|
| Must Work | People who are essential to an enterprise | • Ensure infrastructure works<br>• Consider redundant work platforms<br>• Consider redundant communication channels | Very high |
| Can Work | People who are already enabled to work remotely | • Ensure infrastructure works<br>• Licenses are in place<br>• Test resilience | High |
| Could Work | People who could work and are not enabled to do so | • Consider need for work asap.<br>• Provide infrastructure asap.<br>• Cellular as only data option in the short term | High / Medium |
| Remaining People | People whose work requires physical presence in the enterprise | • Maintain the connection<br>• Leverage consumer channels (e.g. Facebook, Instagram etc.)<br>• Strengthen communication / social department from headcount and budget | Medium |

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### THE POST-PANDEMIC PLAYBOOK FOR THE CHRO
There are eight key playbook strategies for CHROs regarding the people best practices in a pandemic world.

In the near term CHROs need to pay attention to;

• **The learning opportunity.** As enterprises reopen and/or pivot – they need to change the skills and capabilities of the workforce. Lockdown orders are an opportunity for both people and enterprises to move the needle on learning.

• **Talent mobility.** Enterprises need to understand what talent they have in-house and at what locations. Moving

talent to where it is needed is more than ever key for enterprises' survival in the 'roller coaster' ride that is ahead.

• **Gig economy readiness.** Not every job will return in full FTE increments, so its key for CHROs, to get their enterprise ready for the gig economy. Emancipated processing across employees and gig workers is a key lesson learnt pre-pandemic and needs to be a factor when selecting gig economy capabilities.

• **Talent acquisition acceleration.** For the missing talent needs, CHROs need to accelerate the speed at which the enterprise can onboard new talent.

### Post-pandemic playbook for the CHRO

| HR CORE RENAISSANCE | PAYROLL FLEXIBILITY | BENEFITS FLEXIBILITY | WORKFORCE MANAGEMENT AGILITY |
|---|---|---|---|
| THE LEARNING OPPORTUNITY | TALENT MOBILITY -INTERNAL TO GLOBAL | GLOBALISATION MATTERS FOR RESILIENCE | TALENT ACQUISITION ACCELERATION |

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Longer term, but with a potential to be key even short term if the capabilities are not given, CHROs need to focus on the following key strategies:

• **HR core renaissance.** The collaborative post-pandemic enterprise needs a new HR core that allows to create teams dynamically – as business needs arise, with members inside and outside the enterprise.

• **Payroll flexibility.** Payroll needs to be flexible for adding bonuses, shifts, vacations, leave of absence and a collateral of legal and statutory changes that are coming from legislative bodies.

• **Benefits flexibility.** Having the right benefits in a pandemic world is key for employee engagement and retention. Making employees aware of the benefits offered and having the right benefits available is going to be key for enterprise success.

• **Workforce management agility.** Understanding who can work best with who and has the skills inside and outside of the enterprises will be the key to having a dynamic workforce capacity and skills that the new 'rollercoaster' economy will need.

### THE POST-PANDEMIC PLAYBOOK FOR THE CDO, CIO AND CTO

There are nine key playbook strategies for CDOs (Chief Digital Officers), CIOs and CTOs regarding the technology best practices in a pandemic world.

In the near term they need to pay attention to;

• **Collaboration platform necessity.** A distributed workforce needs top notch collaboration platforms that are productive for processes both inside and outside of the enterprise.

• **Cloud becomes a must.** With CAPEX tied to investments in the core business, the move to cloud has to be accelerated. Putting CAPEX into servers and data centres when they can be paid out of the OPEX of an enterprise in a 'roller coaster' economy is the wrong approach.

• **Supplier contracts define the possible.** Time to revisit supplier contracts and hope that the law remains enforceable during the restart of the global economy. Favourable supplier terms have not hurt enterprises ever, so it's key to procure them now.

• **Stock levels need a revisit.** Just-in-time delivery of supplies is no longer the best idea in SCM. Instead stock levels need to be adjusted to a level where an enterprise can ride out the ups and downs of the 'roller coaster' economy.



**Post-pandemic playbook for the CDO, CIO and CTO**

| THE AUTOMATION IMPERATIVE | BUSINESS MODEL FITNESS | COLLABORATION PLATFORM NECESSITY |
| CLOUD BECOMES A MUST DO | SCM RESILIENCE= SURVIVAL | SUPPLIER CONTRACTS DEFINE THE POSSIBLE |
| STOCK LEVELS NEED A REVISIT | PARTNER ECOSYSTEM AGILITY | DISASTER PREPAREDNESS MATTERS |

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NO MATTER HOW MUCH TECHNOLOGY ADVANCES AND ACCELERATES IT IS THE **HUMANS OF AN ENTERPRISE WHO MAKE THE VALUE CREATION HAPPEN**

In the long term CDOs, CIOs and CTOs need to consider;

• **Automation imperative**. What can be automated – should be automated. Relying on humans in pandemic times is not the right strategy when a competitor is automating the same process and achieving higher resilience. Time to start automating – ruthlessly.

• **Business model fitness.** How fit is the business model of an enterprise? Can it go higher or deeper in the value chain of the industry? Is it fit enough to go into an adjacent – or even a com-

petitive alternative market? And if an enterprise is not fit – how do you make it fitter?

• **SCM resilience = survival.** The more resilient a supply chain is, the longer an enterprise can do what it is supposed to do – create value for its customers. Strengthening supply chain resilience is a key longer-term priority for CIOs/CTOs.

• **Partner ecosystem agility.** Partners and their health and agility are more important than ever during the post-pandemic 'roller coaster' economy. They allow to reach further, spend less capital and can help complement the value chain of an enterprise.

• **Disaster preparedness.** Readiness for the next disaster is key for enterprises. A good starting point is to classify what an enterprise can prepare for vs what an enterprise cannot prepare for and can shut the enterprise.

### THE TAKEAWAYS

Globalisation will not come to an end, and with that the risk of new pandemics and continued pandemics is realistic for the future of the enterprise. Luckily, technology can help enterprises to survive, even thrive. The internet enables new business models and for enterprises to function - even when employees cannot show up at work. That was impossible 25 years ago.

The cloud allows enterprises to tie IT costs to business performance – that was not possible 15 years ago.

AI allows enterprises to automate more than ever before, and deep learning allows to continuously automate processes – without human intervention required. That was not possible five years ago.

But no matter how much technology advances and accelerates it is the humans of an enterprise who make the value creation happen. Therefore, the proper leadership of people remains the key success factor for the enterprises in the post-pandemic world. The good news; nothing has changed here in the last 100,000 years. ▪

# Standardisation

## OF DATA BEST PRACTICE
## IN DATA MIGRATION

### BY STEVE PULLEE

**T**he world's most valuable resource is data. The five most valuable companies in the world, **Google**, **Amazon**, **Apple**, **Facebook** and **Microsoft** have become giants by leveraging the immense value of the data they hold. Yet the vast majority of organisations still woefully underutilise the enormous opportunity held within their own data to transform their operational and financial performance.

There are three key tenets to data, the first of which is data quality;

• Employees waste up to 50 percent of their time dealing with mundane data quality tasks

• Every year 25 percent of data becomes inaccurate

• 75 percent of companies believe their bottom line is affected by inaccurate data

• On average 12 percent of revenue is wasted because of poor data quality

• Companies that put a focus on implementing a high quality data initiative see a revenue increase of 15-20 percent

• Companies have seen as much as 40 percent of their initiatives fail to achieve targeted benefits due to poor data quality. This has a significant impact on operational efficiency

*The cost of poor data quality can be summarised with the 1-10 Rule:*

• On average it costs $1 to verify a record as entered (i.e. prevent a duplicate)

• $10 to scrub and cleanse it later

The importance of organisations having high quality data cannot be understated. Having consistent and accurate data at all levels enables informed decisions to be made, driving improved performance, increased efficiency and delivering improved outcomes at all levels. Organisations that do not adequately invest in their data quality will experience adverse impacts on operational and financial

performance, and by the same token, the greater investment made by an organisation in driving up data quality the greater return on investment.

*There are many aspects that have an impact on data quality, these include:*

• Completeness and coverage (all relevant items captured)

• Accuracy (correct information in the appropriate form with valid values)

• Relevance (relevant to purpose being used)

• Reliability (consistent collection processes and associated practices)

• Timeliness (recorded and available as quickly as possible – ideally 'real time')

• Recording (in the appropriate place whether in paper or electronic form)

• Storage (in the correct place, avoiding duplication)

• Accessibility (available to the 'right' people subject to role based and IG policies)

• Reporting (correct data, complete and accurate)

• Validation (checks and balances applied to ensure data is accurate and remedial action taken where areas for improvement identified)

**T**here are opportunities to improve data quality on both a continuous basis (via user data entry and data exchange between connected systems) and at the point that data is being migrated on bulk from legacy to new systems. However, it is also worth noting that the top three data projects - migration, integration and analytics are all examples of where poor data quality can significantly impact successful outcomes. Any organisation going through the process of implementing a new ERP solution will appreciate what a major investment that is, and that investment will be severely undermined if appropriate consideration is not given to the scope and quality of the data which underpins it. With any migration, integration or analytics project it is

critical to ensure the data migrated will support business needs, be high quality, have a well understood common definition and be used appropriately across applications and business processes.

This leads us to the second tenet; data management. Typically, the challenges facing organisations in effectively managing their data begin with overall responsibility and accountability. Too often the ownership of data is presumed to sit with divisional or system heads, without specific processes or formal allocation. As a result service areas are often unclear or uncertain in investigating possible errors if they haven't got access, knowledge or control to assess and change within the system. Other key challenges include unsuitable data management tools, resource constraints restricting the ability to invoke and enforce information governance policies or procedures, poor data analysis and reporting tools, limited automation, and the absence of a co-ordinated approach.

Put simply, without a systematic way to keep data clean, bad data will happen. Whereas, organisations which have implemented a comprehensive and sustained data management initiative have often reported cost reductions of as much as 10-20 percent of corporate budgets, 40-50 percent of IT budget and 40 percent of operating costs.

Data governance is our third tenet. A system of decision rights and accountabilities for information related processes, executed according to agreed-upon models which describe who can take what actions with what information, and when, under what circumstances, using what methods. Organisations do not always find it easy to identify (much less meet) all data stakeholders' information needs. Some of those stakeholders are concerned with operational systems and data. Some are concerned about analysis, reporting, and decision-making. Some care primarily about data quality, while others might find that system inadequacies keep users from linking, sorting, or filtering information. Some data stakeholders focus on controlling access to information; others want to increase abilities to acquire and share data, content, documents, records, and reports. And still others focus on compliance, risk management, security, and legal issues. Each of these data stakeholder groups may have a different vocabulary to describe their needs, their drivers, and their constraints. Typically, they have trouble communicating with each other. Indeed, they may not even have the same set of requirements in mind when they call for better governance of data. Governance frameworks help organise how the organisation approaches data management and communicate about complicated or ambiguous concepts.

Below is an overview of some of the things an organisation can do to get their data under control, and begin to leverage

maximum benefit, whether in preparation for a sale, in advance of a major system project or to empower the organisation's strategic decision making on a daily basis.

**Data quality**
- Devise a plan of action on data cleansing and remediation programme
- Maintain quality of the data using feedback, concerns, questions; internally reporting metrics; evaluating and identifying issues; and co-ordinating and implementing corrections regularly
- Remove duplications in data
- Ensure compliance and security of the data

**Data management**
- Monitor data usage to assist teams, share best practice trends in data use, and provide insight into how and where teams can use data to help in day-to-day decision-making
- Identify the degree of conformance of data to internally defined business rules
- Define a roadmap for ongoing data health assessment based on the company's strategic objective, data governance charters and desired future state
- Implement continuous improvement data quality lifecycle i.e discover – define – assess – analyse – improve – monitor – discover, and so on

**Data governance**
- Deploy an actionable framework that will help a variety of data stakeholders from across the organisation to come to a consensus, establish accountabilities and define measurable successes
- Create processes and procedures along with access controls to monitor adherence. This includes establishing internal policies and standards—and enforcing those policies
- Optimise workflows and communications
Review the likely impact of data quality issues on business process and system interfaces
- Enhance search ability and alignment

**Tooling tips and definitions**
- Data profiling and data quality monitoring tools are used to gain insight, assess data, and provide dashboards for monitoring data quality over time
- Metadata analysis capabilities integrate and relate metadata from multiple systems in the company and allows transparency of the existing assets in the company and how they are related to each other
- Cleansing rules enable the creation of specific rules for cleansing data according to company policies, industry standards, and so on
- A business term glossary provides a central glossary for organisations to store business terms or definitions that have been approved by the responsible business experts. ∎

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**The importance of organisations having high quality data cannot be understated**

# SOFTWARE FIRMS AT FOREFRONT OF COVID-19 EFFORTS

## SOFTWARE VENDORS ARE LEVERAGING THEIR EXPERTISE TO HELP CUSTOMERS, EMPLOYEES AND THE COMMUNITY OVERCOME COVID-19 CHALLENGES

**REPORT**

*T*HE WAY IN WHICH COMPANIES CONDUCT THEMSELVES DURING THE COVID-19 CRISIS HAS COME UNDER INTENSE SCRUTINY. AS WE HAVE ALREADY SEEN, COMPANIES THAT FAIL TO SUPPORT BOTH THEIR CUSTOMERS AND STAFF DURING THIS PERIOD ARE LIKELY TO BE JUDGED HARSHLY – AND PUBLICLY – AND COULD INCUR FINANCIAL AND REPUTATIONAL DAMAGE FROM WHICH IT WILL BE DIFFICULT TO RECOVER. **BY CHRISTINE HORTON**

However, it seems most technology firms are leveraging their expertise to help solve some of the greatest challenges posed by COVID-19 and provide some stability to their customers, partners, employees – and in some cases, the general public – during this period of massive uncertainty.

"During COVID-19, most ERP vendors are highlighting business continuity plans, commitment to customer support and partnership, or offers of free software or services," said Liz Herbert, VP and principal analyst, **Forrester Research**.

### GETTING CLOSE (METAPHORICALLY) TO CUSTOMERS

One of the biggest initial challenges is ensuring customers are equipped to work remotely during lockdown and vendors have been quick to deploy products or offer them free-of-charge to enable this.

**Microsoft** has turned out an app that allows businesses and employees to communicate during the crisis. In the public sector, it is making Teams available free of charge to **NHS** staff and is providing free support for education customers moving to remote learning.

Elsewhere, **SAP** has made its **Qualtrics** Remote Work Pulse experience management platform free to use, with 7,600 customers now using the software globally.

SAP has also rolled out offerings to help customers address sourcing challenges and business travel disruption, as well as manage COVID-19 supply chain disruption. Using SAP Digital Supply Chain, SAP **Ariba** and Qualtrics solutions, the firm said companies can identify and address potential supply chain disruptions before they occur, identify alternative sources of supply and help move goods efficiently and cost effectively.

Alongside practical support, Mike Ettling, CEO, **Unit4** has pointed out the need to stay as close as possible to the customer during this time.

He said: "We're aware of how important it is for us and our customers to engage our people and ensure their wellness during the pandemic. We've been using our own talent enablement tool to measure and promote engagement, continuous feedback and continuous performance. How you engage your people when they're working from home is crucially important. We've extended this tool to

our customers for free for the next six months and are hoping it will help them drive engagement in a meaningful way."

Similarly, **Sage** has launched a support tool to help businesses understand which of the government schemes they are likely to be eligible for and guidance on how to access them. It is also hosting a range of webinars on topics such as how to 'Work from Home with Payroll', as well as a sentiment tracker to provide insight to understand how it can direct its support.

### ENABLING INNOVATION
It also falls on tech vendors and suppliers to help customers find a balance between keeping the lights on

*WE CAN ANALYSE A CUSTOMER'S BUSINESS AND PROCESSES TO FIND EFFICIENCY OPPORTUNITIES, COST REDUCTIONS AND POTENTIAL AREAS TO MOVE TO BEST-IN-CLASS PROCESSES*

**ALAN LAING** / IFS

and maintaining innovation. According to figures from Sage, small and medium-sized businesses are expecting COVID-19 to affect their revenue by almost a quarter. Businesses therefore need to be in a strong position for growth and be ready to continue their digital transformation efforts when they emerge from current restrictions.

"Survival will depend on maintaining cash flows and income while continuing to be innovative with technology," noted Chris Ganly, senior research director at **Gartner**, in advice issued to CIOs. "Enterprises that fail to act may not survive this disruption or will have their subsequent recovery delayed."

Alan Laing, managing director at **IFS** said while some customers are waiting to see how the crisis unfolds, others are using this time while other work is on hold to modernise their systems.

"What customers are looking for has changed: two months ago it was, 'help me be more efficient and help me grow.' But now, the increased focus on business resilience has resulted in requests to, 'help me build robustness into my business and arm me with tools that flex in these uncertain times.' And, yes, there is still, 'help me be more efficient and help me grow,'" he said. In 2019 IFS introduced digital business value assessments to help develop investment cases to achieve customers' business outcomes. With on-site assessments or face-to-face interviews now impossible, IFS has created a digital version of the assessments.

Laing said: "We created a digital business value assessment tool based on our own software. With it, we can analyse a customer's business and processes to find efficiency opportunities, cost reductions and potential areas to move to best-in-class processes, all in a shortened timeframe and through digital and remote interaction."

### EMPLOYEE WELLBEING
Meanwhile, the way in which companies treat their employees during the COVID-19 crisis has also become a hotly-debated topic – no-one wants

*WE BELIEVE THAT WE HAVE A DUTY TO CARE FOR OUR EMPLOYEES NOW....WE WILL BE RELYING ON THEM TO ACCELERATE BACK TO BUSINESS AS USUAL*

to be known as the **Wetherspoons** of the software industry.

But at the same time, it has been an opportunity for organisations to demonstrate empathy and compassion for their workers during this stressful period. **Workday**, for instance, has implemented a series of measures to help its employees including making a one-time payment – the equivalent to two weeks' pay – for most employees to help accommodate any unforeseen costs. It is also expanding its **Care.com** benefit from 10 to 15 days to help pay for back-up childcare providers and extended paid sick leave policy for any employee who becomes infected with COVID-19.

In addition to its existing mental health and wellbeing programme, **Advanced** is offering free access to an employee assistance programme offering all 2,500 of its employees advice and support around financial matters, personal matters and mental

**GORDON WILSON**
ADVANCED

health. The company has also pledged to pay all staff for their time in isolation whether sick or at risk but unable to work from home – even those who fall outside of the sick pay policy.

Advanced CEO, Gordon Wilson, said: "We believe that we have a duty to care for our employees now, as during the recovery from this epidemic we will be relying on them to accelerate back to business as usual."

### THE GREATER GOOD
Beyond the boundaries of helping customers and employees, many software firms are mobilising their technology and their position for the good of the greater community.

Phil Lewis, VP, solution consulting, EMEA at **Infor** said the vendor is bringing "the full weight of its own technology to bear on the challenges of the pandemic."

This includes developing a dashboard that cross references the outbreak data from **Johns Hopkins**

*THERE CAN BE LITTLE DOUBT THAT WE WILL NOT BE RETURNING TO 'HOW THINGS USED TO BE'*

**PHIL LEWIS** / INFOR

## REPORT

> "
> *WE ARE ASKING THEM TO ALSO FOCUS ON THE CRUCIAL SUPPORT THEY CAN PROVIDE FOR THEIR EMPLOYEES, CUSTOMERS AND COMMUNITIES*

**JUSTINE GREENING**

**University Center for Systems Science and Engineering** with its own data from its supply chain platform, Infor Nexus. Using its business intelligence and business analytics software Infor Birst on top of this, Lewis said the company has already begun to see patterns in the possible recovery of the global supply chain.

"This will position our customers incredibly well for when business – particularly global business – begins to move into the full swing of recovery. There can be little doubt that we will not be returning to 'how things used to be' so for Infor, it is all about a demonstration of agility and embracing new options in supporting staff and customers."

Meanwhile, **EY**, SAP and Qualtrics are teaming up to supply services and solutions to meet the urgent needs of governments globally. They are providing resources to help pre-screen and route potential COVID-19 patients, support healthcare workers, and manage the flow of information and resources to individuals.

Jens Amail, managing director, SAP UK&I, said: "In recent years, we have invested a great deal in crisis preparedness and with our numerous COVID-19 initiatives we are doing everything we can to support our employees, customers and communities through these uncertain times. With the business continuity plans we have in place for a crisis like this, our business, support and cloud delivery teams will keep the world running also in unprecedented times."

### C-19 BUSINESS PLEDGE

Closer to home, Advanced is working with healthcare providers to expand their service provision to address the increased surge in patients needing advice and care.

Wilson said: "Advanced's technology handles every **NHS** 111 call in England and we have mobilised fast to help the 111 providers meet demand. Our clinical decision support system is used by many out-of-hours services and ambulance trusts as a secondary triage and so we have updated and delivered to customers updates to accommodate coronavirus – the priority being that calls can be triaged accurately directing valuable NHS resources to the cases most in need, and directing patients to self-care where relevant."

Wilson also revealed that with the cancellation of two large annual staff events, the 200+ booked hotel rooms are being donated to NHS trusts looking to accommodate staff in Birmingham.

Advanced was one of the first companies to sign up to the C-19 Business Pledge. The Pledge's founder, former International Development Secretary, Rt Hon Justine Greening said: "We know many businesses face some incredibly difficult decisions but once they feel able, we are asking them to also focus on the crucial support they can provide for their employees, customers and communities."

Too often, businesses and corporations are portrayed as immense, implacable monoliths, with no interest in people outside of their impact on the bottom line. But this crisis – and the response by many of the leading tech companies – has shown that the business community can value the greater good above profit and productivity. In leveraging their resources and economic power, these organisations have demonstrated that they can be not just a force for growth, but a force for good. ∎

> *OUR BUSINESS, SUPPORT AND CLOUD DELIVERY TEAMS WILL KEEP THE WORLD RUNNING ALSO IN UNPRECEDENTED TIMES*
> "

**JENS AMAIL** / SAP

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# The 'New Normal'

BY WAYNE LLOYD

Firstly, I sincerely wish good health to all ERP Today readers and their families in these challenging times.

As we consider what a post COVID-19 world might look like, we should never lose sight that this changing world presents new opportunities for those brave enough to seek them out and pursue them. I believe we cannot let the uncertainty of today rule us and we cannot wait for things to go back to the way they were before, for it is likely that those days may never return in the way we might expect them to. Instead, businesses and their leaders will have to embrace the certainty of uncertainty because paradoxically it is the most certain thing we have right now. Businesses must lean into the future rather than hold themselves to the past and in doing so consider their place in the new normal that we can only imagine at this time.

In previous editions of ERP Today, I have written articles titled 'Overcoming the fear of Decentralisation' and 'Best Network Wins'. The messaging of these articles has never been more important for businesses to consider, because whether prepared to accept it or not, we have all now been thrust into a world that is completely online and has required us to adopt decentralised ways of working. Indeed, these new and increasingly decentralised ways of working are likely to become the way businesses decide to continue long after lockdown and this is particularly true of businesses, which together with

> **"**
> **The businesses that are able to survive and thrive during these times are likely to become the high-performing organisations of the future**

their employees will have been able to prove to themselves, their investors and their customers alike that they are capable of operating under such conditions.

The businesses that are able to survive and thrive during these times are likely to become the high-performing organisations of the future with reimagined business models that MBA students will study in years to come. It will become important for businesses to keep elements of these new decentralised business models in place; not least to satisfy the likely updates to ISO disaster-recovery standards that will force organisations to be prepared for similar eventualities in the future.

The thought of future pandemics might be concerning enough, given the fact that many of us are still trying to come to terms with the current situation. However, we should be mindful that if humanity continues with its destructive abuse of the natural environment then it will only serve to increase the recurrence of future epidemics and pandemics. Since HIV in the 1980s we've seen an acceleration of life-threatening viruses becoming more common; SARS (2003), H1N1 (2009), MERS (2011) and Ebola (2014-16) all arrived before the COVID-19 crisis of today (2019-present). It should serve as a warning to all that if we do not change our habits then these economically destructive events

are likely to become a part of the new normal we're moving towards. This is why the new normal will require all businesses to take serious action towards their Environmental Social and Governance (ESG) performance.

To be effective in the pursuit of ESG targets, businesses will have to make drastic changes to survive and it is likely that these changes will be enforced and accelerated by new regulations and government policy. However, high-performing businesses will already be taking action, recognising that we are approaching a new normal that will inextricably link ESG performance to revenue performance like never before.

**U**ntil now, it could be suggested that many large businesses may have seen ESG targets more as a PR opportunity or a box ticking exercise that appeals to the shifting concerns of employees, investors and consumers. With many SMEs and micro-companies, whilst there is a closer connection and genuine desire to make a difference, there can often be a sense that they feel they are too small to make the level of difference required in order to drive meaningful change. However, as we move to the new normal we will all be able to recall this feeling of helpless insignificance mother-nature has made humanity feel. It's likely that companies who continue to cause destruction to our environment will be shunned by politicians, shareholders, investors, employees and consumers like never before. The new normal will require businesses of all sizes to report their ESG performance in 'real-time', bringing back-office functions, front-and-centre to the customer experience.
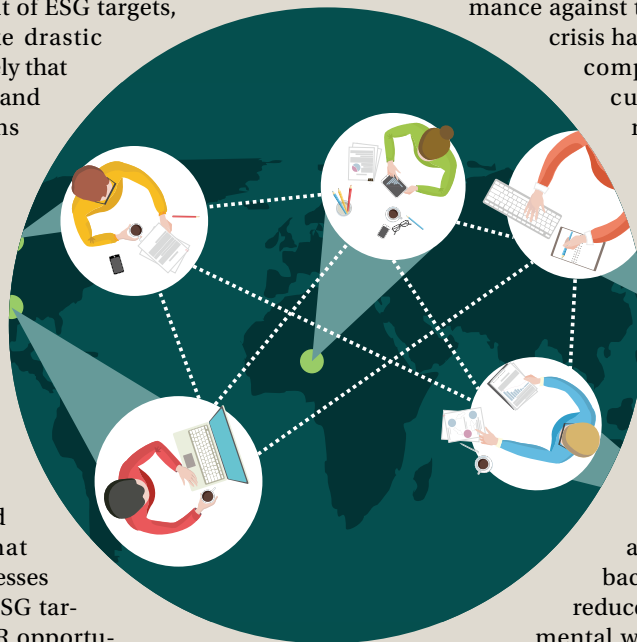
> **" The high-performing companies of the new normal will be those who are able to out perform across all three of their ESG targets**

**T**he high-performing companies of the new normal will be those who are able to out perform across all three of their ESG targets, but they will be differentiated by their performance against their 'S' targets. The COVID-19 crisis has shifted investor focus on how companies treat their employees, customers and suppliers, like never before. The more decentralised way of working today will work for some but not for others, which is another reason why a blanket return to old ways of working will have no place in the new normal. High-performing employees during this crisis will likely be feeling both mentally and physically healthier and happier by working from home. Therefore, it makes no sense to ask these individuals to fully go back to an environment that might reduce their productivity and sense of mental well-being especially given that high-performing competitors will be mindful that people can be trusted to work in such ways and willing to offer high performers the opportunity to continue. There will also be individuals that are struggling at these difficult times and need to come back to the 'office-buzz', so new hybrid business models will become common, requiring new governance structures and techniques that will be underpinned by new technologies that drive more trust and transparency across these increasingly disparate networks.

For SMEs that believe ESG standards don't apply to them, they should understand that their ESG performance will contribute to overall performance of the large corporations they supply.

The new normal applies to all. ∎

# Affective computing

## WILL TRANSFORM THE CUSTOMER EXPERIENCE AND THE CAPABILITIES OF AI

**BY GURPREET JOHAL**

**A**s our reliance on technology grows, devices are evolving to understand human emotions and offer a more personalised experience. The evolution of these platforms will hold benefits for customers, employees, clients and suppliers as technology will have the power to interact and behave in a more human way.

The impact of the COVID-19 lockdown has changed many aspects of how we live our day-to-day lives. With large numbers of us now having worked at home for many weeks under lockdown, technology has become instrumental in helping us find new ways of connecting with our colleagues, our clients, our friends and our families. Further down the list, but arguably no less important, is the way that technology has allowed us to continue to receive the goods and services we rely on. Whether that's booking a delivery slot or setting-up new subscriptions, I've become used to having a full digital experience throughout the process and expect that many of us will be more comfortable using these digital tools once we have come through the lockdown.

As our use of technology continues to grow, AI will be fundamental in ensuring that devices and platforms are able to respond to humans in a more personal way. Taking cars as an example, microphones and cameras embedded within vehicles may monitor cars' movements

> **"**
> **As our use of technology continues to grow, AI will be fundamental in ensuring that devices and platforms are able to respond to humans**

as well as the driver's voice and facial expressions which could then be analysed using a mixture of computer vision, voice recognition and deep learning. On a long car journey for instance, these inputs could determine whether the driver is getting tired and distracted and if so, lower the temperature and turn up the volume on the radio, with a conversational agent suggesting the closest location to stop for a coffee.

### Making 'affective computing' effective

The development of these technologies that can detect physical and emotional states mark the next stage of human-machine interaction and are known as 'affective computing' or 'emotion AI'. They have the potential to redefine how we interact with technology in myriad ways. Restaurant chains could tailor menus automatically depending on changes in the weather, apps may design custom products depending on the emotional reaction of the users, or AI-powered bots could offer personal customer interactions in retail environments.

The ability to use emotionally intelligent platforms to identify and use emotional data at scale will be one of the most important opportunities for companies in the next 12 to 18 months, according to Deloitte's 2020 Tech Trends report. The challenge in the development of these platforms will be to determine which responses and

behaviours will resonate with a diverse group of users, and then develop a combination of affective and AI technology to deliver the appropriate reactions and experiences.

In order to prepare for this, a growing number of companies are researching human empathy and looking at how to incorporate these insights into new technologies. Included in this are teams looking at neuroscientific research, human-centred design and, most importantly, how to roll out this technology while removing bias and emphasising values and ethics in its use.

Once developed, affective AI will be revolutionary for many businesses. Today many businesses have built data banks containing functional information such as the age, demographic and past transactions of their customers, allowing them to predict future demand for their services. Once the technology is further developed, they will be more responsive to the thoughts and feelings of their customers, and whether they are having a positive or negative customer experience.

For instance looking at automated calls, today businesses are able to see the transcripts for these calls and understand why their customer is getting in touch. We are already seeing automated calls having voice-recognition technology built-in to detect the emotions of the caller and to determine whether they have been agitated by the call or appreciative of the advice that has been offered. This helps to fine-tune interactions and direct callers to additional products or services if they appear receptive to the recommendations. Other solutions could be developed to understand body language of customers as they interact with people in-store, or

> **Once the technology is further developed, they will be more responsive to the thoughts and feelings of their customers**

at live entertainment venues, in order to understand the customer experience.

### Ensure 'affective computing' is ethically adopted is of paramount importance

The growing popularity of technologies such as wearables, facial recognition and the ubiquitous use of smartphones will provide companies with the ability to collect this data. However, companies will need to think extremely carefully about the ethical use of these technologies and the data that it will have the ability to collect. For instance, in the call centre scenario it would be highly unethical for the technology to identify a vulnerable caller that would be more likely to buy additional services.

Similarly, customers must be savvy to the data that is being collected, how it's being used and the benefits they are receiving as a result of passing over their data. Up until now, many people have been reluctant to give away their financial data. It will be challenging to entice consumers to provide insight into their emotional states without a significant demonstration of benefits they will receive as a result.

Technologies to make affective computing effective are already available in the form of wearables, sophisticated vision technologies such as facial recognition and voice recognition tools. Devices which track neuronal activity are also in development. The key now will be to ensure the ethical use of affective computing, and begin to communicate with consumers on the merits of its use. For companies, identifying the business challenges that affective AI will address and mapping how this will benefit customers should be a priority to ensure its future rollout is carefully considered and ethically implemented. ∎
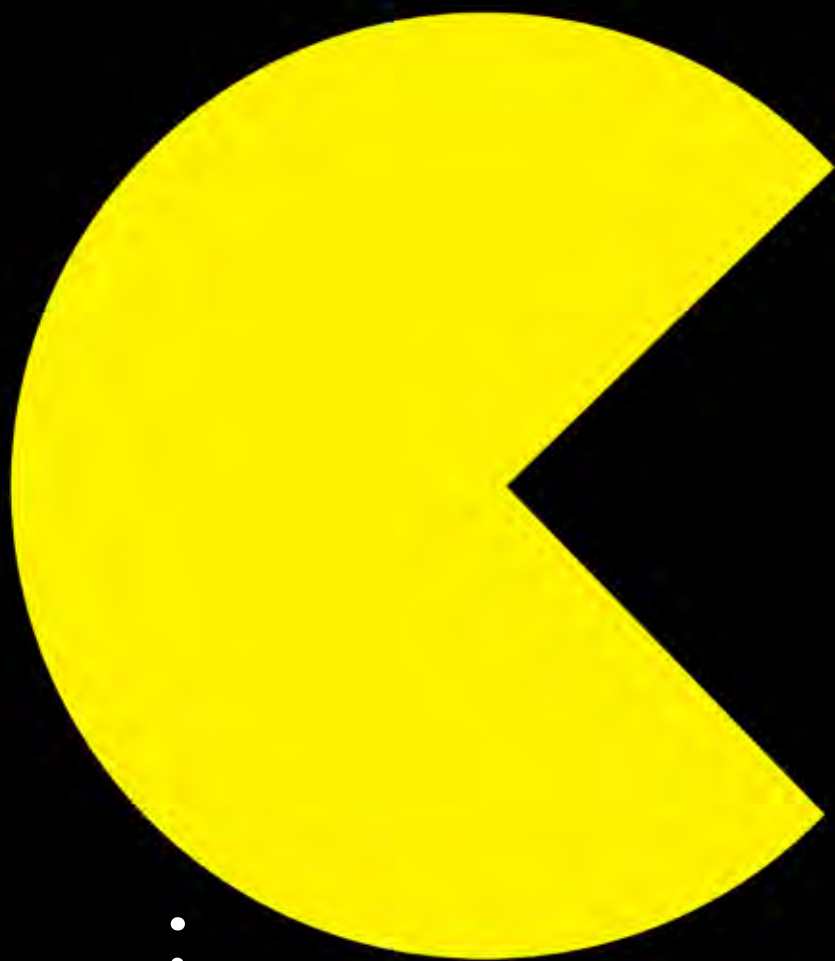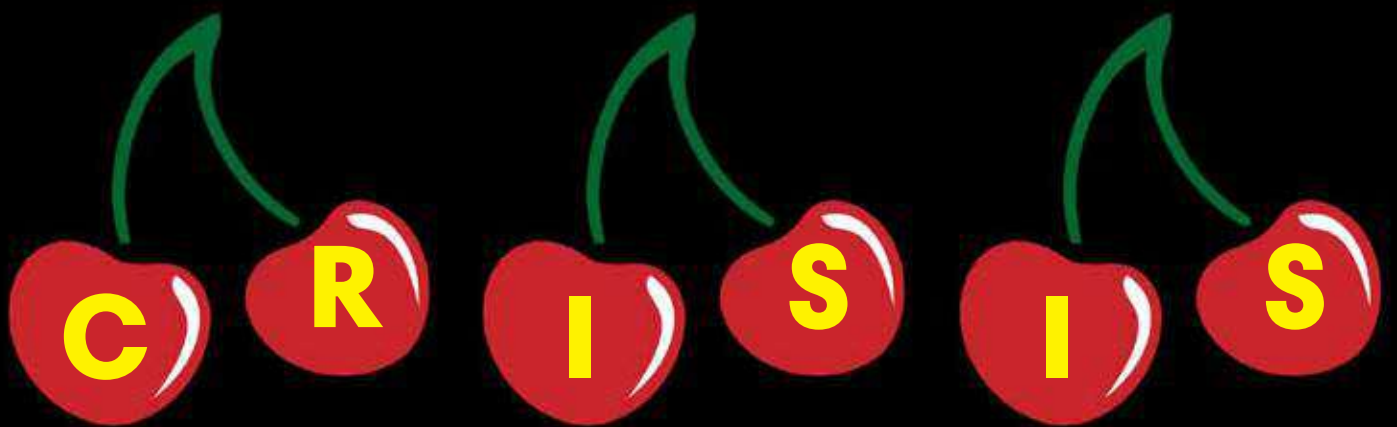
# CRISIS
# & OPPORTUNITY

M&A ACTIVITY IS SET TO PLAY A KEY ROLE IN

THE ENTERPRISE TECH SECTOR AS STRATEGIC

ALLIANCES, OPPORTUNE ACQUISITIONS AND

DISTRESSED SALES BOLSTER THE ERP MARKET

**MERGERS AND ACQUISITIONS**

# COVID
# STRESS TEST
## DEMONSTRATES RESILIENCE
## IN SOFTWARE VALUES

**BY RICHARD SANDERS**

It used to be the case that it was only when the tide went out that you could see who was swimming naked. The COVID crisis has broken that rule with many perfectly well run businesses with sound strategies and high performing teams now fighting for survival. That said, many businesses have performed resiliently through this period and in a limited number of cases have even prospered. It's been said that this is perhaps the greatest due diligence test on any business and if you can weather this storm then your future is set fair.

Sometimes I think we also forget the influence that innovation and tech-

nology can have on our economy. 40 percent of jobs today didn't exist ten years ago, largely driven by tech and innovation, and one thing COVID has clearly taught business is that working remotely is far easier than many feared and that it can have a positive impact on productivity.

So, what does this all mean for deal making in the tech sector? Very quickly we concluded that a significant driver of M&A activity and investment in a post COVID world could well focus on tech businesses. The UK is well placed, being a close third to China in the global league for investment in tech (with the US the clear leader) and with access to significant
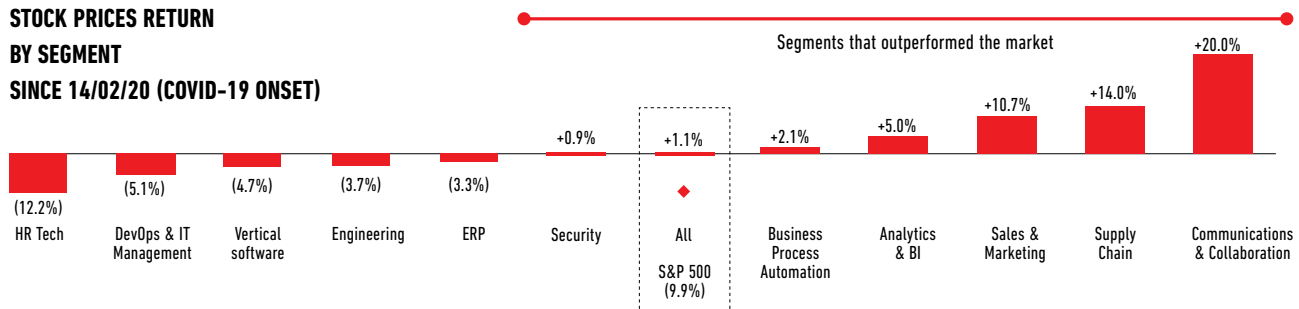
liquidity in the funding markets. This is a key differentiator to the period post the GFC – then liquidity was in short supply and recovery took several years, now the situation is markedly different. And that's before we factor in public policy, with early signs being that the Treasury will throw significant weight behind the recovery this time.

Our recent report into software valuations demonstrated the robustness of valuations in the space. This is clearly evidenced by the chart below which demonstrates that on average share prices more than recovered their losses suffered going into COVID by 31 May against a benchmark of the S&P 500 being 10 percent down.
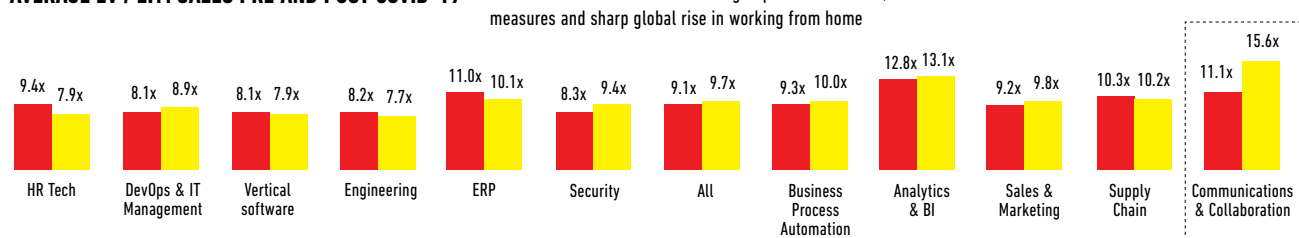
**STOCK PRICES RETURN
BY SEGMENT
SINCE 14/02/20 (COVID-19 ONSET)**

Segments that outperformed the market

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| (12.2%) | (5.1%) | (4.7%) | (3.7%) | (3.3%) | +0.9% | +1.1% | +2.1% | +5.0% | +10.7% | +14.0% | +20.0% |
| HR Tech | DevOps & IT Management | Vertical software | Engineering | ERP | Security | All S&P 500 (9.9%) | Business Process Automation | Analytics & BI | Sales & Marketing | Supply Chain | Communications & Collaboration |

**AVERAGE EV / LTM SALES PRE AND POST COVID-19**

Communications and collaboration group bucks the trend, due to COVID isolation measures and sharp global rise in working from home

■ 14/02/2020   ■ 31/05/2020

| HR Tech | DevOps & IT Management | Vertical software | Engineering | ERP | Security | All | Business Process Automation | Analytics & BI | Sales & Marketing | Supply Chain | Communications & Collaboration |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 9.4x 7.9x | 8.1x 8.9x | 8.1x 7.9x | 8.2x 7.7x | 11.0x 10.1x | 8.3x 9.4x | 9.1x 9.7x | 9.3x 10.0x | 12.8x 13.1x | 9.2x 9.8x | 10.3x 10.2x | 11.1x 15.6x |

WE WILL LOOK BACK
AND SEE THIS AS AN
INFLEXION POINT IN THE
TECH INDUSTRY AND
POTENTIALLY EVEN MORE
FUNDAMENTALLY ACROSS
THE WIDER ECONOMY

Perhaps not surprisingly communications and collaboration is the biggest winner and a key area for M&A in recent times – at Alantra alone we've advised on three stand out transactions in that market in the last six months. And given that **Amazon** are reported to have hired an additional 100,000 people in the crisis it's no surprise to see supply chain towards the top of the table.

Going forward, in addition to the comms and collaboration theme evidenced above, we see five key trends which will be drivers of activity in the immediate future.

**The Hybrid Cloud and Multi Cloud Battlegrounds**
We've seen significant interest in businesses with specialist deployment

It helps organisations automate more processes, track more data and augment human decisions; a good example of this would be robotic process automation (RPA).

**Democritization**
• Democratization of software design is enabled by so-called low-code platforms; visual development environments that allow any person to drag and drop components, connect them together and create a mobile or web app with limited or no coding experience (citizen developers):
  • Low-code platforms also reduce the amount of hand coding and therefore setup costs, maintenance and time to market
  • Most low-code platform providers offered free access to their platforms

distribution) and how people and organisations share and process data and enable rapid adoption of IoT solutions.

**Cybersecurity**
Another topic that has been trending for a while, cybersecurity, is still evolving, with cyber threats on the rise. The increasing digitalisation of organisations make them increasingly vulnerable to cyber attacks, as shown by the surge in attacks following the COVID-19 pandemic.

The rise of AI has also led to an increasing number of potential security breaches and an increased difficulty in detecting them. Cybersecurity needs to cover AI systems by leveraging on ML to understand and protect them.

**Restructuring M&A**
I started this article referencing the fact that many quality businesses will be facing significant challenges and it would be remiss of me not to address the matter of restructuring achieved through M&A. In previous recessions it would be difficult to see a route through to survival for these businesses challenged with survival. This however is a different form of crisis and it's clear the government does not want to see high quality businesses fail as a result of action dictated by them. Additionally, the funding market will recognize that with the appropriate support many of these can be rescued coming out of this and reclaim their market position. In some circumstances they may also emerge stronger, as other weaker peers don't attract similar support. Examples of sectors where this will be evident are enterprise software suppliers into travel and leisure as well as some of the retail space – these end markets will recover and, provided with the right support and some patience, so will they.

> PERHAPS NOT SURPRISINGLY COMMUNICATIONS AND COLLABORATION IS THE BIGGEST WINNER AND A KEY AREA FOR M&A IN RECENT TIMES

skills in the major three providers – **AWS**, **Azure** and **Google** – especially where they have developed specialist applications around those platforms in areas such as data analytics, application lifecycle management and API driven integration.

**Automation – AI, ML and Applied AI**
Artificial intelligence (AI) has been a trending topic for a while now but the emergence of new branches within it led to more sophistication and widened its use cases. Machine learning (ML) and AI and its fundamental subsegments (neural networks, natural language processing, etc.) have seen strong adoption and advances by tech majors, cloud platforms, core chip vendors and the open source community but few pure-play software leaders.

On the other hand, driven by increasingly more powerful processing and data management, applied artificial intelligence (AAI) has now wider capabilities and is reshaping more industries and creating new leaders.

during the COVID-19 pandemic to help citizen developers code apps more rapidly
• Democratization also applies to data analytics where citizen data analysts can generate complex data models without the skills of a data scientist
• New data analytics and visualisation emerged as a key battleground for cloud and enterprise majors in 2019

**Edge computing and 5G**
Edge computing aims to process data close to the location where they are produced to save bandwidth and latency creating local smart spaces, off the grid and closer to its users by bringing compute capabilities into the network.

Edge computing is expected to seed the 5G market before widespread coverage by processing huge amounts of data locally, thereby reducing required bandwidth. In the long run and combined with fifth-generation mobile networks roll-out (100x faster than current technology), edge computing will definitely change the way networks are organised (along with cloud

**Summary**
So in summary, whilst no one can honestly say this is an environment they would have welcomed I do believe that in years to come we will look back and see this as an inflexion point in the tech industry and potentially even more fundamentally across the wider economy and M&A landscape. ∎

# KEEP THE
# BEST
# TRANS
# FORM
## THE REST

# MERGERS & ACQUISITIONS
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## MERGERS AND ACQUISITIONS

# IS PRIVATE EQUITY DRY POWDER

## GOING TO IGNITE THE SAP MARKET?

**BY BEN McGRAIL**

The coronavirus pandemic and the resulting global lockdown have caused a sudden and sharp shock to the world economy. The uncertainty has weighed heavily on M&A with deal volumes in Q1 down by over a third compared with the same period last year. The immediate priority for business leaders has been to limit the damage, mitigate risk and ensure survival. However, upheaval on this scale creates significant opportunities for cash-rich businesses and there is good reason to predict that, as normality returns, there will be a significant increase in M&A activity.

The severe economic difficulties that the coronavirus outbreak has inflicted on almost every sector means that there will be a large number of distressed companies looking for buyers. Alongside this, companies will be selling off non-core entities to improve their cash positions and their liquidity. We will also see an increase in mergers as organisations come together to cut costs, increase market share and boost their buying power. **EY** report that more than half of executives globally are planning an acquisition in the next 12 months.

### Private equity is sitting on record levels of unallocated capital

According to new data from **Preqin**, private equity (PE) houses are sitting on some $1.4trillion of 'dry powder' (unallocated but committed invest-ment capital), the largest amount of cash on record, and twice what they had to invest just five years ago. This is supported by comments from **KPMG**, news from **KKR** and announcements from **Berkshire Hathaway**. High company valuations have put many deals on hold. But now the impact of the coronavirus is driving down those valuations and a growing number of companies are finding themselves under pressure to raise capital. As a result, PE and corporate buyers will find more attractive opportunities and deal volumes are expected to increase, particularly when confidence returns to the market.

What has been less reported is what role companies' enterprise IT and in particular their **SAP** applications will play during this increase in merger, acquisition and divestment deal-making.

The major growth trends in the SAP market are S/4HANA and the move to cloud. Companies have been preparing for the migration to SAP S/4HANA in order to benefit from the new opportunities for business productivity improvements through high-performance database technology, Artificial Intelligence, the Internet of Things and embedded data analytics.

### Companies should be working on the separation of their SAP systems well ahead of a divestment

With the impact that the coronavirus pandemic has already had on top and bottom line performance this year, we can expect to see investment in S/4HANA programmes and other large-scale IT transformation initiatives drift into 2021 to protect short-term profitability. However, we should also expect to see a sizeable uptick in SAP carve-out projects: system splits mandated by a business decision to sell off non-core or underperforming parts of the business are very time sensitive. They cannot be pushed back into future financial periods. The management of a company that's di-vesting a part of their business will not even consider delaying a deal while they think about how to disentangle their integrated IT systems. In fact, I would make the case that selling companies should be looking to bring this work forward and make progress on separating their SAP landscape ahead of a planned deal. This does not necessarily mean delivering the entire project. Why not run a short software-led system assessment so that you are well prepared in advance of any deal finalisation?

> I DO BELIEVE THAT IN YEARS TO COME
> WE WILL LOOK BACK AND SEE THIS AS AN
> INFLEXION POINT IN THE TECH INDUSTRY

PE houses tend not to get deeply involved in the IT strategy of their portfolio businesses. However, they should pay close attention to IT due diligence and planning during the deal phase as there are significant risks and costs in getting it wrong. Transition Service Agreements (TSAs) between the parties stipulate conditions that have to be met by both sides and missing the deadline to move off a seller's IT landscape can incur significant penalties. And with the investment clock ticking, PE in particular will be keen to put their new asset to work as soon as possible rather than get drawn into long and expensive IT implementation programmes. Therefore buyers, whether corporate or PE, should require as part of the acquisition terms that sellers deliver the relevant system separations in advance or as part of the deal.

**An already separated, hosted and supported SAP landscape would add significant value to any potential divestment**

Selling companies and their IT departments can prepare the ground for divestments by scoping, planning and perhaps even executing the required IT system splits ahead of time, particularly for core, complex applications like SAP. Getting ahead of the game here will speed up the entire transaction, benefiting both sides, and can add value to the divestment by eliminating the buyer's risk of future IT separation. A seller who delivers an IT separation ahead of a deal allows a buyer to avoid the cost and uncertainty of a long TSA and the risk and distraction of a greenfield IT implementation programme.

That's why we are starting to advise our SAP customers, particularly in the hardest hit industries such as aviation, automotive and manufacturing, to talk confidentially to their businesses to understand the plans for divestment, and to invest in business transformation software to allow them to scope the size and scale of the resulting SAP system separation ahead of any agreed deals. And that's why we
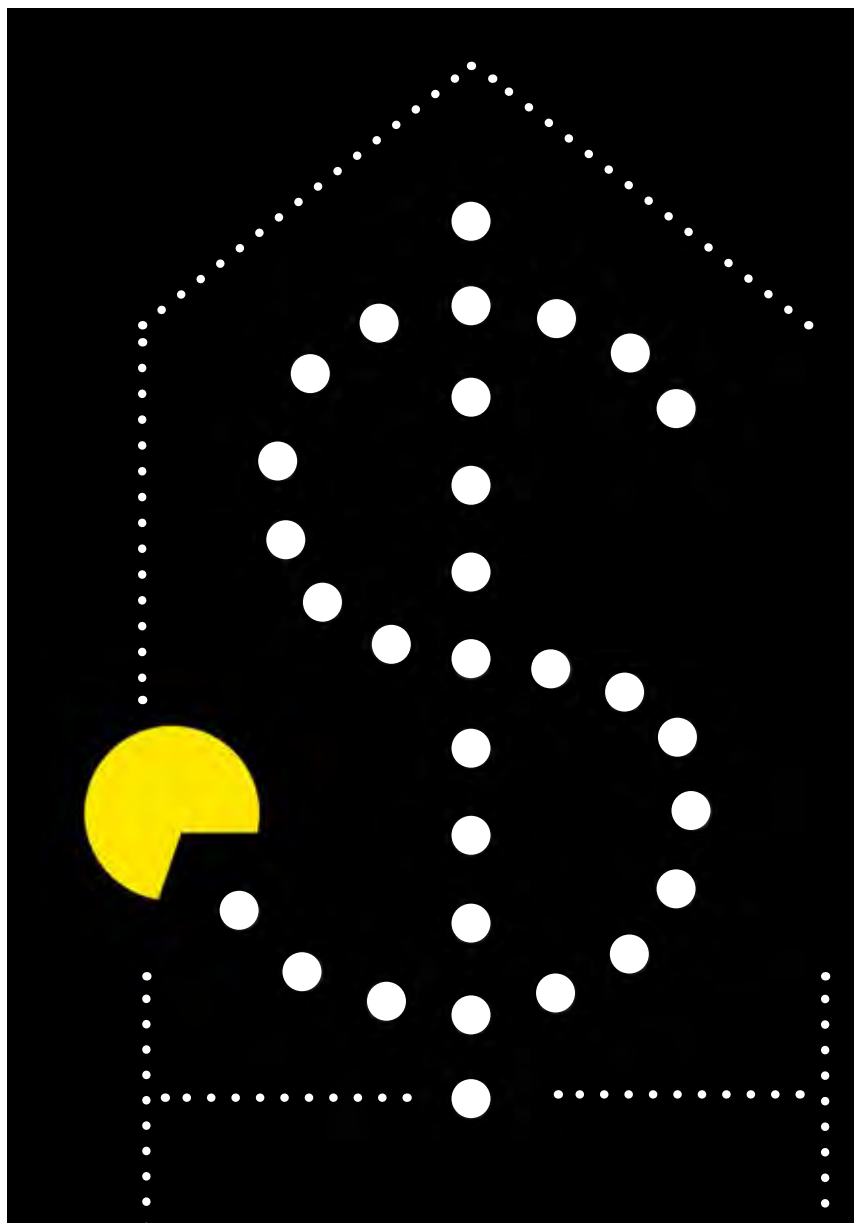
are advising PE customers and other potential corporate buyers to request that the seller provides a completed system separation - hosted on one of the global cloud platforms (**AWS**, **Microsoft Azure** or **Google Cloud**) so that it is independent of the seller's on-premise landscape - to avoid facing a long, costly IT implementation project following an acquisition.

Business and IT leaders preparing for mergers, acquisitions and divestments - corporate CFOs and CIOs, PE dealmakers and portfolio operations managers - need to recognise that a properly separated and independently hosted enterprise IT landscape is a valuable asset for both sides in a successful M&A deal. As we start to move out of the lockdown and begin the path back to normality, that's going to be more important than ever. ∎

*Ben McGrail is managing director at SNP.*

The COVID-19 pandemic has trained the spotlight on supply chains. When the risk of catching a fatal disease is everywhere is there a safe place to source your parts while keeping costs low? Will Stirling, editor at Manufacturing Review, provides his thoughts on the topic.

# COVID-19 will hasten digitalisation and

# Supply chains
# post-covid

**supply chain disruption**

## MANUFACTURING

**S**upply chains for complex and costly products are always in a state of flux. But massive changes to mature supply chains such as those for the automotive industry are very disruptive and costly. Automotive was already gearing up for life beyond combustion engines, as global OEMs planned to reconfigure factories for hybrid and electric engine models only – the UK is scheduled to ban the sale of diesel and petrol (IEC) engines by 2035, and France and Norway have set similar deadlines.

BY WILL STIRLING

However, this was expected to be a transformation phased over 20 years or more. These gigantic logistical plans have been hit by COVID but not derailed. Will COVID-19 accelerate the change?

At the moment, sales of new cars are extremely low – the **Society of Motor Manufacturers and Traders** says the UK produced just 197 cars in April, a 99.7 percent reduction. With global sales in such paralysis it's hard and rash to predict if the COVID crisis will change how car components are supplied. There is so much cost invested in the transition from IEC power-trains to hybrid and electric that, with a trickle of revenue, it's unlikely big OEMS can incur further cost by rushing their electrification plans.

Wuhan, understood to be the source of the outbreak, is China's automotive manufacturing epicentre. Despite threats to relocate, there is little evidence that global OEMs are closing and relocating their factories away from Wuhan or China in meaningful numbers yet – although India reports growing interest from corporations if not car companies.

"Coronavirus might reinforce an already underlying trend of deglobalisation or regionalisation of supply chains," says Dr. Steffen Hoffmann, president of **Robert Bosch UK**. "I would not single out China, as this might affect all countries and regions. It will come at a price and I'm not sure whether consumers would be willing to pay for it. This, plus the complexity of supply chains, in the automotive and other industries will mean that nobody can move quickly. It will happen only very gradually."

Meanwhile, however, battery manufacture is an industry for the future. Not only has **Jaguar Land Rover** in recent years built a big battery plant at Hams Hall, and **Unipart** and **Williams** have the new HyperBat facility in development, but now US all-electric car giant **Tesla** is looking at the UK for a battery factory.

**Property Week** reported at the start of June that **The Department for International Trade** is looking for an initial 4,000,000 square foot site for Tesla to build a research, development and manufacturing plant in the UK, potentially in Somerset.
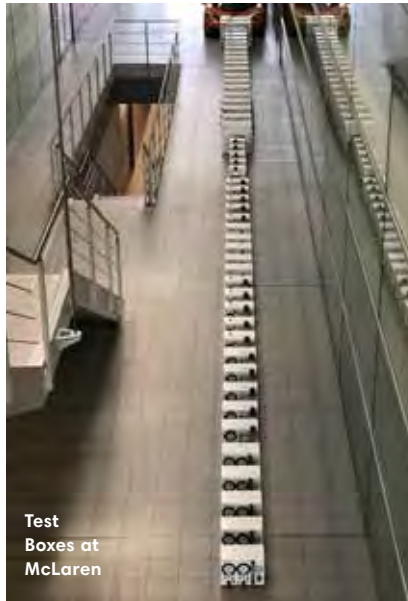
How have manufacturers in other sectors had to adapt their supply chains to meet the demands of COVID-19?

The production of essential goods such as food, and of course toilet roll, had to increase while some staff self-isolated and social distancing reduced the headcount. A rise in the demand for everyday basics like flour and breakfast cereal put big food

||||||||||||||||||||||||||

## Coronavirus might reinforce an already underlying trend of deglobalisation or regionalisation of supply chains.

**STEFFEN HOFFMANN** – Bosch UK

Test Boxes at McLaren


Rows of lettuce plants growing in vegetable garden, Lincolnshire, England, UK

||||||||||||||||||||||||

**The leading foreign suppliers of food consumed here are countries from the EU - 28 percent. The UK imports about 70 percent of its fresh produce.**

companies under pressure, exemplified by the **BBC**'s 'Inside the Factory' documentary, which claimed Britain is eating twice as many baked beans as normal in the lockdown. The **Weetabix** factory in Burton Latimer has had to work overtime as sales shot up, with more workers eating breakfast at home.

While these peaks will probably level off, home-working is becoming the norm so this bodes well for manufacturers of everyday food that will have to flex shifts. What is the effect on the domestic supply of food and drink?

According to the **Department for Energy, Food and Rural Affairs** (Defra) in March, and based on the farm-gate value of unprocessed food in 2018, the UK supplied 53 percent of the food we consume. The leading foreign suppliers of food consumed here are countries from the EU - 28 percent. The UK

imports about 70 percent of its fresh produce. For an economy recovering from COVID and with a big trade deficit this represents a huge opportunity.

The Agriculture Bill was introduced to find a system to replace the Common Agricultural Policy, or CAP, which the UK will leave when it exits the European Union. The bill examines many things including food provenance, security and standards. It is an opportunity for the farming industry to lobby for greater investment in food production, labour solutions, technology in the field and the factory, and greater self-sufficiency. We only grow 30 percent of the fresh produce – vegetables and fruit – we consume, and we don't eat enough of this healthy food in any case, according to the **British Growers Association**.

First Brexit and now COVID-19 have put huge pressure on labour in both fresh produce picking and pack-

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# TOMORROW

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## Experts think there will be an employment shift and growing and processing will employ more British workers

ing, and food processing and manufacturing, which traditionally relies largely on labour from eastern Europe. Experts think there will be an employment shift and growing and processing will employ more British workers, but it must be coupled on the arable side by digital technology and 'precision farming'. Conventional harvesting practices – huge tractors and combines – are unsustainable because the very heavy machinery compacts and degrades the soil. Progress in this area could become a new industry for Britain, exporting agricultural robots and smaller, autonomous tractors that work in 'swarms', currently being proven by researchers at **Harper Adams University**.

In May the **Financial Times** reported that one of the big outcomes of COVID will be greater adoption of automation in the food industry. Traditionally food manufacturing has had much lower robot investment than automotive, both in absolute terms but also considering its size as the biggest manu-

facturing sub-sector. Food companies are expected to invest in automation and robots in the medium term, post-COVID recovery, as margin pressure and social distancing measures bite.

COVID-19 has tested the flexibility of big companies to the limit. Several large engineering companies like **Airbus**, **GKN**, and **Renishaw** got together and formed **The Ventilator Challenge**, to make thousands more **Penlon** and **Smiths Medical** ventilators to a proven design. These firms had to 'pivot' at short notice to make new components with brand new tooling and processes hitherto untested in their factories and in record time. Their suppliers pivoted too. Many small and medium-sized engineering firms had to use new tooling and change shift patterns, sometimes after furloughing staff, to make the new components needed by these ventilator consortia.

What does this prove for supply chains? It showed that big companies, often seen as inert and slow, can respond very quickly if they are forced

**MANUFACTURING**

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## The UK needs to start investing in a programme of research and development to support the next generation of manufacturing production technologies

**JANE GODSELL** – University of Warwick

to, collaborate with their competitors smoothly, reconfigure millions of pounds worth of tooling and make something complicated from scratch in weeks.

Maybe this is a real case study for 'Industry 4.0' – not the futuristic 'cyber physical systems' we think of, but the agility of rapid response manufacturing capability and industry collaboration.

## Future industries

The COVID-19 crisis has exposed the frailty of both the UK's standard bearer industries, aerospace and automotive. Neither will ever be the same, because even when volumes recover the pow-

ertrain technology used to propel these vehicles has to change. When aerospace recovers, some say between four and eight years, there will be fewer wide-body and jumbo class aircraft and greater demand for single aisle planes with efficient engines and light, composite frames that can fly as far as possible on a tank.

With the 'industrial strategy' coming back onto the table, even quietly, Britain must think about what it's going to make for the next 20, or even 40 years – although calls for a lasting long-term industrial strategy have fallen on deaf ears in the past. Professor Janet Godsell at **University of Warwick** says Britain needs more re-

silient supply chains: "The UK needs to strategically review the products that are critical to life and ensure that there is the capability to produce these domestically, with the ability to ramp up volume if required."

She advocates making more advanced machines that make things; our machine building industry is tiny and Britain has no domestic robot manufacturer of scale. "As we

**Ready to ship**

**First shipment leaves Penlon**

Wind farm in the North Sea

||||||||||||||||||||||||||

## A 'one to watch' sector for British supply chains is renewable energy.

move into the post-COVID-19 era, the UK needs to start investing in a programme of research and development to support the next generation of manufacturing production technologies and identify opportunities for new emerging technologies where we may be able to 'leapfrog' the competition, where a longer-term investment plan is critical to long term success", said Godsell.

A 'one to watch' sector for British supply chains is renewable energy. **Greenpeace** is campaigning for a green economic recovery, and this year 10 percent of all our electricity was generated by offshore wind with more to come. **RenewableUK**, the business group for the renewable energy industry, says 58 percent of entire lifetime UK offshore wind farm content comes from the UK. It has a programme of supply chain events

(digital and in-person in 2021) and its November 2019 report says UK-based onshore and offshore wind, wave and tidal energy companies are now exporting their products and services to 37 countries across six continents. 'Export Nation' (a report by RenewableUK) shows that 47 UK firms signed 465 contracts worth up to £53m per company in the past year.

If government policy continues to back both offshore and onshore (more difficult) wind farms, we should see the UK-made content proportion rise, creating more jobs and potentially exports.

While COVID is destroying GDP and jobs this year, it is giving the UK a unique albeit desperate opportunity to change what we make, where we source parts from, to consider the environment more, make locally and accelerate digitalisation. ∎

# Driven by disruption

BY CORMAC WATTERS

**T**he demand for disruptive innovation is insatiable.

Originally put forward in a **Harvard Business Review** piece in 1995 by Bower and Christensen, entire industries have now become accustomed to prolific market transformation driven by technology innovation.

The net result has been that it is now only the fastest, most agile companies that survive and grow. It is evolution at full throttle and it is relentless and unforgiving.

This demands technology platforms that prioritise agility - the ability to adapt to changing circumstances, embrace simplicity and innovate faster and better with each iteration.

These iterations have included modern software functionality such as augmented analytics, process intelligence, machine-learning, artificial intelligence, and Internet of Things (IoT) capabilities. These have driven the need for agile and streamlined deployments which have become the dominant concern. Technology projects must now be focussed on accelerating process improvements and ROI.

Rapid deployment strategies built on agility, are now the keys to delivering disruptive innovation.

## First iterations

Infor's initial approach to this was the development of standardised Cloud-Suites, industry-specific solutions built on a refined understanding of what functionality should be included 'out-of-the-box'. This enables a relentless, industry-specific focus on key deliverables based on proven implementation methodologies and clearly defined paths that accelerate the go-live process, create early wins and build momentum.

To further speed the process, the company developed Implementation Accelerators (IAs). These IAs are industry focussed preconfigured solutions designed to deliver industry leading business processes, along with application configurations, implementation playbook, tools and templates. The tools provide a framework for implementing industry business processes, migrating data, establishing workflows and educating users on the features and functionality of the solution.

The final piece of the puzzle is delivering the capability and agility for businesses to develop their own innovation.

## Not all processes are created equal

Whilst CloudSuites and IAs provide industry specific business processes, not all business processes are created equal. Businesses need to determine which processes are most important to differentiate themselves.

The first 60 percent are core industry leading processes that businesses can adopt with very little effort. These are the processes that are necessary but do not provide differentiation. The goal for these 60 percent of the processes is very simple; adopt technology that delivers industry best practice as quickly as possible.

For the next 30 percent, businesses need to focus on the processes that are differentiators but still fall within the realm of configuration or small tweaks. While this does demand some effort, a business is not starting with a blank

business wants to embrace disruption, it must embrace it many, many times over and start on a path that is endless.

As a result, when it comes to the technology that enables this innovation, the business must plan for multiple go-lives that are often a lot faster than previous projects (or liken it to multiple laps of the racetrack). Businesses can achieve working prototypes of entirely new processes or products within three months if there are no change requests for the first three months and the go-live date is fully committed to. And the technology can fit in this timescale as well.

To keep the teams working in such intense 'bursts', there is a pressing need for flexibility - remote delivery is a key option. In addition, there needs to be a heavy investment in the cultural change needed to achieve these results, when faced with IT teams that are used to older patterns of work and

needs, forecast technological trends, assess profitability, allocate resources across competing proposals for investment, and take new products to market are focussed—for all the right reasons—on current customers and markets."

## Owning the future

The pay-off for businesses that can achieve this kind of change is huge: for the most agile businesses, the prize is nothing short of market and industry leadership in a new age of continuous delivery.

Recent examples of this impact are the standard fare of marketing and MBA courses. **Blockbuster** falls to **Netflix**. **Wikipedia** takes the crown off **Encyclopedia Britannica**. **Kodak** tries to take on digital photography and loses. LED light bulbs decimate the incandescent market.

The question is what is next? 3D

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## The final piece of the puzzle is delivering the capability and agility for businesses to develop their own innovation

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sheet, but instead is choosing from options which can be quickly tailored and configured to best fit their needs.

The goal of these first two steps is to free up more time and capacity to focus on the 10 percent of processes that are highly differentiating/unique and help make dramatically better decisions, better customer experiences, or better performance within a specific supply chain. To coin the phrase: 'this is where the magic happens' and the leading businesses of tomorrow will spend the majority of time defining, refining and then redefining this last 10 percent.

This approach keeps implementations on track, keeps teams from wandering off into uncharted 'wish lists' and getting lost in theoretical ways of engineering a better mousetrap.

## There is no finish line

This strategy is not a one-time deal, or a 'big bang' approach. Businesses have realised that their technology must support continual innovation. If a

project timescales.

This cultural change should not be underestimated. Back to Bowers and Christensen who warned:

"...most well-managed, established companies are consistently ahead of their industries in developing and commercialising new technologies - from incremental improvements to radically new approaches - as long as those technologies address the next-generation performance needs of their customers. However, these same companies are rarely in the forefront of commercialising new technologies that don't initially meet the needs of mainstream customers and appeal only to small or emerging markets."

In other words, there is a need to develop new products before new competition spots the new market first. This can be a gargantuan task, especially when in the words of Bowers and Christensen:

"In well-managed companies, the processes used to identify customers'

printing takes on manufacturing? Online education elevates to the highest levels? VR and augmented reality redefines leisure? And the question that quickly follows is how to lead these markets of tomorrow.

It is already obvious that these new markets will demand that the simplistic automation of current 'as-is' processes transform into a focus on high-value differentiation areas.

Expensive and risky big bang approaches will be forced to become a strategic, rapid series of incremental improvements that shrink time to market and instead of just surviving to reach go live, the IT department will have no choice but to become an engine of continuous delivery of innovations. It is a long overdue evolution. ∎

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*Cormac Watters is president and head of international markets, Infor*

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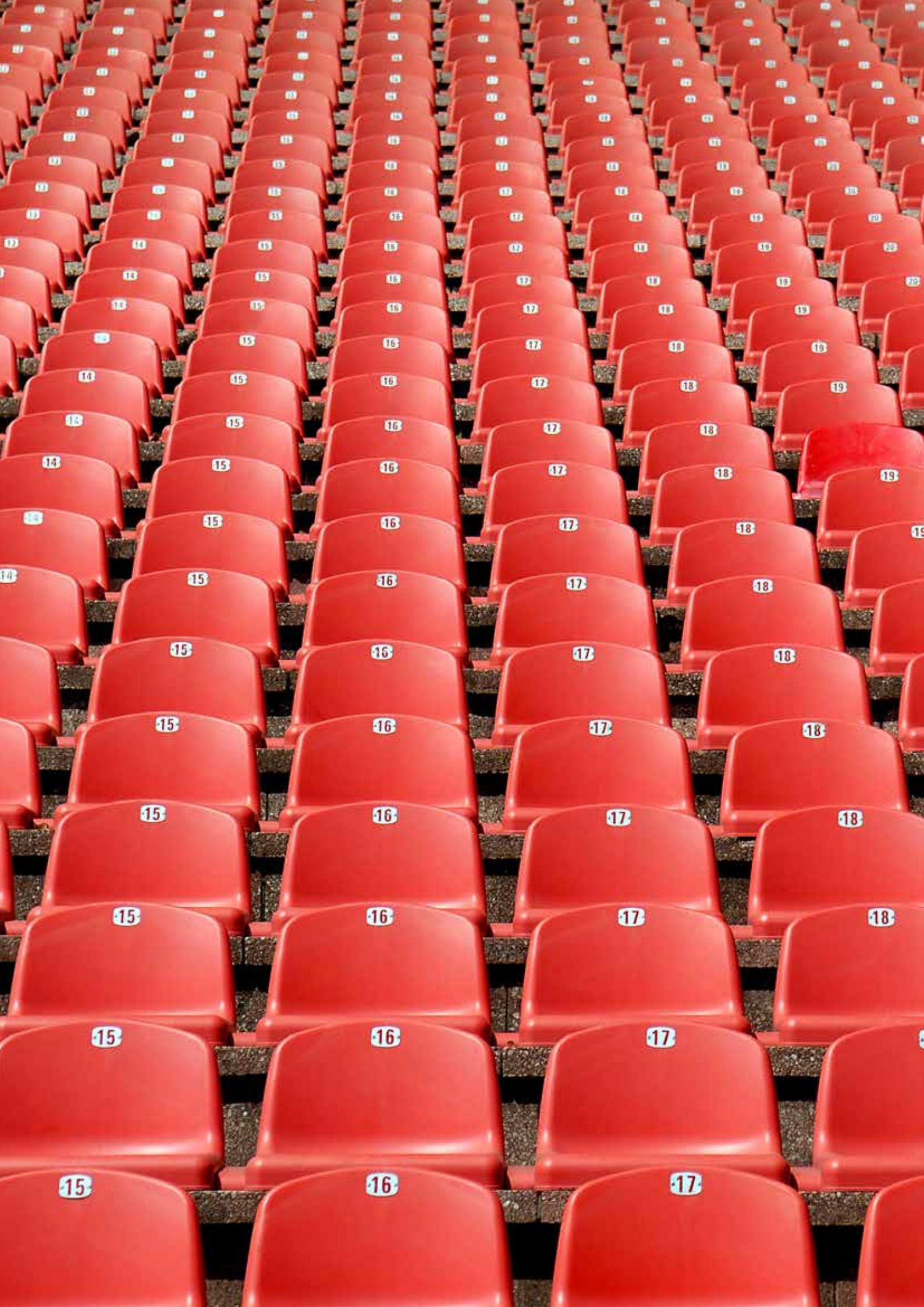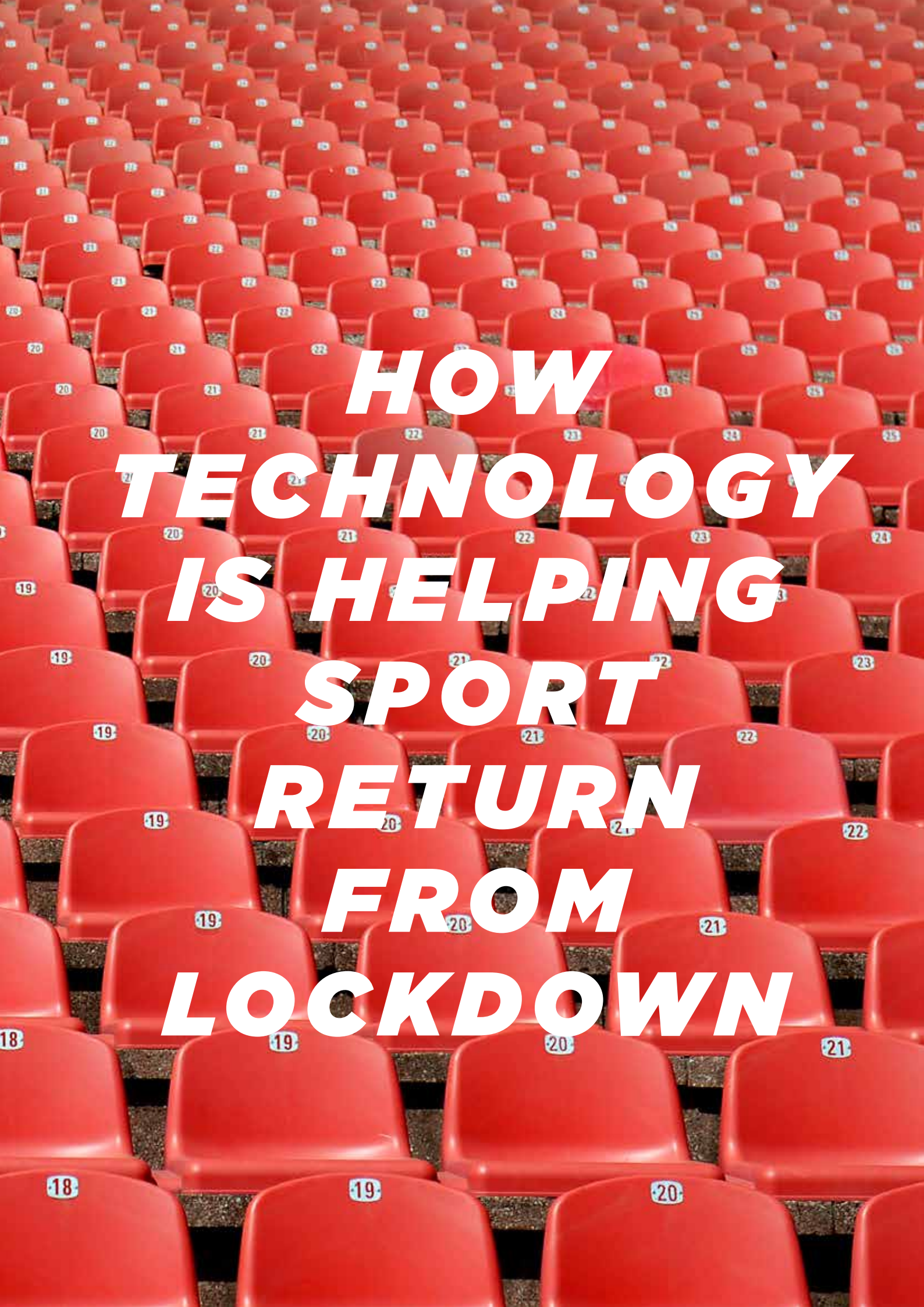
# HOW TECHNOLOGY IS HELPING SPORT RETURN FROM LOCKDOWN

## SPORT

*THE GLOBAL SUSPENSION OF PROFESSIONAL SPORT HAS BEEN ONE OF THE MOST VISIBLE CONSEQUENCES OF THE CORONAVIRUS PANDEMIC. FOR MORE THAN THREE MONTHS, STADIUMS BUILT TO HOUSE TENS OF THOUSANDS OF PEOPLE HAVE LAIN DORMANT AS SOCIAL DISTANCING MEASURES TAKE EFFECT ACROSS THE WORLD.*

**BY STEVE McCASKILL**

Understandably, the focus among governments has been on containing the spread of COVID-19, ensuring that health services are not overwhelmed and that the economic impact of these measures does not result in hardship for any individual.

In this context, sport doesn't matter. But to paraphrase a famous quote: "Of the most unimportant things, sport is the most important." The return of sport will not only provide entertainment to people during lockdown but also offer a sign that life is slowly returning to normal.

Athletes and sports organisations have been challenged by the pandemic in the same way as people and businesses. And just as technology has helped us communicate, work, and play during lockdown it has provided the sports industry with a way of adapting to the new normal.

### The broadcast dilemma

Sports broadcasters have been particularly hard-hit by the lockdown as the absence of live action has made it difficult to populate programming schedules and generate advertising revenues. Meanwhile subscribers have demanded refunds or temporary reprieves.

Archive content and documentaries have helped fill the void but broadcasters have been looking for technical solutions to create new live programming that can attract viewers without jeopardising staff safety.

**BT Sport** has created a 'virtual studio' that disaggregates various production elements, such as audio, vision, and mixing to the homes of its crew. Meanwhile, on-screen talent can film themselves on anything from professional-grade cameras to a smartphone. All feeds are carried across commercial broadband and mobile networks, with a skeleton crew working in the studio.

The channel has already trialled remote production in non-league football, using 4G to transmit pictures from wireless cameras back to the gallery where they can be processed. The virtual studio concept can be viewed as an extension of this. The techniques have enabled BT Sport to create live programming based around its portfolio of television rights.

"Sport is something that brings people together and people are still looking for escapism," explains Jamie Hindhaugh, BT Sport COO. "What I wanted us to do was create programming that still made us relevant.

"The welfare of our teams normally based at the studios was paramount so

a London studio or to outside broadcasts to have a career in the industry. Creatively, it could transform broadcasting.

"I am really keen that as an industry we become more open. Anything we do is not a short term fix and everything has a long-term relevance. This is bringing the linear and digital worlds together at a faster pace and I think this will push personalisation. Challenge enhances creativity.

**The German Bundesliga** was the first of Europe's major football leagues to resume competition and is being produced remotely. Some talent is present in the studio, socially distant



**GUDJON GUDJOHNSSON**
OZ SPORTS CEO

of people that can be present – including camera crews. For a sport like snooker, where a single camera can pick up all the action, this isn't an issue. For others, it's a little more challenging. Automated cameras, such as those deployed by **UFC** (Ultimate Fighting Championship) for mixed martial arts offer more dynamic viewpoints.

we needed to restrict the people who actually went to the studio," explains BT COO Jamie Hindhaugh. "Social distancing is a challenge in an outside broadcast truck or gallery so unless we could actually solve these issues then I wouldn't sign off on any new programming.
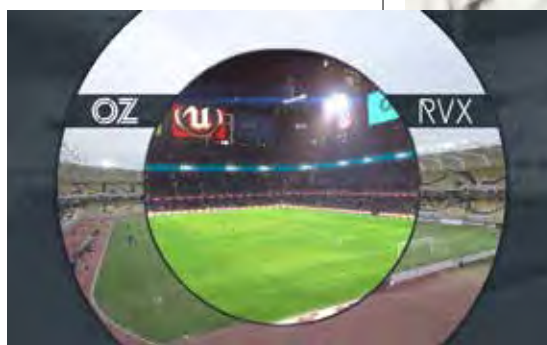
"The challenge has been getting the virtual studio working and adjusting it. Our teams are used to working in a live environment next to each other but now have to take into account possible delays in communication.

In the long-term, BT Sport believes the virtual studio will increase diversity within broadcasting as potential recruits will not have to commute to

of course, while commentators are describing matches from the comfort of their homes. One commentary was almost interrupted by a supermarket delivery!

If those of us working from home can relate to that incident, the **PDC Darts At Home** (professional darts corporation) tour provided another example of a remote working pitfall affecting athletes. The competition saw 128 of the world's best players compete remotely but unfortunately one player was disqualified because his home Wi-Fi connection wasn't fast enough.

In venues where sport is permitted, there are strict limits on the number

### Recreating the atmosphere

But if remote production has helped to solve the issue of getting sports content onto our screens, then the technical solution for replicating a stadium atmosphere has still yet to be found. Behind-closed-doors events are a very different televisual experience without the sights and sounds of the crowd.

Some sports are pumping crowd noise into the stadium while broad-

*"SPORT IS SOMETHING THAT BRINGS PEOPLE TOGETHER AND PEOPLE ARE STILL LOOKING FOR ESCAPISM."* **JAMIE HINDHAUGH** BT SPORT COO

casters have been adding in effects during production. This method is in evidence during transmissions of **Australia's National Rugby League**.

Augmented reality and artificial intelligence (AI) could offer more dynamic and real-time fan participation. **OZ Sports**' Arena platform allows fans to create an avatar via a mobile application that can then be overlaid on empty seats or used to create an entirely digitised stadium. Fans can also cheer their team on via the app,

with audio intelligently aggregated and synchronised to sound like a real crowd. Although traditionalists may scoff at the idea, OZ Sports believes the technology could allow sport at any level to feel like a World Cup final.

"Fans in stadiums are the heartbeat of live sports, the passion and atmosphere is needed for the field of play," says Gudjon Gudjohnsson, OZ Sports CEO. "The rivalry and chants are what create the storytelling. OZ Arena offers a way to overcome the current chal-

lenges of empty stadiums but also a way to bring a remote audience into the stadium from anywhere in the world; it makes the fan experience more exciting."

Denmark has been an unexpected source of innovation in terms of fan engagement. **FC Midtjylland** is adopting 'drive-in' football where fans can watch matches on a big screen from their car and listen to commentary through a special radio network. The idea is that fans would be able to expe-

*"FANS IN STADIUMS ARE THE HEARTBEAT OF LIVE SPORTS,* THE PASSION AND ATMOSPHERE IS NEEDED FOR THE FIELD OF PLAY."

rience the social element of attending a match safely.

Meanwhile, rivals **AGF Aarhus** have created what it claims are the world's first 'virtual grandstands'. Giant screens erected around the perimeter of the pitch show the faces of fans who have dialled into a special video conference on **Zoom**.

### Virtual sports

But not all competitions are able to return as planned and many have been postponed or suspended. The biggest event of them all – the **Tokyo 2020 Olympics** – will now not take place until 2021.

Virtual sports have been used to provide an idea of what might have happened if these events had gone ahead as planned. Whereas eSports are essentially competitive video games with humans behind the controllers, virtual sports are based on real-life data and algorithms.

Huge amounts of performance data is already collected by clubs and federations to help athletes tune their performance and to engage fans through digital services like mobile applications and through broadcasts. This treasure trove of insight allows AI to crunch metrics like athlete stats, weather conditions and historical results to provide a realistic result.

Bookmakers and sports data specialists have high hopes for the technology. Because virtual sports are played out in real-time, punters can

## SPORT

make 'in-play' wagers just as they would do during an actual sporting event. Meanwhile, advances in graphical technology mean these simulations are easy on the eye and more likely to attract the interest of gamblers. An additional advantage for bookmakers is that they can hold these events at any time of day, enabling them to accept bets around the clock.

The most high profile example of virtual sports so far is this year's Virtual **Grand National**. Held each April, the Grand National is the UK's most popular horse race and attracts a huge number of casual gamblers who might make their only wager of the year.

The Virtual Grand National has been a feature of ITV's coverage for the past couple of years. It combines state-of-the-art CGI technology with AI to produce a real-time virtual race, taking into account form and track

*CLUBS HAVE BEEN GREAT, PUSHING OUT MESSAGES TO STAY AT HOME OR EXERCISE CONTENT. SOCIAL MEDIA IS GREAT TO ENGAGE FANS QUICKLY AND EASILY.*

conditions. But since coronavirus ended any prospect of the world's premiere steeplechase from taking place, the Virtual Grand National assumed main event status this year with bookmakers taking bets – all profits of which were given to charity.

### Social outreach

Television has proved a useful route for sports organisations to engage with fans during this uncertain time

but most are maximising the impact of their own channels during the crisis.

Social media has been critical for fan engagement and disseminating important information, according to Tom Rowell, head of marketing and ticketing at **Everton FC**: "Social is so important at the moment because there's no football or ground to go to. What clubs have done over the past few weeks has been great, such as pushing out messages to stay at home or exercise con-

tent. Social media is great to engage fans quickly and easily."

Off the pitch, sports clubs and federations are increasingly data centric organisations collecting huge amounts of information about fans. This ranges from commerce platforms such as ticketing and merchandise to online services like apps and websites. Normally, this data is used to help organisations understand their fans better and maximise the effectiveness of marketing and commercial arrangements through big data analytics.

However during the pandemic, some football clubs have been using this data to identify fans at risk or in need of a morale boost. Everton manager Carlo Ancelotti has made phone calls to some supporters, while the club has also engaged in various charitable and volunteering initiatives.

Social media has proved particularly effective for distractions, especially eSports tournaments on **YouTube** and **Twitch**. The F1 Virtual Grand Prix series has gained signifi-

cant traction, pitting racing drivers, professional gamers and celebrities against one another on live television. **The Premier League** has its own eSports tournament while 128 clubs from across the world participated in a **FIFA** tournament organised by **Leyton Orient**'s social media manager.

Meanwhile, **Skateboard England** was forced to cancel its national championships and instead allowed anyone to enter a 'virtual event' by posting a video of themselves performing a trick on **Instagram**. Sadly, Olympic qualification wasn't at stake in this particular instance.

### Remote training

The impact of technology during coronavirus isn't just limited to off-the-field activities. Despite the cancellation and suspension of competition, athletes still need to keep fit and train so that they are ready and raring to go when the time is appropriate.

Training at an elite level is already a data-intensive environment. The collection of performance and fitness data has been accelerated by the adoption of wearable technology and analytics platforms that turn this information into actionable insights.

This allows coaches, medical teams and sports scientists to devise and optimise personalised training schedules and fitness plans for athletes. And because this data is increasingly being aggregated into centralised cloud-based platforms, coaches can send this analysis, along with relevant video footage, to an athlete's own device. This allows the athlete to review the insights at their leisure and ensures that the coaches have empirical evidence to support their observations – increasing the likelihood that the advice will be taken on board by the individual.

The fact that these systems are in place means at least some sort of semblance of normality can be maintained during lockdown. But for team sports like football and rugby, replicating the ability to train with teammates is a little more difficult. Although restrictions on group training are easing around the globe, it is likely that this will extend only to small groups for the time being. Virtual Reality (VR) technology could be the answer.

**Rezzil** allows footballers to participate in VR training sessions and match situations from the comfort of their television. The user wears a headset and places sensors on their feet, providing haptic feedback that replicates the feeling of kicking a ball. Some clubs have these installed at the training ground, but COVID-19 means some players are putting them in their living room. Naturally, this data can be fed back to the clubs.

"We've certainly seen an increased demand with players from the **Premier League**, [Mexico], **MLS** and more all requesting home kits," says Andy Etches, sports director and founder of Rezzil. "Players are looking to use the platform to keep their minds sharp and practice game style decision making.

"Many teams we've talked to have asked us to look at ways we can help to mitigate issues caused by reduced group time beyond the pandemic. We've designed special systems for individual tactical sessions to address this and are seeing some great results."

Like the rest of society, it could be a while before the sporting world returns to normal. Until then, technology is helping to make the experience of watching and playing as safe and practical as possible. But in many ways, the pandemic is simply accelerating the technological revolution that was already taking place within the sporting world.

Some of these innovations could be here to stay, forever changing sport as we know it. ∎

# Retail 2.5

## THE RESTART AFTER COVID-19

magine a world where everything that you assumed as 'business as usual' just stopped. Really... just stopped. What would have seemed like fiction less than a year ago became a troubling reality in March 2020. And mirroring scenes from many movies the population embarked on a wave of panic buying; the likes of which we had never seen before. Against this backdrop, stores, unless deemed essential were then closed - with no fixed date of reopening. Thousands upon thousands of staff were no longer required to work and the word 'furlough' became part of everyday language. Supermarkets gave us a window into the future of the high street as we have become accustomed to queueing and then following a strict flow up and down the aisles until we reached the checkout.

**BY STEVE INGRAM**

Perhaps **Ikea** saw the future... as we have all experienced the guided walk around their stores for years. How will we resume? I keyed 'Retail 2.0' - a term often used throughout 2019 - into **Google** (other search engines are available) and saw a list produced of all the predictions from futurologists and retail gurus explaining that we are about to enter the 'experience economy' and everything that goes with it. It then occurred to me that Retail 2.0 has now been superseded. Everything that was predicted to be needed was still valid, but COVID-19 has introduced a shift so profound that it will impact everybody and every retailer. Welcome to 'Retail 2.5'.

## WHAT HAS CHANGED?

Everything that could possibly have changed during this time actually has.

Demand patterns that experts have spent decades refining and predicting have been thrown out of the window, as an entire season is bypassed. No holidays overseas means no need to buy that summer wardrobe. Working from home means no need to buy even smart casual wear for the office - and shoes? Who has even worn 'proper' shoes since March? Reading books, magazines and blogs means that even the usual summer rush at bookstores will not be happening... and we have found a deeply

hidden passion for baking and cooking at home which saw flour missing from supermarket shelves for several weeks.

One only had to read a small amount of the business media to see the fallout between some clothing retailers and their suppliers in places such as Bangladesh and other Asian countries. Tales of refusal to accept ordered goods, to pay for landed goods and to cancel orders past the deadline have been frequent and sobering.

Supermarkets, although having traded throughout this are not immune from the spectre of change. Behaviours have adapted as huge
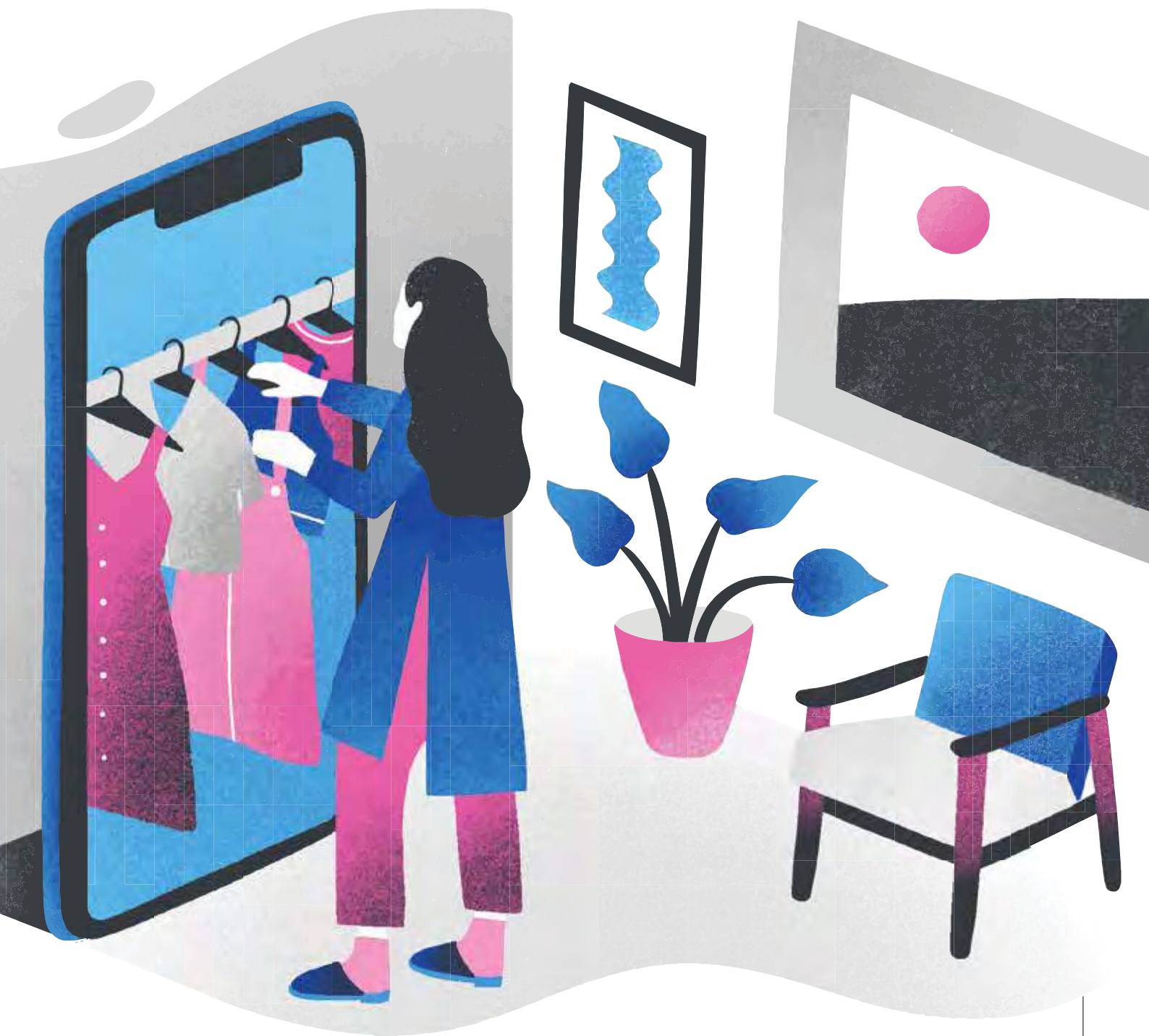
numbers opt to return to the days of the 'big shop' - in one swoop impacting any retailer that was capitalising on regular daily shops (where we all know we spend more, and more frequently). This has helped the convenience stores to provide a local focus as we top-up items such as milk and bread between weekly visits to the supermarket.

Where income has become less predictable - although the Government furlough scheme has protected millions of people - the overriding emotion for most is to limit risks 'just in case'. For this reason, we will see less spending on 'big ticket' items such as furniture, cars,

kitchens, and bathrooms. A reluctance to commit to a sustained period of credit is very likely to be a consequence of the crisis. Will we even really need the latest phone or tablet: or just stick with the one that we have?

What about the other staples of the retail calendar? Merchandise tie-ins with the latest movies - sitting astride categories from toys, clothing, general goods and specially wrapped food products - are non-existent as the films are now months, if not years, behind schedule. And how will cinemas operate in a socially distant world anyway? Will this cause a dearth of content on digital platforms such as **Netflix** and

**Disney+** affecting subscriptions in the medium and long term? The annual 'back to school' event has been smashed to pieces! How will schools operate, and how will retailers be able to make this as punchy and essential if there is to be a mix of schooling at home and on site for the foreseeable future? How will universities resume too? Fitting out new students' accommodation was another regular in the calendar. Where will that sit?

Add on to this the impact to bars, restaurants, commercial arms of professional sport, and you can see the seismic, once in a lifetime change that has happened to a sector.

RETAIL

## WHAT RESPONSE, AND HOW CAN TECHNOLOGY HELP?

Core business functions have been impacted by this, and need to respond with pace and agility:

• Cash flow has always been vital, and never more so than now. Cash flow forecasting must be timely and accurate - especially while the global economy is in recovery through 2021 as predicted by economists

• Supply chain now exists in a world of uncertain demand, and dependent upon long lead time sources. More localised manufacturing and multiple sourcing routes are being investigated by all sectors of retail

• Store operations have more guidance and regulation than before; with limitations on customers in-store, fitting rooms potentially closed, and more emphasis on all things contactless in the customer journey

Apparel and fashion retailers have suffered due to the traditional hard seasons that they usually operate, with regular long lead times from order to

sold in 2020 and 2021. New artificial intelligence (AI) tools are able to work with complex mathematical models to produce simulations - and need to only see tiny amounts of data to create them. These models can be applied across categories, and the machines are able to 'learn' the performance of all goods at an extremely granular level.

The future of item management is already in place within the **Inditex Group**, where every item is tagged with RFID (radio frequency identification) at its source. This is made possible through the availability of very low cost single use tags which are fixed to the item and provide contactless identification throughout the supply chain (from manufacture to store), and through the store to the end customer. Where checkout uses the same RFID tags for speed, accuracy, and to minimise touchpoints. Inventory counting is straightforward and reduces physical contact with goods.

Acting as a system of record, the

is maintained with key customers, and their loyalty is retained much more effectively than sending a regular email. Integrated services such as messaging, email, **WhatsApp** and **WeChat** create social engagement with the personal touch.

It is inevitable that new innovations will come to the fore as Retail 2.5 develops throughout 2020 and into 2021. Virtual fitting tools will become mainstream as fitting rooms are unavailable and customers struggle with the mysteries of how a size in one brand fits, yet the same size in a different brand does not. Retailers who had none or very poor e-commerce will establish a capability so that they never again run the risk of zero revenue.

Through all of this, we will continue to see the move to the cloud. Hyperscalers will provide data lakes where finally all the data of the business - irrespective of software package, bespoke system or database - will be able to be visualised in near real-time, and not just once a week when the Excel wizard has been able to merge all the sources together. Finally, board meetings will be able to see not just 'what happened' but also 'why it happened'. Cloud based applications will surround the ERP systems as innovation delivers the experience economy post-COVID; leveraging technologies like Internet of Things (IoT) and AI to provide yet more insight.

Retail in the post-COVID world is going to be a very different experience for both retailer and customer. Experience is what will more than ever be the differentiator between retailers - but not in the way we thought in January 2020. Whether shopping in a socially distanced store, living the brand through virtual or augmented reality online, or talking to associates who may or may not be in the store, this will be different: this will be Retail 2.5. ∎

# Retail in the post-COVID world is going to be a very different experience for both retailer and customer

delivery. An experienced supply chain executive told me: "There is a need to significantly shrink the time from idea to stocking the product in store." This is perfectly demonstrated by 'fast fashion' retailers where they are vertically integrated and frequently churn ranges of stock - meaning it can be as little as six weeks from designer to shelf. Tight technology integration along the chain gives visibility of what to expect (and when), and control to identify any issues and take corrective action.

Once the range of products has been refined, how much needs to be ordered or made? Traditional demand modelling is a thing of the past. As we recover from the COVID crisis what was sold in 2019 is going to be quite irrelevant to what will be

ERP system is at the heart of providing cash flow forecasting to the business. Capturing all inventory activities, other costs, maximising the benefits of payment terms, and ensuring that customer invoices are paid on time are fundamental to ERP, and core to managing cash flow in the business. Providing this information in a simple to consume format for finance executives improves their decision making ability.

Technology provides answers to other challenges too. During lockdown and now as stores reopen, a number of brands are using 'clienteling and assisted selling' tools for retail associates to remain in contact with customers, driving sales in online stores and advising on forthcoming new launches. Engagement

*Steve Ingram is retail industry director at Keytree*

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Creating an agile enterprise requires

# Flexibility and choice

IT leaders who can simplify operations and run workloads from optimal locations will make IT a competitive advantage in their industry. Thomas Giacomo, CTO at SUSE, reviews the optimal open source technologies for creating an agile IT environment in changing market conditions.

**BY THOMAS DI GIACOMO**

n part one of this article, I talked about the history of open source and the remarkable impact that it has made on technology and business. In part two, I will focus on changing business demands and technology solutions that will transform operations in the coming years.

A recent global survey of 2000 IT decision-makers documents the key business and technology trends that will drive CIO agendas in the years to come. The report, called 'How Today's IT Leaders are Daring to be Different,' was commissioned by SUSE and conducted by independent market research agency **Insight Avenue**.

Not only does the report identify the most important technologies for creating a more agile organisation and technology infrastructure, it also describes the urgency for change in global organisations. Nearly two-thirds of respondents identified infrastructure simplification as their top investment priority during the next two years. And nearly 90 percent believe that the technology investments they make in the next two years are 'essential to making a tangible difference in their organisation.'

Clearly, IT organisations need flexible, reliable solutions that they can begin implementing immediately. 70 percent of respondents reported that they intend to use open source technologies to realise those goals. These IT leaders know that open source so-

lutions can insulate them from vendor lock-in and help them leverage the power of many in the open source community to innovate more quickly and get things done faster.

The report mirrors what we see across the board: simplification of infrastructure and acceleration of application delivery are priorities to boost agility. Harnessing technologies such as hybrid cloud, containers, and edge computing as levers in an outcome-focussed approach will separate winners from their competition as digital transformation gathers pace.

## The modern infrastructure delivers a competitive advantage

Flexible technology solutions that help an organisation operate with more agility are at the heart of transformation efforts. IT leaders want to spend less time and money on maintenance

running large datasets in the cloud for advanced diagnostics. Hybrid cloud is also an insurance policy for the enterprise, providing the flexibility and performance that enterprises need to create the optimal infrastructure for their unique needs and to avoid vendor lock-in, today and for the future.

Hybrid cloud adoption is growing fast for all these reasons and more. 96 percent of IT leaders expect hybrid cloud use to stay the same or increase in the next two years.

Containers are a compelling example of technology that increases agility and puts control squarely in the hands of IT. For the (few) uninitiated, containers are used for simplifying the management of existing technology by breaking the functionality down into more manageable chunks. Every container holds all of the software that developers need in a standardised environment that is shared

innovation of cloud-native tools.

I would like to dedicate the space I have left to a favourite topic; Edge computing. Edge computing enables enterprises to gather and process information outside of the data centre and outside of public clouds. Workloads can run anywhere using high-powered computing, enabling greater functionality and faster response times for complex tasks. Edge computing extends the reach of every enterprise, giving them the flexibility to gather data and conduct business in any location that can be connected.

Thanks to edge computing, IT is everywhere--in our cars and cornfields, atop mountains and at the bottom of the ocean. We can now collect data that helps us understand our world better, make more informed decisions, and quickly adapt to changing needs and new opportunities. But the most exciting applications for edge computing are still coming. IoT has already changed how enterprises operate and we have only scratched the surface of its potential. Driverless cars, smart buildings, and augmented reality are just a few of the capabilities that will transform business and human existence in the coming years.

## Containers are a compelling example of technology that increases agility and puts control squarely in the hands of IT

of inefficient systems and more time on achieving faster results, better security, and higher performance.

Hybrid cloud is the beating heart of the modern infrastructure. A hybrid cloud environment is comprised of some combination of on-premise, private, and public clouds. It gives IT leaders the portability and scalability necessary to run technology wherever it makes the most sense. It is most commonly used today by enterprises for sandbox environments, ensuring high availability, and disaster recovery.

The use cases however are rapidly evolving. IT leaders are increasingly leveraging hybrid cloud to run their ERP system from a private data centre and web applications from **AWS**. The healthcare industry is using hybrid cloud to significant effect by maintaining patient monitoring on premises for latency purposes and cloud services like **Microsoft Azure** as a back-end,

with DevOps. This powerful solution has filled the gap between developers and DevOps and dramatically accelerates time to market.

The bottom line is that containers, managed by an effective container application platform tackling both developers and operators' needs, make IT much more agile by accelerating software delivery at any scale. For example, **Lenovo** in Germany now runs the entire **SAP** Data Intelligence, a data orchestration and management solution running on Kubernetes and designed to operationalize data science and machine learning. This system is run on containers that are managed by the SUSE CaaS Platform. The service, called 'Lenovo Intelligent Insights,' enables Lenovo customers to easily deploy, scale, and manage SAP Data Intelligence software and solutions. And containers are an open source technology so enterprises can rely on the community for continuous

## Flexibility and choice create more agile Organisations

We can clearly see today that global enterprises are shifting away from ageing physical infrastructures and the costs associated with combatting performance degradation, to a more agile, automated, software-led model. Momentum towards hybrid cloud, containers, and edge computing reflect an appetite for faster innovation AND a reliable, flexible environment that runs seamlessly across the enterprise.

CIOs need the flexibility to choose the technologies that enable them to simplify, modernise, and accelerate their operations when needed. Organisations that can successfully leverage these technologies will make IT a competitive advantage within their industry. Open source technologies offer an excellent option to realise those goals. ∎

# Taking the plunge in lockdown...

BY NEIL THOMAS

When I started the journey that led me to move organisations, I had many concerns on my mind. Am I the right fit? Do I have the required skills (come on, we all suffer with a bit of imposter syndrome, don't we!?) Do I really want to leave my existing role? Well, having mulled these and many other thoughts over I decided at the beginning of 2020 that the move was right. One question that hadn't crossed my mind at all was how I would come on board. Why would I? All companies need to do this for all employees and it is then a case of forging my network - easy peasy...

As life sometimes turns out, I was thrown a curveball as my start date was now in the midst of the most impactful pandemic in a century. I offered to push back my start date as I could see immediately the challenge in starting when I did, but my new organisation was keen for me to start, and so it happened.

I then carried the real concern of being completely unable to network and coffee chat to build my relationships; this worried me a lot. The basis of our business is in solid relationships and having mechanical calls over remote technology could lead to a poor start. This was not good!

Not only this, but a new employer, who doesn't know me, is now entrusting their newest asset to be productive with no evidence to support that be-

> " **No more, no less. And do you know what? It worked far better than face to face**

ing the case. One could argue that any 'new broom' unable to prove themselves, is a probation 'no' (I genuinely hope I haven't tempted fate!), but nonetheless, it played on my mind.

Day one arrived and it was crunch time.

My laptop turns up via a courier and I receive an email explaining the logon procedure. First result, I am in and the IT is working. Having navigated that challenge, my real worry is now manifest. How am I going to network and develop working relationships? The answer is far from exciting and I apologise now for leading you through nearly four hundred words to tell you that I used MSTeams. No more, no less. And do you know what? It worked far better than face to face. Why you may ask, well the introduction sessions I had were focussed and scheduled (and video) so both parties were committed to the connect. A passing hello in the office can mean several interactions before getting to content, but this was different. It has in fact worked perfectly! I feel embedded in the organisation because the time I have spent with others has been dedicated and focussed.

As with all stories there must be a moral and I have thought about this too, is it that we shouldn't worry about what we can't control? That's good actually, but better still, relationships are born out of humans interacting and being inclusive. Proximity does not need to be a factor in this and as such I needn't have worried. ∎

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Constellation's Business Transformation 150 (BT150) is an elite list that recognizes the top global executives leading business transformation efforts in their organizations. Nominations from peers, technology vendors, industry influencers, and analysts power this listing. The BT150 recognizes the world's most influential executives across a variety of industries, including entertainment, financial services, healthcare, higher education, pharmaceuticals, public sector, retail and sports, to name a few. Nominations from peers, industry influencers, technology vendors and analysts power the selection process each year.

**The selected executives enjoy substantive benefits and a private VIP invitation for membership to the Constellation Executive Network.**

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