THE MAGAZINE FOR ENTERPRISE APPLICATIONS AND ASSOCIATED TECHNOLOGIES

ERP TODAY

EPICOR ACQUISITION
EXCLUSIVE Q&A WITH STEVE MURPHY

CLOUD PLATFORMS
THE MULTI-CLOUD ERA IS HERE

VENDOR ANALYSIS
DIFFERENTIATION IN FOCUS

STACKS v SUITES
SYMBIOSIS KEY TO APPLICATION INTEGRATION

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SAP & THE ROMAN EMPIRE!

KEVIN SAMUELSON
THE TIME IS NOW

INFOR'S LONG GAME PAYS OFF AS SAAS UPTAKE SURGES

VOLUME 2 • ISSUE 6 • Q4 2020
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Editor's Words

This issue of ERP Today has been the most challenging to produce so far. But, as I put the finishing touches to our cover story and spent the last few days in the studio I came to a blinding realisation – we don't know the first thing about real challenges and we are blessed compared to many others.

When I say we, I am referring to everyone at ERP Today and the vast majority of our contributors, partners and customers. The simple fact is the enterprise tech sector has been very well insulated during the pandemic and most have prospered rather than perished. You only have to read the financial results that many of our partners have announced over the last six months to realise that far from being pushed to the brink of bankruptcy the majority of firms have reported record performance while the underlying need for businesses to modernise has given a huge boost to their order books.

Shops, theatres, cinemas, restaurants and thousands of small businesses have gone to the wall while millions of people face growing uncertainty as the furlough scheme comes to an end. Those fortunate enough to be employed by enterprise tech firms have fared considerably better. Big deals have been announced, huge investments have been committed and vendors and consultancies alike have flourished with burgeoning sales and accelerated momentum for their products and services.

We don't need to be embarrassed by this but we do need to do something to pay back into society and help those who have suffered the most.

So how can we do this?

ERP Today is spearheading a campaign to raise money for the **NHS COVID-19 Urgent Appeal** – and we need your help to do this. Our awards event which should have been hosted just this week has been scrapped in favour of a summer fundraiser in 2021 where all proceeds will go directly to help those who have been most impacted by the menace of this unwelcome pandemic.

I am making a personal commitment to donate 25 percent of any profits we make in the magazine during 2021 to the cause and every penny that is generated by the fundraiser will go directly to **NHS Charities Together**. I realise it's a bold plan to organise a large-scale event and of course, there are several caveats in place which could affect our ability to pull this off in June, but we are committed to doing whatever is possible to pay back and support those who have given so much and allowed us to continue our lives relatively unaffected.

I know that many firms are already doing their bit - but it's not enough. The whole community needs to stand up and be counted with a co-ordinated approach and meaningful action. Our campaign will bring together many of the world's most powerful tech brands to act as one in recognising and supporting those who have been on the frontline.

There is an overdue opportunity for the ERP sector to come together and do something that it can be really proud of. I hope you are with us. Please read my extended notes on pages 52 and 53 and let us know what you can do to help.

Paul

SUMMER
2021

FUNDRAISER ASCOT RACECOURSE

ERP TODAY + PARTNERS

PRESENT

FUNDRAISER ASCOT RACECOURSE

ERP TODAY AND ITS PARTNERS are proud to announce details of our first annual fundraiser to be held at Ascot Racecourse in the summer of 2021*. For the first time, the ERP community will come together and act as one for the benefit of a worthwhile charity. It goes without saying that the inaugural beneficiary will be the NHS COVID-19 Urgent Appeal.

*ASCOT RACECOURSE HAVE VERY KINDLY AGREED TO OFFER TWO ALTERNATE DATES IN SEPTEMBER IF THE ORIGINAL DATE IS UNVIABLE DUE TO COVID RESTRICTIONS.

RESPONSIBLY SOURCED FOOD AND DRINKS PACKAGES

A SUMMER GARDEN PARTY in the splendour of Ascot Racecourse with a programme of competitive events, fun activities and entertainment in aid of the NHS COVID-19 Urgent Appeal. ALL funds raised will go directly to the charity.

Team and individual prizes on the day.

- Tug-of-War
- 100m relay
- Bake-off
- F1 simulator
- Assault course
- Clay shooting
- Archery
- Penalty shoot out
- Crystal maze
- and much more....

COVID-19 URGENT APPEAL

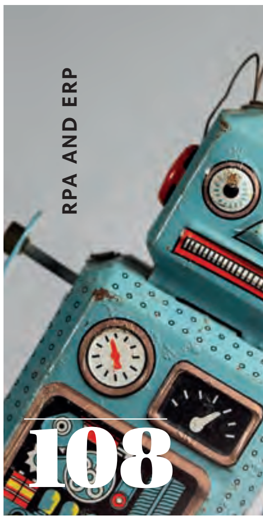
NHS CHARITIES TOGETHER

ERP TODAY

NHS Charities Together (registered charity no. 1186569)

Contents

Q4 2020



Articles

CONSULTING AND COVID

118

42

Cover story

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Snowflake
lands biggest software IPO ever

Snowflake has gone public in the largest software initial public offering (IPO) on record. Backed by **Berkshire Hathaway** and **Salesforce** - both of which bought shares in a private placement, the cloud data platform raised $3.36bn in the IPO and was valued at roughly $70bn. This was a staggering valuation for a company that only turned sales of $242m in the last six months and reported a significant loss. It also marked an unusual foray for Berkshire Hathaway which usually invests in established and profitable businesses. Salesforce's backing was more to form as it gives SFDC a new tool with which to compete against **Amazon**, **Microsoft** and **Google**.

Snowflake's stock opened at $245 for 3.5 million shares, making the first trade 104.2 percent above the initial IPO price of $120. At the opening price of $245 per share, the company's valuation reached more than five times the private-market valuation of $12.4bn that it received in February.

The data cloud firm only set up in 2012 and has grown rapidly. It now employs more than 2,000 people in 19 countries and manages more than 250PB of data across more than 500 million daily workloads. It boasts more than 3,000 customers – double the number it had 12 months ago – including more than 150 of the Fortune 500.

Data, as we all know, is fast becoming the high-value currency for all enterprises and harnessing that data in a cloud data platform seems like an obvious win. Snowflake is being heralded as one of the 'unicorns' of the cloud revolution and its backers have bet big that it can continue its trajectory.

Snowflake's proposition is particularly interesting because it forges a direct relationship with its customers whereas the main cloud platform providers, the likes of AWS and Azure, are often viewed as commoditised purchases. Leveraging the customer relationship will be critical to Snowflake's continued success. How it does that while maintaining its relationships with the big three cloud platforms – Snowflake is delivered on top of the main cloud infrastructure layer – will be interesting to watch.

When ERP Today spoke to Benoit Dageville, co-founder of Snowflake, we were told: "The IPO is a validation of our initial vision, enabling customers to mobilise their data and gain deeper insights from it for a 360 view. This is just a milestone in our road, and it's a long road. Becoming a public company will help us reach the next milestone, building Snowflake into the world's largest cloud company."

Read more about Snowflake in the next issue of ERP Today, out Feb 2021.

NewsDeals&Wins

Unit4 and Embridge Consulting triumph in public sector

EMMA O'BRIAN / CEO OF EMBRIDGE CONSULTING

Continuing its ongoing success in the public sector, **Unit4** has won a £30m ERP deal with **Surrey County Council** for an initial term of seven years with a 15 year life. The company will deploy its People Experience Suite with the support of its implementation partner, **Embridge Consulting**.

Comprising ERP, financial planning, analytics, and human capital management software, the platform also includes **Proactis** supplier management SaaS solutions, while a HR and payroll bureau service will be delivered to approximately 36,000 external users.

Unit4 will work with Embridge Consulting to deliver the programme to Surrey County Council, with the partnership continuing to support a growing number of UK authorities with their digital transformation.

Cherwell District Council, recently chose Unit4 ERP to help it take a performance management approach to budgets and finances, while **North Lincolnshire Council** and **North East Lincolnshire Council** will also benefit from Unit4's latest SaaS ERP via a single shared system.

Several other councils are already using Unit4 software, including **Herefordshire Council** and **Rutland County Council**.

James Arvin, public sector sales director at Unit4, said: "Partnering with Embridge Consulting has cemented our long-standing position as the market leader for ERP solutions to UK local government and we are proud to be part of such a transformative project. It is great to know our solutions are connecting, informing, and engaging teams and stakeholders effectively and efficiently."

Fujitsu and SNP sign global partnership agreement

Fujitsu Ltd and **Schneider-Neureither & Partner SE** (SNP) have signed a global partnership agreement to accelerate **SAP** S/4HANA conversions through the Bluefield approach.

The deadline for the maintenance cut-off for SAP ECC 6 is approaching, and existing SAP users are advised to complete the conversion to S/4HANA and move to the next-generation ERP platform.

Under the partnership, SNP will provide the technical know-how of its Bluefield approach to Fujitsu to perform S/4HANA conversion and data transformation projects. Fujitsu will also resell licenses of CrystalBridge, the data transformation software platform of SNP, which consists of modules that automate the analysis, data transition and tests.

Michael Eberhardt, SNP chief operating officer, said: "We are excited to partner with Fujitsu given their global presence and professionalism, their leading technical approach, and their strong industry capabilities. This partnership underpins the fact that our software and partner-centric strategy resonates well with the increasing market demand for automated software-based data transformations."

Shunsuke Onishi, Fujitsu corporate executive officer, head of private enterprise business and head of global services business group, said: "Leveraging SNP's technology with a strong global partnership will position Fujitsu to achieve optimal business infrastructure reform and modernisation utilising SAP's solutions, which represent the de facto standard for enterprise applications. This move will also allow us to accelerate structural reforms for growth including mergers, integration, and carve-outs."

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NHS COVID-19 APP

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ORACLE SELECTED AS UK MoD CLOUD PROVIDER

Oracle has announced that Defence Digital, the UK Ministry of Defence's technology arm, has added it to its list of assured public cloud providers.

Defence Digital oversees the deployment of IT tools and services to members of the military as well as providing the UK's defence community with access to certified and assured private and public cloud services.

Oracle is now approved to process and store data for the UK defence community, with its flexible hybrid cloud infrastructure enabling the choice and scale of technologies to manage data in a highly compliant environment.

Richard Petley, Oracle UK senior vice president and country leader, said: "By adopting Oracle Cloud Infrastructure, the Ministry of Defence will be one step closer to realising its wider transformation strategy. The MoD will capitalise on the choice and economic benefits Oracle Cloud Infrastructure can provide, all of which will help meet challenges that lie ahead."

SUSE REPORTS STRONG Q3 RESULTS

SUSE has announced strong results for its third quarter, with the company reporting a 14 percent increase in revenue year on year and an 81 percent leap in cloud annual contract value (ACV) bookings, marking 14 consecutive quarters of year on year cloud ACV increase.

Other Q3 business highlights for SUSE include a 35 percent increase year to date in customer deals worth more than $1m, and a 50 percent jump in ACV bookings year on year for SUSE Linux Enterprise Server for SAP Applications.

Melissa Di Donato, SUSE CEO, said: "SUSE continues to deliver value as a partner, community member and provider of transformational technology solutions. Our ongoing growth reflects our dedication to customer satisfaction as well as SUSE's strong business model and resilience as a company."

ACCENTURE RESULTS MEET EXPECTATIONS

Sitting at the midpoint of the company's guided range of $10.6bn to 11bn, **Accenture**'s revenues for the fourth quarter of fiscal 2020 decreased 2 percent to $10.84bn in comparison with the fourth quarter of fiscal 2019.

Operating income for Q4 was $1.54bn, or 14.3 percent of revenues, compared with $1.57bn for the fourth quarter of fiscal 2019.

Accenture also shared strong full year fiscal 2020 results, with the company reporting revenues of $44.3bn, up 3 percent in comparison to $43.2bn last year.

Operating income was $6.51bn, or 14.7 percent of revenues, compared with $6.31bn in fiscal 2019, and the company achieved a record $49.6bn in new bookings for the full year.

Julie Sweet, Accenture's chief executive officer, said, "Accenture's fiscal 2020 results demonstrate the relevance of our growth strategy, the resilience of our business and our people, and the power of our relationships with the world's leading companies and ecosystem partners.

As we turn the page to fiscal 2021, we are better positioned than ever to continue gaining market share and delivering tangible value for our clients."


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A CIRCULAR ECONOMY
As the world faces an unprecedented resource crisis, the move to an interconnected, circular economy is key to protecting our planet, its species, and our collective prosperity. SAP is ready to help lead this charge.
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Deloitte acquisition is 'key' to stronger SAP capabilities

Deloitte has acquired **Keytree** in a move to strengthen the company's **SAP** and cloud transformation capabilities and reinforce its close-to-market geographic presence.

The acquisition will create the largest SAP-enabled transformation practice in the UK and one of the largest in Europe, positioning Deloitte to expand its capacity to support clients worldwide with their digital transformation programme.

Richard Houston, senior partner and chief executive of Deloitte North and South Europe and Deloitte UK, said: "Organisations of every size need to find new ways to thrive post COVID-19 and digital transformation programmes will be right at the heart of this. Bringing together our scale and Keytree's capabilities will help our clients to ensure their critical programmess support their long-term success."

Tim Kyle, managing director of Keytree, added: "By working together in the future, we will be in a position to deliver solutions for our customers that will overcome significant business challenges, drive digital innovation and continue our commitment to positively impact the communities in which we operate."

REVOLVING DOOR SWINGS AGAIN AT SAP

SAP has appointed Michiel Verhoeven to the role of UK&I MD following the departure of Jens Amail after just over two years in the role. Previous to that, Mike Slater left the same role in 2018 to join Unit4 and before that, Cormac Watters moved on to Infor after a three year stint.

It would be a stretch to describe the top job as a poisoned chalice, but Verhoeven must have had mixed feelings when he was offered the role having seen the previous three MDs last less than three years.

We approached SAP for comment but was told Verhoeven 'wasn't quite ready' to talk to the press. We hope to be able to report what the new leadership role will mean for SAP customers in the next issue.

BLUE PRISM DIGITAL WORKERS LIBERATE NHS STAFF

Five more NHS Trusts have chosen the **Blue Prism Cloud** intelligent automation platform to provide the foundation for better managing operational demand and improving overall patient care.

In recent months, NHS Foundation Trusts including **Royal Surrey**, **Gateshead Health**, **County Durham and Darlington**, **Alder Hey Children's Hospital** and **Blackpool Teaching Hospitals** have all adopted Blue Prism's AI-powered digital workforce.

They join more than 52 UK trusts and healthcare organisations that are increasingly using Blue Prism's digital workers to reduce inefficiencies, generate new care opportunities, further improve the patient experience, and reduce clinical risk. At the same time, these organisations are liberating more NHS staff to focus on performing frontline care.

Terry Walby, chief executive of Blue Prism Cloud, added: "The pace of innovation and change that we're now seeing across the NHS is staggering. We're proud to be providing the unifying technological capability that's helping enable this work transformation to be accelerated across the NHS. What's even more amazing is this is just the start of the journey."

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EPICOR SOLD TO CLAYTON, DUBILIER & RICE

Epicor Software Corporation has been sold by **KKR** to private equity firm, **Clayton, Dubilier & Rice** (CD&R), in a deal valued at $4.7bn.

CD&R is now the third private equity firm to take ownership of Epicor over the last decade.

Over the past four years under KKR's ownership, Epicor CEO Steve Murphy has driven growth through a combination of organic investments and strategic acquisitions. A series of new product releases led to a revenue mix comprising 73 percent recurring revenue.

Steve Murphy will continue to lead the company under CD&R. ERP Today asked Murphy if the new ownership structure would allow Epicor more flexibility and reach in the M&A market, and he said: "The great thing about our new partnership with CD&R is not only that they share our vision for future growth, but that they have a keen understanding of the industries we serve, who our customers are, and what our customers need. In fact, I'm thrilled that many of the companies in the CD&R portfolio are already Epicor customers. We both have a passion for the essential industrial and retail businesses that keep the economy moving. When it comes to acquisitions, we are of the same mind – we are accelerating into the future in a way that will stay true to who we are, but also best position us so we can serve our customers with innovative, industry-specific solutions that are best-in-class."

We also asked Mark Hughes, regional vice president UK&I at Epicor, if the deal would change Epicor's sales strategy and allow them to aggressively look for new customers, he said: "The CD&R acquisition is indeed exciting news for Epicor, as they share our vision of growth for the future. We love our customers, and we have many of them in the UK who have been with us for a long time, as well as great new customers who have just joined us, including Barrett Steel. This new partnership with CD&R offers the opportunity for us to further innovate on our customers' behalf, to keep our peers on their toes through our fierce competition, and communicating our wins and successes on a wider scale."

Automation Anywhere bots find time for DVT

DVT has partnered with **Automation Anywhere** to empower its customers with robotic process automation (RPA) 'software bots', enabling them to automate their business processes end-to-end and free up business users to do higher value tasks.

Applying Automation Anywhere's comprehensive RPA toolkit will provide the company with the full benefit of RPA without needing extensive technical skills or experience.

Futhi Luthango, practice head of AI, data and analytics at DVT, said: "Automation Anywhere gives our clients all the tools they need to create an end-to-end RPA system without needing any third-party tools or applications. Their tools are cloud based, so companies can scale up quickly and easily."

Milan Sheth, EVP-IMEA at Automation Anywhere, explained: "Several business processes in an organisation still rely on human intervention to conclude repetitive and mundane tasks. Implementing intelligent automation helps companies to effectively deploy human resources to do insightful and creative jobs while 'bots' can take over mundane and repetitive tasks."

CrystalBridge® Cloud Move for Azure

Accelerating the migration of SAP® landscapes to the cloud.

CrystalBridge® Cloud Move for Azure allows companies to analyse their SAP® landscapes and automate their deployment to the Microsoft Azure cloud.

Ocado Group has selected Oracle Fusion Cloud

Ocado Group has selected **Oracle Fusion Cloud** to help support its transformation as it continues to expand into new international markets and industry verticals.

A pioneer in online grocery shopping, Ocado is one of the leading technology partners for retail organisations. It has recently struck a new long term deal with **M&S** after an 18 year relationship with **Waitrose**, and outside of the UK, it continues to break new ground with customers in the US, Canada and Asia.

With Oracle Cloud ERP, Ocado will be able to quickly and efficiently adapt to changing customer needs by taking advantage of a scalable and flexible business platform that can support its immediate and long-term growth.

Duncan Tatton-Brown, chief financial officer, Ocado Group, said: "As we help our clients, some of the world's most forward-thinking retailers, rethink their online strategy, we also need to consider how we can use better solutions within our own business to adapt to the changing economic environment and support our future growth."

Debbie Green, vice president, applications, Oracle UK, also commented: "Ocado were years ahead with their focus on technology to lead the retail experience, they were in a great position to deal with recent industry disruptions. By moving financial management to Oracle Cloud ERP, the Ocado team will be able to significantly improve the efficiency and accuracy of business processes, which in turn will help them capitalise on new opportunities and stay ahead of the competition."

ACCENTURE PUTS CLOUD FIRST WITH $3BN INVESTMENT

Accenture has announced the launch of Accenture Cloud First, with plans to invest $3bn over three years to help clients to accelerate their digital transformation projects and become 'cloud first' businesses.

Led by Karthik Narain, the new multi-service group will comprise 70,000 cloud professionals and will combine Accenture's cloud expertise and industry insights with its data and applied intelligence capabilities.

Julie Sweet, Accenture CEO, said: "Accenture Cloud First and our substantial investment demonstrate our commitment to delivering greater value to our clients when they need it most. Digital transformation requires cloud at scale, and post-COVID leadership requires that every business become a 'cloud first' business."

WORKDAY REPORT HIGHLIGHTS URGENT NEED TO TRANSFORM

Workday's annual CFO Indicator Survey, has revealed a direct link between finance transformation and agile business practices, better decision-making, and more efficient reporting, planning, and financial operations.

The research, conducted during the pandemic, revealed that while nearly half of CFOs have not completed any transformation initiatives in finance, 34 percent expected to prioritise it within one year. The 54 percent of CFOs who had implemented some transformation initiatives consistently perform better on agility, enhanced insights, and improved efficacy.

Michael Magaro, senior vice president, business finance and investor relations at Workday, said: "This survey validates CFOs' shifting priorities as they look to a combination of new skills and technologies to give them greater visibility and agility. And, while finance has been slower to embrace digital transformation, it's clear the pandemic has become both a catalyst and imperative for change."

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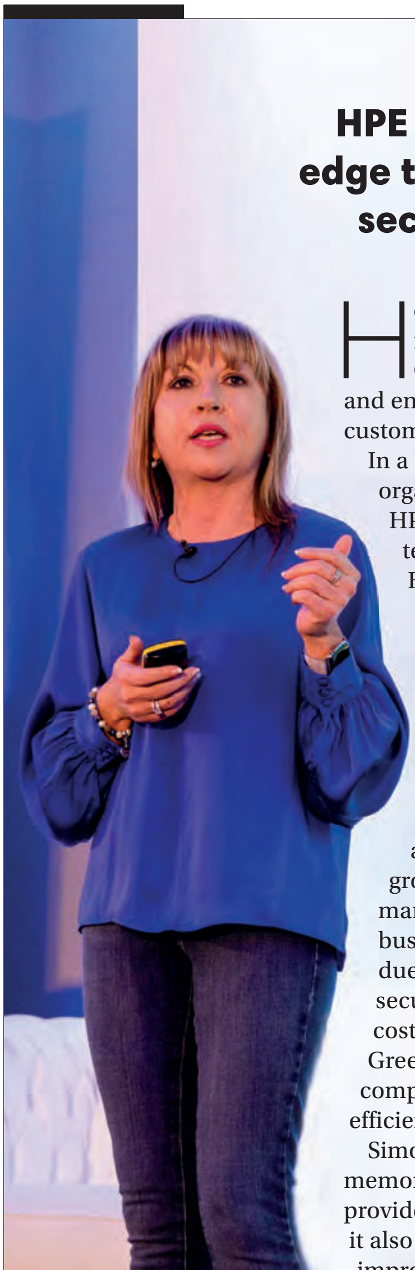

HPE and UK government edge towards deal on public sector transformation

Hewlett Packard Enterprise (HPE) has signed a memorandum of understanding (MOU) with **UK Crown Commercial Service (CCS)** to simplify and enhance the cloud experience for public sector customers.

In a bid to bring efficiency to UK public sector, organisations can now take full advantage of HPE's comprehensive portfolio of edge to cloud technology solutions provided by HPE and via HPE's authorised partners.

The agreement, which was signed as part of the One Government Cloud Strategy, will enable public sector organisations to bring a pay per use cloud experience to their applications and data, at the edge or in the data centre, with HPE GreenLake cloud services.

Sue Preston, vice president & GM UK&I at HPE Pointnext Services, said: "Despite the growth of cloud strategies in the public sector, many organisations have struggled to move business critical applications to the public cloud due to application entanglement, data gravity, security and compliance, and unpredictable costs. By leveraging HPE technologies, like HPE GreenLake, public sector organisations can reduce complexity, boost innovation, and bring cost efficiency to their digital transformation efforts."

Simon Tse, chief executive of CCS, added: "This memorandum of understanding with HPE not only provides great value for public sector organisations, it also allows them to innovate more readily and improve services for the citizens they serve."

BETTER-THAN-EXPECTED RESULTS FOR CORNERSTONE ONDEMAND

Cornerstone OnDemand has announced its Q2 2020 results which follow its acquisition of **Saba**, a talent management software solutions provider, for nearly $1.4bn in April 2020.

Cornerstone's Q2 2020 result showed total revenue increased by 30 percent year on year to $184.4m, subscription revenue increased by 33.7 percent year on year to $177.2m, and operating loss was $22.4m compared to a loss of $3.6m in the same period last year.

Cornerstone OnDemand chief executive officer, Phil Saunders, said: "Q2 was one of the most important quarters in Cornerstone history, as the acquisition of Saba was completed and we began operating as one integrated company, while delivering strong results. We are now embarking on a brand-new chapter in Cornerstone, and we've already started the transformation from a great company into a great business."

Microsoft cloud strength drives fourth quarter results

Microsoft has reported a strong Q4, boosted by commercial cloud revenue, which surpassed $50bn for the first time this year. All three of the company's operating groups saw year on year growth.

Microsoft's fourth quarter results showed that total revenue increased by 13 percent to $38bn, net income decreased 15 percent (GAAP) to $11.2bn, and operating profit increased by 8 percent to $13.4bn.

Satya Nadella, Microsoft chief executive officer said: "The last five months have made it clear that tech intensity is the key to business resilience. Organisations that build their own digital capability will recover faster and emerge from this crisis stronger. We are the only company with an integrated, modern technology stack – powered by cloud and AI and underpinned by security and compliance – to help every organisation transform and reimagine how they meet customer needs."


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NewsDeals&Wins

Standard Chartered banks on Microsoft

As technology continues to reshape the banking industry, **Standard Chartered Bank** and **Microsoft** have announced a three-year strategic partnership to accelerate the bank's digital transformation through a cloud-first strategy.

Leveraging **Azure** as a preferred cloud platform, the companies will co-innovate in open banking and real-time payments to help unlock new banking experiences for clients with the ambition of making banking simpler, faster, and more convenient.

The bank will adopt a multi-cloud approach as part of its digital transformation where significant applications, including its core banking and trading systems along with new digital ventures such as virtual banking and banking-as-a-service, will be cloud-based by 2025.

By being digital-first, Standard Chartered hopes to meet the demand for seamless virtual banking and make banking more accessible to people across its network.

Michael Gorriz, group chief information officer of Standard Chartered, said: "Using cloud services improves our ability to be agile and innovative, while increasing our operational efficiency and resilience. As disruption in the financial industry continues, we can focus on client benefits by deploying our solutions quicker and allowing for faster integration of new business models and partners."

Bill Borden, corporate vice president of worldwide financial services at Microsoft, added: "Cloud computing enables financial institutions to gain the agility they need to respond to competitive pressures, regulatory environments and customer demand. We are committed to helping Standard Chartered in its ongoing digital transformation journey as it strives to address evolving customer needs and build the next generation of banking experiences."

GOOD VIBES FROM WORKDAY

Workday has announced two new offerings, VIBE Central and VIBE Index, to help HR leaders advance belonging and diversity (B&D) initiatives and better 'VIBE'-value, inclusion, belonging, and equity-within the workplace.

VIBE Central provides a centralised foundation for companies to assess, measure, benchmark, and manage diversity and representation in their workforce.

With VIBE Index, Workday delivers a comprehensive B&D index that allows HR leaders to create a tailored plan aimed at driving positive outcomes.

Carin Taylor, chief diversity officer at Workday, said: "Every diversity leader faces the huge task of building and fostering a diverse and inclusive workplace, but they need deeper insights than what is offered in products today to do this effectively. "Data-driven technologies are critical in measuring and tracking belonging, equity, diversity, and inclusion to help us better understand and improve the experiences of all demographics. Innovative solutions like VIBE Central and VIBE Index will help drive the successes we want to achieve as we strive to create a more equitable workplace."

Paul Struthers appointed to lead Sage in UK&I

Sage has appointed Paul Struthers as EVP and managing director, UK & Ireland. He takes the helm of Sage's 2000 strong UK and Ireland team from Sabby Gill, who is leaving the company to take on a new role.

With over 20 years of technology leadership experience at Sage, **Amdocs** and **RSA**, Struthers previously led Sage's global medium segment team and before that was the managing director of the company's Canadian business. He will be moving to the UK from his native Toronto to join the UK and Ireland team.

Commenting on his appointment, Struthers said: "Over the past couple of years, under Sabby's leadership, the UK and Ireland business has gone from strength to strength. As we move into a new era for our business, our technology and our industry, it's a privilege to be a part of the journey."

Lee Perkins, chief operating officer at Sage, added: "Now, more than ever, we have a responsibility to help small and medium sized businesses across the UK and Ireland with the right solutions and the right advice.

"Paul has a fantastic track record of helping our customers, colleagues and partners succeed. As we embark on our new financial year, I know he will help us on our mission to become a great SaaS company in our home market."

SAP RESILIENT AMID COVID-19 CRISIS

SAP has reported its Q2 and half-year results which show a sharp increase in operating and free cash flow and a cloud backlog that is up by 21 percent to €6.65bn.

SAP's half-year results showed total revenue (IFRS) increased by 2 percent to €13.26bn, cloud revenues (IFRS) increased by 21 percent to €4.05bn, and operating profit increased by more than 100 percent to €2.49bn.

Christian Klein, SAP CEO said: "This quarter demonstrated that our intelligent enterprise strategy clearly resonates with customers around the world. More than ever, the pandemic has proven that digitalisation is no longer an option but a must-have to withstand challenging times and to achieve desired business outcomes. We will continue to invest in innovative offerings for our customers to drive business transformations and run complex business processes. We also aim to expand the eco-system on our business technology platform to complement our solutions and foster growth."

ALTERYX AND UiPATH FUSE RPA AND APA CAPABILITIES IN NEW PARTNERSHIP

Alteryx and **UiPath** have announced a strategic partnership to accelerate and simplify end-to-end automation across data-driven business processes.

Demonstrating the benefits of analytic process automation (APA) and robotic process automation (RPA) when they work together, UiPath and Alteryx offer a solution that allows business leaders to increase operational efficiency and automate time-to-insight.

Dean Stoecker, co-founder and CEO of Alteryx, commented: "Businesses now have a heightened urgency to digitally transform, creating an avenue for humans and machines to work together as a means of amplifying intelligence and driving remarkable outcomes."

Daniel Dines, UiPath co-founder and CEO, added: "By combining our leading hyperautomation platform with the full range of Alteryx's code-free and code-friendly platform approach, companies can now fully unlock the opportunities of enterprise-grade automation and worker productivity and creativity while embracing the digital transformation process."


TECH TELL YOU WHAT THEY REALLY THINK,
Live!

Workday appoints co-CEO

Chano Fernandez has been promoted to co-CEO at **Workday**, joining the company's co-founder, Aneel Bhusri, who was previously sole CEO.

Fernandez joined Workday in 2014 and has held several leadership roles within the organisation, including president of Europe, the Middle East and Africa (EMEA), and Asia-Pacific and Japan (APJ). He was most recently co-president of Workday, responsible for global field operations and strategic partner alliances.

Under the co-CEO model, Bhusri will oversee product and technologies as well as corporate functions, including the offices for HR, finance, and operations, while Fernandez' new role will expand his current responsibilities to include the entire customer relationship, from acquisition to customer services.

Commenting on the appointment, Bhusri said: "Chano lives our values, has a proven track record of success, and a passion for empowering our people, customers, and the broader Workday community. I'm proud to partner with him as we help our customers succeed in this world of constant change."

Fernandez added: "Joining Workday, I knew I was part of something special - a company built on a set of core values of employees, customer success, and innovation, among others. I couldn't be more honoured to join Aneel as co-CEO as we continue to deliver on the great opportunity ahead of us."

Leadership shake-up at Microsoft

Microsoft UK has announced a number of moves in its leadership team including that its current chief operating officer, Clare Barclay, will become chief executive officer.

Barclay has worked at Microsoft for 22 years across a number of sales, marketing and strategy leadership roles. As CEO, she will now be responsible for all of Microsoft's commercial product, service and support offerings in the UK, and for continuing the company's growth in the new era of the intelligent cloud and the intelligent edge.

Barclay steps into the shoes of Cindy Rose, who will become president for Microsoft's business across Western Europe, succeeding Vahé Torossian, who will lead Microsoft's business applications division at the company's headquarters in Redmond, Washington.

Commenting on Barclay's appointment, Ralph Haupter, president EMEA at Microsoft, said: "I could not be more delighted that Clare is stepping up to lead Microsoft in the UK. She brings deep insight to our customers' and partners' needs as well as exceptional leadership qualities, having repeatedly built high-performing teams across Microsoft.

"I am also delighted by Cindy's appointment to lead our business in Western Europe. Her success in leading the UK over the last four years is built on her laser focus on doing the right thing for all our customers, bringing the best of Microsoft together to meet their needs and building an inclusive and healthy culture. I look forward to her bringing these qualities to her new role."

Microsoft has also selected Gavin Jackson, former CEO of EMEA for UiPath, as its managing director of Microsoft UK's enterprise commercial business.

Prior to **UiPath**, Jackson spent more than four years at **Amazon Web Services**, where he oversaw its UK and EU operations. He was responsible for leading teams and implementing strategic initiatives that helped customers adopt a cloud-first strategy as part of their digital transformation journey.

He said: "I am excited to join Microsoft, whose cloud business has gone from strength to strength in the UK, thanks to a reputation for supporting businesses on their digital transformation journeys. I look forward to working with this world-class team to take the commercial business to the next level."

Cloud at the pinnacle of Acumatica expansion

Acumatica is coming to the UK and **Pinnacle**, an established mid-tier business and solutions consultancy, will lead the sales and implementation effort. Acumatica Cloud ERP is now available in a UK data centre and its latest 2020 R2 update has introduced several new and exciting features which will play well with UK manufacturers, distributers, retailers and service-orientated businesses.
Acumatica is a full service ERP SaaS solution that offers a genuine cloud and mobile experience coupled with some unique differentiations.
Jon Roskill, Acumatica CEO, said: "There is strong interest in ERP delivered over the cloud in the UK but the market is very fragmented with a large variety of legacy ERP vendors. The demand from prospective customers and partners for a cloud-based Acumatica product was quite clear, even overwhelming."
The latest generation of its applications carries a host of new features which are powered by embedded AI and ML. The refresh also delivers a new integration to **Shopify** which makes it easy to connect to leading eCommerce applications.
Roskill added: "With so many businesses operating from remote locations and home offices, it's more important than ever to have a single source of business truth that is accessible to anyone, anytime, from anywhere, which can also integrate easily with mission-critical applications such as Shopify or new requirements such as video conferencing or group chat."
You can read more on Acumatica in the next issue of ERP Today or tune in on the ERP Today Live! channel in December to hear first-hand how they plan to impact the UK market.

Salesforce achieves near-record quarter

Salesforce has delivered its Q2 fiscal 2021 results and has raised its revenue guidance for the full year to a range of $20.7bn to $20.8bn, an increase of approximately 21 to 22 percent year-on-year.
Salesforce's Q2 fiscal 2021 result showed total revenue increased by 29 percent year-on-year to $5.15bn, subscription and support revenues increased by 29 percent year-on-year to $4.84bn, and GAAP diluted earnings per share were $2.85.
Marc Benioff, Salesforce chair and CEO said: "It's humbling to have had one of the best quarters in Salesforce's history against the backdrop of multiple crises seriously affecting our communities around the world. Salesforce was founded on our belief in stakeholder capitalism and our core values of trust, customer success, innovation and equality. Our success in the quarter brought all of this together with the power of our Customer 360 platform, the resilience of our business model, putting our customers first and doing our part to take care of all of our stakeholders. We know that together we have an opportunity to emerge from these times even stronger."

ACCENTURE APPOINTS NEW LEADER FOR UK&I

Simon Eaves has been appointed managing director of **Accenture UK&I** and will take up his post on 1st January 2021.

Eaves is a 20-year veteran of Accenture and was group chief executive of Accenture's products organisation, serving clients in the consumer goods, retail and travel services; industrial; and life sciences industries. Most recently, he served as chief strategy officer, driving the evolution of Accenture's industry points of view on COVID-19 and its global ventures and acquisitions strategy.

When ERP Today spoke to Eaves, he said: "I am deeply honoured and excited to be taking on this role. Olly has been an outstanding leader over the past nine years, steering the UK & Ireland business with an unwavering commitment to our people, clients and community. I look forward to building on this from January onwards, helping our people create value for our clients as they embrace the significant change taking place in our world."

Outgoing MD, Olly Benzecry, will continue as chairman until he retires at the end of August 2021.

Julie Sweet, CEO, said: "I am grateful to Olly for the tremendous impact he has made in his 28 years at Accenture as a force in our business, a role model for our people and a committed advocate for our communities, most recently as he led the announcement of our ethnicity goals in the UK. As Simon assumes overall leadership of our business in the UK and Ireland, I'm confident that his seasoned expertise and commitment to our people and workplace equality will strengthen and grow Accenture in this critical market."

IBM'S DECLINING REVENUE OFFSET BY STRONG CLOUD PERFORMANCE

IBM's second quarter results suggest economic recovery may take longer than the company originally hoped for as revenue continues to dip, though there was a substantial rise in cloud revenue.

IBM's Q2 results showed total revenue decreased by 5.4 percent to $18.1bn, total cloud revenue increased by 30 percent to $6.3bn, and **Red Hat** revenue was up by 17 percent.

Arvind Krishna, chief executive officer at IBM, said: "Our clients see the value of IBM's hybrid cloud platform, based on open technologies, at a time of unprecedented business disruption. We are committed to building, with a growing ecosystem of partners, an enduring hybrid cloud platform that will serve as a powerful catalyst for innovation for our clients and the world."

Solid set of results for Workday

Workday has reported a strong fiscal 2021 Q2 and has raised its subscription revenue guidance for the full year to a range of $3.73bn to $3.74bn as a result.

Workday's fiscal 2021 Q2 results showed that total revenue increased 19.6 percent year-on-year to $1.06bn, subscription revenue increased 23.1 percent year-on-year to $931.7m, and operating loss was $16.8m compared to a loss of $122.5m in the same period last year.

Aneel Bhusri, Workday co-founder and co-CEO said: "It was a strong quarter despite the environment, with continued demand for our products as more organisations realise how mission critical cloud-based systems are in supporting their people and businesses through continuous change. As we navigate this unique time, we will continue to deliver new solutions that extend the power of Workday to help customers make more informed people and finance decisions, including how to safely return to work."

NewsDeals&Wins

IBM fizzes with new cloud and open source deal

Coca-Cola European Partners (CCEP) has signed a multi-year agreement with **IBM** to accelerate its transformation to an open hybrid cloud environment using **Red Hat OpenShift** and **Red Hat Enterprise Linux**.
IBM Services will help transform CCEP to an IBM hybrid cloud environment, managed by IBM, which includes the use of the company's public cloud and several large **SAP** workloads.
With the streamlining of existing IT infrastructure being a key priority for CCEP, IBM will provide CCEP with a consolidated view and single point of control, using Red Hat Enterprise Linux to deliver an open standard platform. A cornerstone of this transition will be Red Hat OpenShift, which will allow CCEP to build mission-critical applications once and run them on IBM public cloud.

"IBM is excited to take CCEP on this next chapter of their cloud journey, delivering on an industry-specific solution as they migrate mission critical workloads to the cloud," said Howard Boville, senior vice president at IBM Cloud. "By selecting IBM for its hybrid cloud environment, CCEP is embarking on a journey towards an open and secure cloud architecture driving greater digital advancement."
Peter Brickley, chief information officer of CCEP, added: "Our successful collaboration with IBM over the last few years has given us the confidence to take the next step in our strategic cloud-first digital transformation. The selection of IBM's hybrid cloud architecture with Red Hat OpenShift gives us the flexibility to optimise across different public cloud platforms according to our future needs."

REVENUE ZOOMS BACK UP FOR ORACLE

Following a disappointing dip in revenue in its previous quarter, **Oracle** has announced positive Q1 results. The company's SaaS numbers continue to perform well, with Fusion ERP up 33 percent and NetSuite ERP up 23 percent.
Oracle's fiscal 2021 Q1 results showed total revenue increased two percent to $9.4bn, net income increased five percent to $2.3bn, and operating income increased 12 percent to $3.2bn.
Safra Catz, Oracle CEO, said: "We now have 7,300 Fusion ERP customers and 23,000 NetSuite ERP customers in the Oracle Cloud. Our infrastructure businesses are also growing rapidly as revenue from **Zoom** more than doubled from Q4 last year to Q1 in this year. I have a high level of confidence that our revenue will accelerate as we move on past COVID-19."

SERVICENOW SUBSCRIPTION REVENUES UP 30 PERCENT

ServiceNow has released financial results for the quarter, with subscription revenues of $1bn in Q2 2020 representing 30 percent year-on-year growth.
ServiceNow's second quarter results showed that the company achieved $4bn subscription revenues annual run rate and closed 40 transactions with more than $1m in net new annual contract value (ACV), including two transactions over $10m. It now has 964 total customers with over $1m in ACV.
Bill McDermott, ServiceNow CEO, said: "ServiceNow is leading the workflow revolution, proven by our very strong Q2 result. Businesses need to rapidly digitise workflows to deliver great experiences for their customers, employees, and partners. We are the strategic workflow authority helping our customers solve once in a generation challenges and capitalise on the immense opportunities of digital transformation."

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SWEET DEAL FOR INFOR

Cloetta, a leading confectionery company in Northern Europe, has selected **Infor CloudSuite Food & Beverage** to support its digital transformation and drive innovation. Having been an Infor M3 customer for many years, Cloetta selected Infor CloudSuite Food & Beverage for its deep industry functionality which supports aspects such as quality control, recipe management, and traceability.

Marcel Koks, Infor industry & solution strategy director for food & beverage, said: “Digitalisation is undoubtedly a crucial lever in gaining market share. Infor’s micro-vertical focus is designed to put capabilities that address issues specific to a given industry -whether that is processes, compliance, standards, KPIs or fulfilment models- into the hands of micro-vertical companies such as Cloetta, to help boost performance and, ultimately, increase market share.”

Per Svensson, IT director at Cloetta, added: “We’re looking forward to the journey ahead in partnership with Infor safe in the knowledge that we’ll have industry-leading capabilities that allow us to build market share in our key territories and subsectors.”

Rimini Street reports record revenue

Rimini Street has announced strong Q2 results, with the company revealing record quarterly revenue of $78.4m, up 12.2 percent year over year. Rimini Street’s second quarter results showed annualised subscription revenue was $311m, an increase of 12 percent compared to the same period last year. Active clients as of 30 June 2020 stood at 2,159, an increase of 13.9 percent year-on-year, and the company also maintained a revenue retention rate of 92 percent.

Seth Ravin, Rimini Street co-founder, CEO and chairman of the board, said: “Prior to the pandemic, we were making investments to meet increasing global demand for our expanded product and service portfolio. We have since accelerated our investments to take advantage of additional demand driven by the pandemic and global economic slowdown.”

SugarCRM acquires Node to enhance data capabilities

SugarCRM has confirmed the acquisition of **Node**, in the latest in a series of high-definition customer experience (HD-CX) developments for the company.

Node’s deep learning models identify signals with up to 81 percent greater accuracy than heuristic-based approaches, delivering heightened performance and predictability benefits. The AI-as-a-service platform will highlight previously unforeseen opportunities and allow for automatic forecasting of expected CRM outcomes.

Craig Charlton, CEO of SugarCRM, said: “Sugar is democratising AI, ushering in a new frontier in CX with its powerful combination of AI, time-aware and data enrichment, to drive business performance and enable predictability for companies of all sizes.”


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KEVIN SAMUELSON

BY PAUL ESHERWOOD

“Contrary to our fears, companies have realised that now is the time to act. As a result, our business has defied our expectations and actually accelerated over the course of the last few months. We had great momentum before COVID but our SaaS sales have increased to over 100% since we have all been forced to reimagine our businesses.”

PHOTOS BY JOHN MCGALL

KEVIN SAMUELSON

When we last wrote about Infor all the talk was around an IPO – and who doesn't love a big IPO? I wrote bullishly about the expectation of Infor floating and becoming one of the biggest software IPOs of all time. It seemed certain that the prospect of raising a load of new cash coupled with the lure of being catapulted into the limelight would be too much for Infor (and their VC partners) to resist. Thank God it didn't happen.

I ADMIT I WAS EXCITED by the prospect of some big news in the ERP sector but I was equally concerned that the stock market would swallow Infor up and undo much of the good work it had patiently and painstakingly been doing for the last decade.

Differentiation has become the holy grail for ERP vendors and in a world where most 'differences' are just a thin veneer, being privately owned rather than VC-backed or at the mercy of shareholders is a *big* difference. It's hard to exaggerate how this changes the game for Infor; they are owned by **Koch Industries**, one of the world's biggest conglomerates with exceptionally deep pockets and a history of long term investments rather than short term gambling; no need to inflate cloud numbers to satisfy the markets; no pressure to deliver rushed products that fail to live up to customer expectations; and the freedom and flexibility to think strategically and build for the future.

On the anniversary of his appointment as CEO, I spoke to Kevin Samuelson to ask why 'now' was the time for cloud – and why it was also the time for Infor?

A little over a year ago Charles Phillips, the former CEO, stepped back rather unexpectedly and without much warning Kevin Samuelson, the long-time CFO, was promoted to the top job. I'd met Kevin at Infor's annual conference the previous year and I was quite taken with him. His calm demeanour and authentic personality fitted well with his role and he talked sensibly and intelligently about the progress Infor had made. Samuelson had been instrumental in many of Infor's acquisitions and is credited with much of the success in identifying and integrating those businesses into the Infor family. You could say he was a great CFO. But would he make a great CEO?

Sure, his promotion seemed to make sense when the IPO was on the table - but Koch put an end to any further stock market speculation when they bought out **Golden Gate Capital** and assumed full control of the business in February this year. So how would Samuelson measure up and grow into his new role and how would his stewardship influence Infor's direction of travel?

LEADERSHIP

It's obvious to say, but the CEO of any company plays a pivotal role in far more than just making the ultimate decisions; the CEO is the lifeblood of the organisation's DNA. His or her personality, style and values pervade company

KEVIN SAMUELSON

culture and sets the bar in terms of what is expected, how employees conduct themselves and, more importantly, how customers are treated.

Think about a company that you find difficult to deal with or that doesn't have a great reputation for the way it treats its customers – and then look at the character and ideology of the CEO. They say the apple never falls far from the tree and in the highly competitive, harsh, and unforgiving world of enterprise technology, Samuelson's approach is refreshingly genuine.

I start the interview by asking Samuelson what he's learned about himself during his first year as CEO and if the change in ownership structure has created a new direction for Infor?

"It's been a wild ride and a baptism of fire, but honestly I've loved it. It's been challenging for me personally, and I love that too."

And how does the CEO role measure up against the CFO position?

KS "It's way harder! As a CFO, you're very much indexed on a financial view. You really can't do that as a CEO and certainly not in a tech company. Obviously, I bring a financial perspective, but you have got to bring all these other perspectives to bear that are very, very important. So yes, very different."

And are you the right man for the job? You ascended to the CEO role when Charles stepped back – how much faith do Koch have in you to lead Infor into the next phase of growth?

KS "Absolutely, I am the man for the job. The leaders of our new owner put their faith in me to run Infor. My extensive experience as CFO gives me deep insights into our strengths and challenges that will help inform

"I think few would argue with the fact that the business software industry doesn't have the greatest reputation. Customers are concerned about long implementations and achieving ROI with expensive product investments. We believe customers should expect and receive better outcomes".

our future. We have exciting times ahead as we learn from each other. Koch has a fabulous business philosophy, created by Charles Koch, called market based management (MBM), which Infor is in the process of adopting; it takes a longer-term, strategic, market-focussed approach, unhindered by short-term pressures that often diminish or destroy value, in my opinion."

Have you found it a steep learning-curve taking on the top job? Are there things that you are having to get better at quickly?

KS There are endless areas that I feel like I could do better. I think a lot of it is just things like public speaking and things that I'm not naturally comfortable with. The CFOs tend to not do a lot of that and I have a long way to go. But, I think those areas that force you out of your comfort zone are where the best stuff happens, so I'm enjoying the pressure and pushing myself – I'm definitely getting better at it!"

STRATEGY

Is being owned by an international conglomerate better than being publicly owned and how does the relationship with Koch affect your technology roadmap and investment decisions?

KS "Being private has helped Infor to invest in areas where we absolutely believe it is right to, and retain our focus on industry vertical applications, hosted in the multi-tenant cloud, with a beautiful UX. Becoming a Koch subsidiary has consolidated our strategy, facilitated continuity and allowed us to take a long-term view of what is required to succeed. Customers consider that long view and financial stability a plus."

Where would you say Infor fits into the global ecosystem of enterprise technology vendors?

KS "We have a clear and dedicated focus on customer success and outcomes. That means directly measurable financial outcomes, ROI and value-added operational improvements.

In delivering this, a lot of our focus has been on getting customers live and productive faster. We've invested significantly in training our teams and implementing our 60:30:10 framework, where 60 percent of the software capabilities a customer needs come out-of-the-box, 30 percent involves minor configurations, and the remaining 10 percent is what each individual customer needs to be different and give them a competitive advantage.

"As proof of our success with this approach, the number of our customers that are live, referenceable, and happy has really gone through the roof."

How do you differentiate your technology, solutions and architecture from the other leading vendors?

KS "Our solutions are purpose-built for specific industries with last-mile functionality. We understand the nuances of each industry we serve, and we develop our applications into complete, fully integrated suites to match them. Our leading competitors are generalists.

"I think few would argue with the fact that the business software industry doesn't have the greatest reputation. Customers are concerned about long implementations and achieving ROI with expensive product investments. We believe customers should expect and receive better outcomes. Speed and agility are in our DNA. We strive for rapid implementations so our customers can achieve faster time to value.

"I think there's a huge opportunity for the company that can deliver both the best technology and the best customer outcomes. For me, success is about having an extraordinarily high level of customer satisfaction. If we can delight customers and deliver value, every-

thing else falls into place. If we can get customers in our industry happy — which has always been a challenge — that puts Infor in a very unique position."

How do you see the market evolving post-COVID and what impact has COVID had on your own technology roadmap decisions?

KS "When this all started, we didn't know how or if we would be able to implement software completely remotely, but it is working so much better than any of us anticipated. Implementations have gone extremely smoothly with dozens and dozens of go-lives over the past few months. Even though these are very difficult times, it's clear that investing in, and improving operations remains a priority for companies across industries. In fact, we just had our second-best bookings quarter in history, thanks to a huge number of cloud software conversions.

"The longer-term impact, without question, is that COVID is accelerating the shift to cloud. With everyone suddenly having to work remotely, managing on-premise systems has become even more challenging. And the criticality of these systems has become more important. So companies are looking at options to get to the cloud more quickly. And we are rapidly evolving our methods to implement remotely, smoothly, and successfully."

PARTNERS, ECO-SYSTEM AND DELIVERY

You mentioned your 60:30:10 methodology but is that really something new?

KS "What that means is, as you know, 60 per cent of the implementation should be done the minute you turn the system on. The functionality is in the software already and it's literally just taking our existing software and choosing what to turn on or what to turn off. So it's quite unique because in order to do that, you do have to have all those industry specific functions built into the software itself. You can't take a horizontal application and put it into a hospital and an auto manufacturer, and expect it to work right out of the box to cover 90 percent of what's required.

"So that is quite unique, and like I said, I don't know that other vendors spend as much time thinking about the implementation, but they're much more reliant on partners.

Do you think that Infor is going to change its delivery model to be more focussed on partners in the future?

KS "For sure, 100 percent. We've made massive inroads into some of the bigger GSIs, the likes of **Accenture**, **Deloitte** and **Grant Thornton**. We really have made that a big focus. I think our view for customers is; if you want a single throat to choke - good news, we have an option with our services team. If you're working on a bigger project with an SI, good news, we've got big teams trained. And again, we're taking that same methodology and working with them on that. So if you choose a partner, it will also be a quick implementation that de-risks the notion of moving to new technology.

"And then as well, we also have a very large and thriving channel partner community at the SMB portion of the market, and so they continue to do well. They're continuing to move away from on-premise and onto cloud software and we want to continue to cultivate that as well."

You said earlier that the number of customers that you've got live and are referenceable have really gone through the roof recently. What does 'gone through the roof' mean in terms of numbers?

KS "If you think about our evolution, we spent about $4bn modernising those core suites that were released just a couple of years ago. We now have 15,000 customers on those core suites. We have many more in the cloud, in almost a billion dollar cloud business. It takes a while when you launch a new product for it to sell and people to go live and then to get excited. The good news is we've crossed that chasm, and now we have lots and lots of references, folks who are in a multi-tenant SaaS world and they can see the value that's being driven, but it takes some time to get there....we're well into that which is great."

Are those customers converted from your install base that are now in cloud suites, or are you actually going out and winning net new customers?

KS "It's interesting; it's about a third, a third, a third. So about a third of our customers are brand new to Infor that are buying our cloud products. About a third are moving from an on-premise product to a cloud product and about a third are what we would call a cross sell - so maybe they have asset management, they have supply chain and then we're bringing in an ERP or other product to cross sell to them."

BRAND

It used to be said that Infor was the biggest technology firm you'd never heard of, is that still true today? Do you need to do more to elevate the brand and why don't we see the same level of customer references that the other vendors are so keen to showcase?

KS "It's true that our brand is not as well known as others. Traditionally, we put our last dollar into R&D rather than advertising and that's still true going forward. We would prefer to have a reputation for delivering on our customers' desired business outcomes rather than just shouting hollowly from the rooftops.

"As for customer references, we have a critical mass of customers that have migrated recently to the multi-tenant cloud. They shared their value-generating customer experiences at our Inforum online customer conference last month and the content is available online for anyone to catch up on."

You said earlier that 'our leading competitors are generalists,' - what do you think causes a customer to go for a generalist when they could choose Infor, but don't?

KS "Honestly, Paul, I would say our brand is our number one issue. It's fairly rare that when we go through demo cycles, and people can see and experience the product, talk to customers who are live, that they don't get pretty excited about what we can offer.

"But when you get to the boardroom or when folks are at the beginning... these systems are so critical to customers, and because we have a little bit less renown in the market, folks may be more comfortable betting on someone that's been around for a long time. So that's something that we need to do better, but I think my general view is the more success we have with customers, the more that'll fix itself. Doubling down on great customer outcomes will build a brand better than TV ads."

So what's the plan to elevate the brand? From where we are sitting that seems to be the final piece of the jigsaw that Infor needs to focus on if it's going to deliver on its promise.

KS "We've just hired a phenomenal CMO – Amanda Jobbins - and we're very excited to have her join us. When we were pouring billions into R&D and building new products, it didn't feel like it made a lot of sense to lean heavily into marketing. I think now that those products are in the market and we've got lots of references it feels like now is the time to start really building our name and our brand."

INSTALL BASE AND ROAD TO 2025

All ERP vendors are trying to transition their on-premise customers to SaaS and subscription billing. It's a slow process for most vendors but why is the Infor install base moving at such a pedestrian pace when Infor itself has bet so big on cloud?

KS "Infor's cloud subscription revenues continue to climb. SaaS revenues were up 11.8 percent to $179.4m, compared to $160.5m in Q2 2019. SaaS revenues now make up more than 75 percent of our software subscriptions and license revenues.

"Interestingly the fastest-growing area in the cloud for us is manufacturing ERP. It has grown over 100 percent year on year, for almost the past year. It is the largest segment of our business; half of the company is manufacturing focussed."

Are you satisfied with the progress you've made in terms of converting your install base to SaaS?

KS "We're never satisfied but we are making good progress. It took a long time for companies to get comfortable going to the cloud for these core operational systems but I feel like we're at a point at where we're going to see customers move more and more quickly, like they have in other markets to the cloud.

"We may need to develop our thinking when it comes to our hybrid offering and establish an effective plan to support our on-premise customers and their cloud journeys in the best way."

But there's still a lot of customers on legacy apps and Infor has made a big play out of not forcing customers to move. If they move slowly, how long can you really sustain supporting a relatively small number of customers that probably aren't massively revenue generating?

KS "I guess we can think about this in a couple of different ways. One, because we're private, we're extremely well capitalised. I think we bring a different perspective on customers to bear than the rest of the industry. We really do think about what is the value of a customer over their entire lifespan, which in our world can be decades. And so when you think about things differently, you can get comfortable giving up some near term gain for the benefit of a long term relationship.

"We've never forced a customer to migrate. I know others have, but that's just something we've never said, 'We're going to shut this down,' or 'you have to move by a certain date.' Our view is by doing that we're likely to push customers somewhere else."

I get that, and that plays into something that you said earlier about the market based management ideals of Koch as a whole but I'm wondering if 'slow and steady wins the race' is the right tactic for a technology company operating in a very agile and dynamic marketplace?

KS "I don't think they're mutually exclusive at all. I think having a long term view means staying close to your customer after the sale and them giving you as many ideas that you're giving them, or having a mutually beneficial relationship. I actually think the opposite is true. I think when you have a short term view, you're less likely to be there arm in arm with your customer to bring that agility. And so we're constantly co-innovating with customers, obviously a ton of changes occurring in the market. That's opportunity for us. And so by having great customer relationships and staying close and having that long term view, we get insights that I think would be hard to get if we didn't have that perspective."

Where will Infor and its customer base be by 2025?

KS "In the multi-tenant industry cloud — with most of our customers. We have great momentum and are all incredibly excited about the successes we are seeing. I don't think there's any need for radical change in direction or to do anything materially different. We will stay focussed on customer outcomes.

"We are categorically not going to take the aggressive approach adopted by other vendors, trying to force their on-premise customer base into cloud adoption. Infor is more carrot than stick. We want to keep our customers for the long haul."

"I feel lucky to be positioned where we are and think it'll be a pretty interesting few years as the transition occurs. We'll continue to over invest in R&D - I think if you look at R&D as a percent of sales for us, it's much higher than probably anyone else in the industry.

"So I think it's doubling down on what we're doing, but boy, I don't see why we couldn't be twice the size we are by 2025. I think it's going to be a pretty exciting few years."

Infor has always been quite careful to only fish in the ponds where you know you're going to be successful. Will we see Infor broadening out into new verticals?

KS "We're extremely disciplined. We haven't really entered a new major market in a long time. For us to do that would be a major strategic move and we'd have to have confidence that we would have the scale, the bandwidth, and the investment dollars to be a leader - and that industry specificity in the products and the people."

When a company buys your products and services what is the commitment you make to them?

KS "We pledge to be a trusted partner that will work closely with them — from implementation and training through development of new capabilities and ongoing support— to ensure they gain operational advantages with our solutions. We are committed to helping each customer achieve whatever their business goals are, by delivering agility, rapid ROI and continuous innovation, all with a smooth, responsive customer experience. We measure our success by our customers' success."

What are you most proud of about Infor?

KS "There are so many things, but most of all, the fact that we are taking all this amazing technology that we've built over the past decade, and on which we've invested $4bn in R&D and cloud enabled the most industry leading cloud applications, and seeing customers derive massive business improvements and develop new revenue models as a result. That's why we are in this."

MY TAKEAWAY

Infor has been a sleeping giant for too long and the combination of its new ownership coupled with an adroit CEO and the last-mile functionality in its prod-

ucts creates the type of differentiation that all vendors strive for.

Infor's two biggest challenges are with its brand and the depth of its partner eco-system. If it really is to double in five years – which is a distinct possibility – significant effort and resources will need to be ploughed into its marketing to elevate the brand and get on boardroom radars. Allied to that, developing a deep partner eco-system with the skills to sell and implement their technology is a must. After all, who do you think sells most **Oracle** and **SAP** solutions – not the vendor, it's the consultancies and partners that often have long standing relationships with enterprises that do most of their bidding. If Infor wants to eat at the same table as the biggest ERP vendors it will have to develop and incentivise the same kind of network that its main rivals have.

One thing that Infor doesn't have to worry about is its products; as Samuelson said, they do pretty well when they get in front of a customer. Its unique approach to developing micro-vertical functionality is another key divergence from the typical ERP offering. Under the skin, it's architecture of a multi-tenancy cloud underpinned by long term partner, **AWS**, provides a true-cloud experience backed by the power and capability of the leading public cloud. The Infor OS platform offers exceptional extensibility which allows easy integrations and development opportunities while Coleman AI and Birst Analytics square the circle to deliver insights and optimisations.

Above all else, Infor's ace in the hole is Samuelson himself. Being slightly uncomfortable with the limelight is a testament to his character. Learning on the job and recognising areas that need improvement – and being able to admit it – demonstrates an unpretentious and considerate nature that will pay back in the long run. And, being an authentic and approachable human being sets the tone for the culture of a company that I predict will be the one to watch over the next few years. ■

Editor's Words

Purpose

In the last issue I wrote about the need for perseverance, patience and determination. As an entrepreneur who has been on both sides of the path to success I hold those ideas close to me and have learned over the years that no matter how difficult a situation is you can come through it if you stick to your principles.

However, there is another belief that is even more central to me as a person and as an entrepreneur – and that is purpose.

I first became interested in the idea of purpose long before it was a phrase hijacked by the marketeers to describe all and everything that is done to achieve corporate one-upmanship. I have long been fascinated with cosmology, the origins of the universe, the nature of consciousness and the deepest questions about our existence.

Searching for answers

While I was at school I was a typical under-achiever. I didn't make it to university – I didn't even finish my A-levels. I had the potential to do well and found most subjects easy but I was always more interested in making money, learning about business and searching for answers to questions which, at the time, I didn't fully understand.

I ambled through my late teens and early twenties. I set up several companies – some worked and some didn't - eventually I found the thing that all entrepreneurs are searching for; it made money, I was good at it, and I enjoyed. I published my first magazine in 1997 and the rest, as they say, is history.

However, despite enjoying some success I was never really satisfied. My interest in things, both materially and metaphorically, often waned. The things that gave me pleasure soon started to sparkle less and over time I became disillusioned with what I was doing – and more importantly, what I was contributing.

WASN'T INVENTED 5 MINUTES AGO BUT NOW IT'S MORE IMPORTANT **THAN EVER**

In 2004 the Astronomer Royal, Martin John Rees, Baron Rees of Ludlow, collaborated with Channel 4 to produce three fascinating documentaries entitled 'What we still don't know' and later published a book under the same title. These works sought to answer the most fundamental questions concerning our existence: Why are we here? Are we alone? Are we real?

I won't bore you with ethereal nature of the simulation hypothesis or attempt to expound the theoretical certainty that we are merely digital incarnations of our ancestors, but I can tell you that those documentaries had a profound effect on my life. It wasn't that they were earth-shatteringly brilliant in their composition – it was more that they set off a spark in my brain and made me truly question myself and my purpose in life.

The Moody Blues

My dad was a big fan of the Moody Blues. As a child I remember listening to the song '22,000 days' countless times and I always remember thinking how long life was. I mean 22,000 days – just think what you could do with all that time. Scroll forward 24 years and I had already used up 8,760 of my days – and I was nowhere.

I have to be honest with you; I've spent the last 16 years obsessively searching for answers to many of these questions and I still don't have much to report. Purpose, at the most fundamental level, requires you to ask one simple question – why? But the problem with coming to a definitive conclusion is that you can always add 'why?' onto the end of any answer that seeks to address the original question - until you get all the way back to why are we here? We all recognise purpose in the micro but unless you are willing to go all the way back to the macro and examine the fundamentals you end up with a fairly superficial answer.

It's some sort of answer

The conclusion I have come to, albeit not a very profound one, is that you can only do your best while you are here and set goals that mean you can make a small difference in the micro. Will we ever know the answer to the question, why are we here? I doubt it. Will we ever understand how the universe came into existence from an infinitely small and dense point of energy? Probably not. Will the nature and origin of consciousness ever be explained in a way that we can comprehend. Definitely not. But can we all contribute a little to make the world a better, cleaner and fairer place for the short time that we are here? I think we can.

For the last 18 months I have worked tirelessly with a small team of people to get ERP Today off the ground. We have been fortunate to enjoy some success and we are very proud of our accomplishments. We have worked with fantastic companies, interviewed great personalities and, in some small way, contributed towards making the ERP community a little more cohesive. It's really been a blast.

As I look forward to 2021, I see an important role for our little start-up. We will continue to publish our quarterly print magazine which showcases the amazing work that our partners undertake. Our digital hub will be expanded to include daily news from inside the industry and keep our readers and subscribers up to date with the latest developments in the industry. And, our Live! platform will break new ground with weekly live interviews, webinars and moderated web chats on the topics that most affect digitally-ambitious enterprises.

But above all, we will be focussing our efforts on doing something of real purpose.

What will you say you did?

We are living through historic times: In centuries to come our great great great grandchildren and their families will look back on this year and talk about it in living rooms, learn about it in lecture halls and analyse it in boardrooms, while historians will elegize over it as they recount a year that rocked the globe.

And when we finally come through this and have the opportunity to look back we will have to answer a simple question. What did we do to help?

I know doctors, nurses, teachers and scientists who have all done their bit, and more. Hearing the daily routine of people close to me who have been on the frontline is humbling in the extreme. While we have been battling with working from home and coming to terms with meeting our colleagues and customers over **Zoom**, they have been at the coalface, in the firing line and making sacrifices that we can barely comprehend.

To that end, ERP Today is spearheading a campaign on behalf of **NHS Charities Together** in support of their **COVID-19 Urgent Appeal**. I don't have the space here to tell you about the work the charity does but I am sure you can imagine that it is singularly focussed on providing help where it is needed most.

Fundraiser with a difference

Our fundraising event is scheduled for June 2021, although we realise it may be postponed to one of our alternate dates in September if the crisis hasn't abated in time. I am asking everyone who reads this to show your support and get behind this initiative so that we can all give back as a community to those who have sacrificed more than we can imagine.

How can you help? Well you don't have to shave your head or stop drinking alcohol for a month. You don't have to cycle 100 miles or climb a mountain. In fact, all you have to do is attend a fundraising event at the glorious **Ascot Racecourse** and ensure that your employer is doing their bit by contributing in some way.

We had already raised a significant amount of sponsorship money for our annual awards event and I will be putting every penny of that towards our fundraiser. The idea of resurrecting an awards dinner so we can all congratulate ourselves seems trite and slightly vulgar at the moment. Of the sponsors that I have already spoken, to every single one has pledged their support for our new idea – apart from one. (I will give them a bit more time to reconsider before shaming them). For the few sponsors that I haven't managed to speak to directly I will be calling you soon.

The day will be totally focussed on raising as much money as possible for the NHS COVID-19 Urgent Appeal and the centrepiece will be a series of competitive individual and team events and activities – although there will also be plenty of eating, drinking and catching up with colleagues and peers that many of us won't have seen for a long while. We will be pitching teams from each company against each other - it's going to be competitive and there will be prizes and significant bragging rights for the winners.

We will also be asking you to invite keyworkers to share in the experience – many of you will work with hospitals, healthcare trusts, and care providers and we want to make sure that as many of these worthy keyworkers attend as possible so they can see our collective gratitude at first-hand.

We won't be releasing the event website until the new year but we are open for donations, contributions and ideas now.

Now is the time to stand up as a community and make a difference. ■

HOW CREATIVITY, BOLSTERED BY DATA, IS FORGING A PATH TO

The circular economy

BY STEPHEN JAMIESON

If anyone still doesn't believe we're in the midst of a climate crisis, they likely never will. Over the past year, record high temperatures have fuelled historic wildfires across Siberia, Australia and the Western US. A 110 square km chunk of ice has broken away from the Arctic's largest remaining ice shelf. A record number of tropical storms are currently lining up in the Atlantic. Meanwhile, we're experiencing a global pandemic, which can be traced back to human's encroachment on the natural world.

The effects of climate change that scientists have been warning us about for decades are here now. From my perspective, we have two imperatives. The first is to continue to work to meet the goals of the Paris Agreement to reduce emissions and limit global warming. The second is to learn to live sustainably and humanely in a world altered by climate change.

Both require radical action and it's easy to feel overwhelmed by the challenges. However, when I was recently asked if I saw any 'green shoots' of hope in the fight to build a more sustainable world, I didn't hesitate. Where I see true innovation, commitment and genuine hope is in our creative community – notably in the UK, where I believe we have assembled a global centre of excellence in sustainable development.

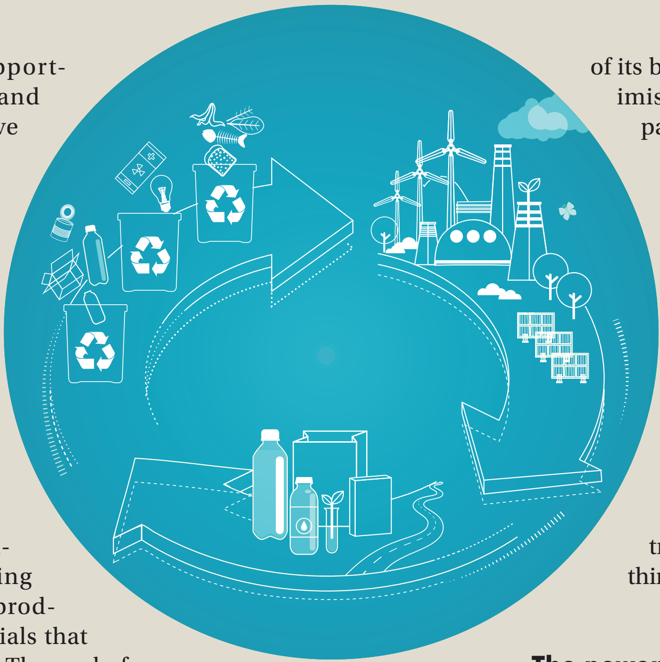
> “The effects of climate change that scientists have been warning us about for decades are here now

I am continually inspired and spurred on by the creative and innovative work that is being done in this country, particularly in the fields of art, engineering, design and (hear me out) data analytics.

This gives me hope. Because it's entirely possible, even likely, that the innovations that will help us mitigate and deal with the impacts of climate change are yet to be designed or brought to market. Consider that before **Tesla** introduced its electric car, there was little desire for electric vehicles. Now, new start-ups and industry stalwarts are vying to tap into Tesla's market share.

We need to be looking for the Tesla equivalents in all industries – from fashion to food to energy to finance. We don't have all the solutions we need now but we need to continue to nurture, support and collaborate with the creative minds who will build the solutions of tomorrow.

Of course, I'm not the only one who recognises this potential. In September, SAP UK partnered with the **Ellen MacArthur Foundation** and **London Design Festival** (LDF) to promote 'The Circular Design Project,' a selection of panels, stories and supporting resources to empower and equip the design and creative community. We focussed on seizing the opportunity of the circular economy as a framework for positive global impact.



An introduction to the circular economy - new constraints inspire radical innovation

For the uninitiated, the circular economy involves looking at the whole lifecycle of a product or service and the materials that go into making that product. The goal of the circular economy as defined by the Ellen MacArthur Foundation is to keep products and materials in use, regenerate natural systems and design out waste and pollution.

It's not just creative minds who have bought into the concept of circularity. Businesses across industries and all sizes are recognising the benefits of circularity – from an environmental as well as a financial perspective.

The LDF's Circular Design Project, for example included representatives from **IKEA**, **Google**, **H&M** and **BrewDog**. They each spoke about how they were introducing circularity into their business models.

For IKEA this involved spending the last year looking at each of its almost 10,000 products to access its circularity and to determine how they would need to alter them to make them circular. This is no mean feat, as it involved looking at the whole life cycle of the products - from where the raw materials were sourced, to how long they would be used and which means of disposal would be employed.

BrewDog spoke about its 'net zero carbon plan' and how it is working to drive waste out of its business and find ways to maximise the use of by-products and packaging. The starting point for the business was to understand what happens to the material that is handled by its recycling and waste management partners. Using data provided by SAP and **Topolytics**, the company can get a clear view of where the material goes and critically, what happens to it - in real time. The resulting insights feed into its zero waste plan and its drive to be completely transparent and open in everything it does.

"Businesses across industries and all sizes are recognising the benefits of circularity

The power of data to change the world

That brings me to the creativity inherent in data analysis. Today's designers have a wealth of data and information to draw from as well as new technologies like AI, robotics and the IoT to support, inform and enhance their work. Knowing how, when and where to use these tools is a scientific as well as creative process.

At LDF, SAP chief sustainability officer Daniel Schmid discussed the power of data transparency to remove obstacles and gaps between the design, production, distribution and waste processes. How designers can apply learnings from across the lifecycle of a product and bring those back to core systems to inform the entire value chain.

Climate change is here, the clock is ticking, and we have much work to do. We're on a journey and our great hope is that humans can change, create and design a better and more sustainable future. The stories at the LDF show us the way; those stories will continue to multiple as we return to the LDF in 2021, en-route to COP26 at Glasgow in November 2021. ■

Benchmarking success

Isn't it about time we had a way to really measure the success of ERP Implementations?

BY STEVE PULLEE

Is it just me, or do large scale programmes which set out to deliver a full digital transformation hardly ever reach a successful outcome against their original business case?

The question is a rhetorical one, obviously. Anyone who has spent time involved in delivering a major transformation will have anecdotal evidence of how post-implementation the organisation continued doing the same things in the same way, but with a flashier user interface.

You don't just have to take the anecdotal evidence prevalent in the sector though. In a new **McKinsey Global Survey** on digital transformation, 80 percent of companies have undertaken such efforts in the past five years, but on average 16 percent of respondents say their organisation's digital transformations have successfully improved performance. Select a 'traditional' industry (utilities, automotive, pharma, healthcare, etc.) and the number dips to somewhere between four and 11 percent.

The suggestion that 'major transformation is hard' might not be revelatory. Years of research on transformation has shown that the success rate for these efforts is consistently less than 30 percent.

The fact that digital transformation is even harder requires, I believe, nothing less than an industry-wide review to define a standardised calibration and audit of the approach to programmes of this scale. This is particularly true where it is public money being spent, as it so often is.

> "...it requires an industry-wide standardised calibration and audit of the approach to these programmes

Let's start with the basics. What is 'digital' transformation exactly?

- **Using technology to its fullest extent.** Software is only profitable if it is used. When adopting new software, organisations should focus on improving employee proficiency, productivity, and engagement.
- **Streamlining the digital workflow.** The better an organisation can integrate tools into the workplace, the more efficient the workplace will be. A streamlined digital workflow improves productivity, efficiency, as well as the overall workplace experience.
- **Maximizing the returns and value of a software platform.** With the right adoption approach, employees can become more skilled and more productive. This results in higher returns on the investment in a software platform.

Essentially, it comes down to the adoption and optimisation of new technology. We regularly read across various mediums that X or Y's implementations have been 'successful,' but that's only the case when success is defined as the completion of an IT project replacing a legacy solution with a new ERP - shiny new user interface, same old systemic issues.

Obviously, no programme sets out to fail in their digital journey. They start off with the best of intentions; board approved business cases, ROI calculations, detailed programme plans, etc, and yet so many of these fail to deliver genuine benefit, leaving organisations to write off the whole thing as a painful and expensive experience.

So the obvious question is, what can we, collectively, do about this? My contention, which I have touched upon already, is the development of a published, industry-standard form of measurement. There are very few things which happen within a business that can't be measured with the new and shiny products we implement but for whatever reason we do not take the same comprehensive approach to measuring the implementation itself. We need more accountability in the various transformational aspects of a delivery programme

At the very least, in the public sector space, where these things can be mandated, there should be a set of standard measurement outcomes published, based on relevant factors; ERP capability, current legacy digital capability, level of proposed transformation to name a few.

> **Outcomes require auditing and measures published for the partners involved to be assessed appropriately**

Outcomes require auditing and measures published for the partners involved to be assessed appropriately. These measures won't be to every supplier's liking, however if we continue to fail as an industry in achieving digital transformation and ROI without being able to hold companies to account, then there will be no motivation for those companies to improve. Besides, any supplier worth their fee should welcome the opportunity to showcase their ability and track record as a way to win more business.

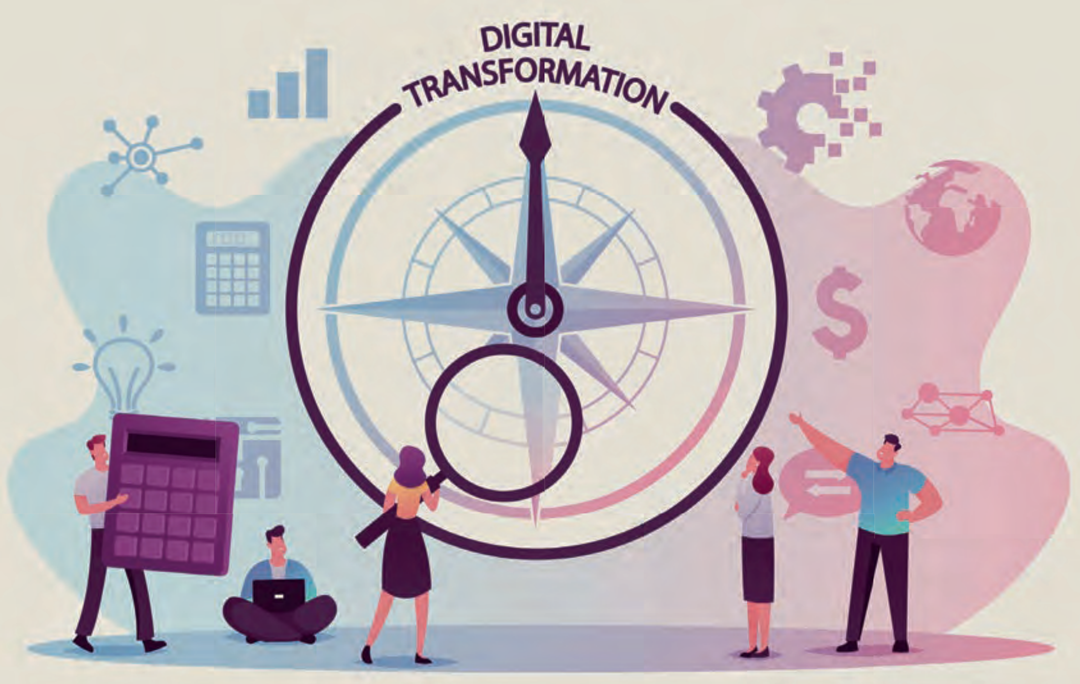
Of course, the current Implementation market, especially within the public sector, ensures that the cheapest bids almost always win. This is likely to be a significant factor in the consistent failure of adoption or optimisation that we see, with the most cost-effective option selected above, the option which would potentially drive the optimal outcome when measured against a standard methodology of audit. Put another way, I don't think anyone who has been through or had to turn around a 'problematic' implementation would argue with the assertion that delivering as close to full adoption of the solution and change transformation target enables a more rapid and sustainable return on investment, and therefore a low cost of ownership.

If we were able to hold suppliers to account and drive a change in the market towards accountable, auditable delivery, then the better (albeit potentially more expensive) suppliers will begin to be asked to deliver outcome-based bids which are built on auditable outcomes, and not so heavily reliant on pushing down the initial price.

As this begins to deliver a higher percentage of digital transformation and the evidence is collated and published with the relevant track records and an open book accounting of achievements by suppliers, the market would begin to select partners based on the best outcome and return on investment and not the cheapest initial bid.

This in turn, through gradually driving and changing the market place by adding the checks and measures into the right places to achieve or surpass the standards, you would drive up the percentage of successfully digitally transformed programmes.

Who's with me? ■



When it comes to investing in enterprise software, organisations have many options allowing them to choose whatever technology or consumption method best suits their business requirements. Despite this, there remains a tendency within the industry to categorise software purchases into two opposing camps: suites and stacks.

BY CHRISTINE HORTON

STACKS V

S SUITES

WHY MAKE CUSTOMERS CHOOSE?

STACKS V SUITES

Suites are often seen as the territory of the traditional software vendor looking to supply everything a customer may need in a suite of applications. These suites today are usually defined by industry or vertical, and typically include ERP, SCM, financial and other key modules.

On the other side are software stacks. Built on an open, API-based approach to software and employing a best of breed methodology, stacks use a cloud platform to ensure access and integration. They also aim to break any release cycle issues as they use a software ecosystem that provides a flexible, open and future-proof architecture.

WORKING IN SYMBIOSIS

Pitting one methodology against each other in this way isn't new. However, today we see a blurring of lines between the two – a situation made more complex as many large, established vendors known for being suites players now also offer software stacks.

Claus Jepsen, CTO at **Unit4**, believes it is a simple case of evolution.

"Over 20 years ago, suites came along to remove the pain of integration that existed in an ERP world dominated by disparate best-of-breed applications that lacked cohesion. At that point, the idea of everything running in one application was appealing," he said.

"Now, the dynamic has changed. Digital business platforms require immediacy to access information from across an entire organisation and from an ERP perspective the value lies in being able to integrate it with other IT solutions. As we move to a cloud-based world integrating these sources of information is the cloud provider's, not the customer's problem. Technically, it is more easily done outside the ERP application, rather than having to go through the laborious process of logging on to a complex ERP environment."

Jepsen notes that as ERP is only 25 percent of an organisation's IT environment, companies are turning to stacks as a more efficient and productive way to access information. Microservices and open APIs make it easier to break down silos between different sources of information in complex IT environments. This approach means customers don't have to go through the pain of building a 'megasuite' to address all their requirements.

"The truth is, and especially when we are talking about digital transformation, that enterprises need to use both suites and stacks in symbiosis," said Dan Matthews, chief technology officer at **IFS**.

Matthews believes customers' success lies in the ability to build innovation into specific industry use cases in its solutions, whilst also embracing stack principles and making sure it provides an open and 'stack friendly' suite.

"Organisations need to move quickly and put themselves in a position to challenge expectations and grow with exciting new offerings, radically more efficient processes, and completely new ways of thinking," he said. "Just in the last year I have been in a rapidly increasing number of discussions with our customers who want to do just this – implement or upgrade our suite to enable and drive digital transformation, and at the same time develop additional capabilities on top using stacks."

INTEGRATING THESE SOURCES OF INFORMATION IS THE CLOUD PROVIDER'S, NOT THE CUSTOMER'S PROBLEM

CLAUS JEPSEN / UNIT 4

FOOT IN BOTH CAMPS

It could be argued, therefore, that pitting one approach over the other is reductive and unhelpful for the customer looking to select the right software solution. Instead of positioning stacks and suites at opposite ends of the spectrum, surely it would be more valuable to consider the customer's spe-

VENDORS NEED TO ENSURE THAT THEIR SOFTWARE IS OPEN ENOUGH TO SEAMLESSLY INTEGRATE WITH OTHER SYSTEMS OF RECORD

cific business requirements, and then where on that spectrum they fit?

"The argument of suites versus stacks is nonsensical," said Steve Brooks, senior analyst, **Synonym Advisory**.

"Software vendors need to ensure that their software is open enough to seamlessly integrate with other systems of record. Vendors need to ensure that the core functionality provides a differentiation in the marketplace, whether that is the simple functionality of part of a larger stacks approach or deep industry functionality as a suite."

Phil Lewis, VP solution consulting, EMEA, at **Infor** said the firm has "a foot in both camps, and we have already borrowed liberally from the stacks approach."

He explained: "We develop industry specific suites of apps but we build on Infor OS – our own digital stack – so the capabilities of deploying additional, enterprise scale elements such as AI/ML, data science or IoT projects, are there already as well. Like a stacks player, we wrap all this as a single service via the cloud and use standard APIs to ensure connectivity with other technologies, so we have borrowed heavily from the stacks approach."

Again, Lewis points out that this has been as much in response to customer demands as it has been driven by the possibilities of new technologies.

Perhaps this shift stems from years of customer frustration with technology suites that make too many demands on the business. However, Lewis contends that the main source of customer ire has been the delivery of this technology; customers ultimately don't want to buy a box or software – they want to buy a capability.

THE TRUTH IS.... ENTERPRISES NEED TO USE BOTH SUITES AND STACKS IN SYMBIOSIS

INFOR CLOUDSUITE™

Sustaining business continuity in the cloud

Our comprehensive portfolio of enterprise resource planning (ERP) solutions is built on Amazon Web Services® (AWS®): the leading cloud platform. We partnered with Amazon to deliver the most flexible, reliable, scalable, and secure cloud computing environment with the highest quality global network performance available right now.

Count on us to help sustain your business

12,500

Organizations trust Infor to run their applications in the cloud

18,000,000

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Infor is a global leader in business cloud software products for companies in industry-specific markets. Infor builds complete industry suites in the cloud and efficiently deploys technology that puts the user experience first, leverages data science, and integrates easily into existing systems.

Learn more about cloud capabilities: www.infor.com/products/cloud-strategy

STACKS V SUITES

WE WRAP ALL THIS AS A SINGLE SERVICE VIA THE CLOUD AND USE STANDARD APIs TO ENSURE CONNECTIVITY

PHIL LEWIS / INFOR

"As a result, enterprise software vendors have focussed on ensuring they deliver better processes for the customer. The next logical evolution was to deliver better processes as a service – totally removing the need for customers to take on huge implementation projects of their own. Regardless of the 'stacks' or 'suites' legacy of a given vendor; this is the context against which a customer will judge the technology."

WEIGHING THE OPTIONS

Of course, alongside the benefits, there are also downsides to both approaches. With suites there remains issues of lock-in, customisation, and even with modern cloud delivery options, the lingering preferences for being on-premise.

"Historically some enterprises have perceived suites to be a bit too closed and slow-moving," said Matthews.

However, he says this viewpoint is changing fast: "Today new development in suites are built stack-friendly, leveraging exciting tech from the beginning. We have entire product teams dedicated to things like AI and extensibility. We have our own internal IFS Labs department to spearhead new innovations and show us and our customers how they can be applied in real industry and business scenarios. Large investments are done to open up areas that might have been more closed before – for example we have recently completed our undertaking to provide 100 percent open API access to all data and functionality in our application."

Nevertheless, there are many reasons to avoid a single vendor set-up, according to Sonja Kotrotsos who heads up the EMEA go-to-market for **Contentstack**. The CMS vendor is a founding member of non-profit **MACH Alliance**, which was formed in June 2020 to show how businesses can benefit from open tech ecosystems that are 'microservices based, API-first, cloud-native SaaS and headless'.

Perhaps the most important reason, she says, is dependency on the vendor. "Dependency is not great for pricing, speed or service. With specific reference to the technology available and access to a single vendor's roadmap, dependency means a business can only run the technology that the vendor decided to develop. What if a business needs to change quickly and an existing suite supplier does not provide for it? For many, this has been one of the painful lessons of COVID."

Kotrotsos argues that large scale suite players "plan standard products that generally fit the general needs of many. This is in stark contrast to the need to be able to adapt both technology and business processes quickly."

But conversely, it could be argued that the more integrations you have, the greater the level of complexity. Of course, you avoid the vendor lock-in but often each application or service is inter-dependant on other loosely coupled apps and services, and something like a simple update can have much wider implications.

"Driven by Moore's law and the consumerisation of technology, storage, memory, compute, user interfaces and bandwidth capabilities are now a far cry from what they were," said Simon Carpenter, head of **SAP UK Centres of Expertise.**

"A new approach, exploiting modern technologies like in-memory computing, machine learning and cloud deployments is needed, and this is partly what's driving the emergence of stacks. But, while cloud-served microservices and APIs offer agility and flexibility they are only part of the answer for an enterprise. Furthermore, whilst the move to

DEPENDENCY IS NOT GREAT FOR PRICING, SPEED OR SERVICE... A BUSINESS CAN ONLY RUN THE TECHNOLOGY THAT THE VENDOR DECIDED TO DEVELOP

SONJA KOTROTSOS / CONTENTSTACK

the cloud is massive and the preferred deployment model, there are still situations in regulated industries and countries where data sovereignty is an issue, so we foresee hybrid models existing for the next decade or so.”

However, Carpenter says the stack also plays an important role alongside the suite in ensuring that end-to-end processes can run efficiently and with integrity across these hybrid estates. It is also where SAP does extensibility and innovation rather that customising the source code.

“If there is one lesson we have learned over the last two decades when it comes to application suites it is ‘keep the core clean’. Stacks enable us to do this; we can utilise the data and processes of the suite and build new innovations and integrate them at will on the stack,” he says.

Additionally, microservices architectures are increasingly seen as the right path and if you’re designing your IT landscape from scratch, with the enterprise likely choosing cloud, SaaS and microservices are clear winners. But many enterprises are not designing from scratch and it is no simple process to completely re-architect your landscape.

Indeed, Carpenter says that it is important to acknowledge that companies embarking on digital transformation face significant challenges when it comes to “overcoming technical debt and transforming the enterprise without throwing the baby out with the bath water.”

“At SAP we’d argue that there are significant transformational benefits (such as standardisation, best practices, fast time-to-value and lower risk) that flow from adopting a suite at the same time that you leverage the stack for integration, differentiation and innovation. That is why our strategy is to provide both an intelligent suite of applications and a business technology platform (stack) and to do so adhering to openness and standards so that our customers and partners can utilise existing and non-SAP assets to best effect.”

FURTHER ACQUISITIONS AHEAD

Fundamentally all enterprise software companies are having to rethink how they engage with a customer – moving from looking at improving or accelerating today’s processes, into anticipating tomorrow’s markets and opportunities.

IT IS ABOUT FINDING THE FUTURE TECHNOLOGY CAPABILITY OF A CUSTOMER AND BEING READY FOR THEM AT THAT POINT

SIMON CARPENTER / SAP UK CENTRES OF EXPERTISE

For some, this could mean making acquisitions to plug any gaps. “It demands looking beyond just the applications and the related processes,” said Lewis. “It is about finding the future technology capability of a customer and being ready for them at that point. If there are acquisitions that fit these criteria, then we would consider them.”

It is unlikely Infor will be alone in this strategy, and we should expect to see M&A activity from traditional software vendors looking to build out their portfolios.

“At SAP whilst much of our application suite has been built through acquisitions (such as ARIBA, SuccessFactors, Concur, hybris and others),” said Carpenter. “When it comes to the stack this is of such paramount importance to our strategy and such a great opportunity to leverage our decades of business process know-how that we are driving this largely through organic R&D.”

Ultimately, any application suite vendor that is not already making the effort to embrace the suite and stack paradigm is going to find themselves at a significant disadvantage – and of limited relevance to their customers.

“It is a real threat to the suite players if they don’t recognise the potential of stacks,” said Jepsen. “There is a view that everything should originate within the suite, but this is designed to keep the customer in the ERP vendor’s world. Technology is now enabling very different, loosely coupled environments, where customers can use the tools they want to use. Vendors who don’t recognise this change will perish.”

Those with skin in the game may try to convince customers that their approach is best. But as we’ve seen, the large software firms are adopting and incorporating a stack mentality when it comes to their portfolio. And there are lessons to be learned from both ends of the spectrum. Ultimately it is not an either/or scenario for the customer, but rather ‘where on the spectrum is the solution that best suits your business?’ ■

IS YOUR APPLICATION LANDSCAPE AN APPRECIATING ASSET?

IN TOUGH TIMES, CLOUD APPLICATIONS CAN BE A RELIEF INSTEAD OF A REGRET

BY JUERGEN LINDNER

Businesses that are thriving now are in large part the ones that had already embraced digital subscription models, transactions that flow without intervention, and remote workforces. These measures helped them during the pandemic as customers pivoted to online commerce in greater numbers and offices shut down.

STACKS V SUITES

Many of these companies also had a resilient financial and operations software platform to plan and forecast quickly, close books remotely, and adjust their business models in response to changing customer behaviour.

Over the summer, I was part of a webcast series with **McKinsey & Co.** and the **Association of International Certified Professional Accountants**, designed to help corporate finance teams manage through the coronavirus crisis. We benchmarked how CFOs' teams were responding to McKinsey's "five R" March prescription for helping companies move beyond the effects of the pandemic: resolve; resilience; a return to normal operations, reimagination of costs and consumer behaviour; and the reform of public health policy, reserves of key supplies, and education.

I'd like to add two more 'Rs' to McKinsey's list: The 'regret' felt by businesses not using cloud computing software when the pandemic hit, and the 'relief' of those who had moved and were able to close books remotely, model emergency scenarios, and pivot toward growth.

We have been able to assist customers who had made the switch to cloud ERP much more rapidly by extending free software to some organisations. For example, we offered for free our financial planning, scenario modelling and workforce health and safety offerings during COVID and unlocked new features for others. The efforts went far beyond traditional technology partnerships.

Successful customers such as **FedEx**, **Western Digital**, and **McDonalds Company Ltd. Germany** automated financial transactions to give executives real-time numbers for instantaneous decisions. They were able to steer forward during unpredictable times, taking advantage of business processes infused with AI, focussed on gleaning insights and fostering collaboration.

DEFINING THE NEXT DECADE

Companies are wondering how they should respond to the pandemic in their technology planning. Spoiler alert: they should accelerate and double down on cloud computing strategies, Simply extending on-premise partnerships into the cloud without a deep look under the hood can cost them dearly.

This choice of cloud ERP system impacts every part of a business. Yet its potential benefits - changing business models at an unprecedented pace, while automating mundane processes, can only be achieved if all the parts are engineered on a common data model, as a suite. That means vendors shouldn't make innovation – whether it's injecting machine learning into business processes or adding blockchains to transactions — a sidecar. It needs to be an integral part of the applications.

In the best case, technology works ambiently in the background; a user should never know they're using machine learning, for example.

That's true not just at the application layer of a technology stack - the entire offering matters. That includes the way software gets provisioned to users. Every advance in security, speed, and features should reach employees. Information should flow seamlessly using a common data model. Business users need to enable conversations, predictions, and guidance — not just backward-looking insights.

McKinsey considers 89 percent of the corporate finance function is capable of being automated, which would bring companies closer to the vision of closing the books in real time. Connecting front and back office functions is critical for getting there.

Businesses might be inclined to pick one software vendor for a customer-facing service package, then tie it to their back-office applications. This is a perfect example where companies should take a step back and look at just how intertwined the processes really are. The best customer experiences hinge on supply chain, billing, revenue stream modelling, and delivery – all connected, all requiring data to flow seamlessly. Business processes don't stop at application boundaries, so a data strategy is of the essence, especially as more and more sources come online.

Anyone who compares the ERP approaches of the past with a modern, cloud-based ERP platform needs to have a close look at what's changed. Hosting on-premise applications in the cloud won't provide the fundamental change needed to shape the next decade of growth we all hope to embark on coming out of this pandemic.

ANYONE WHO COMPARES THE ERP APPROACHES OF THE PAST WITH A MODERN, CLOUD-BASED ERP PLATFORM NEEDS TO HAVE A CLOSE LOOK AT WHAT'S CHANGED

Real, public cloud-based solutions, where innovation is an integral part of the deal, are going to be fundamental to success.

AVOID THE 'CLOUD HAIRBALL'

I've been in the IT industry for close to 25 years. I've spent a lot of time on customer sites and have seen how some companies moved from mainframes to client-server architectures, extending customisations to make them fit. Over time I've witnessed the pendulum swing from best-of-breed approaches, to market consolidation, to integrated suites.

I recently spoke with the CIO of a top 25 global company and his management team. As we went through every line of their business functions and the cloud choices they'd made, I saw a clear manifestation of what I lovingly call the 'cloud hairball.' That's a complexity in infrastructure and applications, formed by isolated decisions and mingled with various choices of on-premise applications, integration software, big public clouds, and data warehouses – the entire gamut.

Sometimes this state of affairs is unavoidable, driven by mergers and acquisitions. But isolated business transformation attempts need to give way to sustainable, cloud-based transformation strategies that incorporate continuous innovation flowing from the platform to the applications.

Even established software vendors have fallen into the trap of amassing isolated best-of-breed cloud offerings, then trying to mix those products with hosted on-premise attempts. That's how customers end up with a hairball - where integration flops and changes become expensive or impossible.

The other approach is to apply certain timeless engineering principles: designing and selling a complete software suite, built on one common data model. Customers get to pick their starting point and ensure they never hit a screeching dead end.

When customers buy into integrated cloud ERP, they expect their vendor to prevent costly integration, data warehousing that has to bridge different data models, and the security risks of having to align multiple various roadmaps with conflicting priorities.

Corporate Darwinism in the digital age has already been unkind to some, as we can see in the changing composition of the biggest stock indexes. Competition in the age of AI is going to be ruthless. Simply providing some capabilities as part of a cloud infrastructure offering isn't enough; businesses need to question vendors on their plans to place AI directly into the applications they use daily.

When I ask business leaders about the last time they had an intelligent conversation with their ERP system, there are typically no hand raisers. Digital assistants can perform simple tasks, but carrying on a flowing conversation based on past interactions is another matter. Part of what motivates me is helping to connect data sources and applications in order to derive more intelligence for our customers, augmenting their ingenuity.

CONTINUOUSLY APPRECIATING ASSET

Let's take an example from the intersection of software and cars. I consider myself fortunate to have witnessed the rise of **Tesla** from the beginning. I watched the factory literally grow from my office desk, saw early prototypes curving around the Hillview Avenue premises, and got extremely lucky to test drive early on. I was hooked the first time I drove one. There's a lot to be said for the driving experience and the fact that I haven't visited a gas station in years. Even better are the over-the-air updates. Every so often when I get in my car there's new functionality awaiting me: more battery power, an improved suspension, or the ability to read speed-limit signs.

That makes the car worth more to me than the price tag I paid years ago, a continuously appreciating asset. I invite you to think about cloud-based ERP the same way. Done right, with quarterly innovation updates, it becomes a strategic differentiator. Technology can indeed deliver relief instead of regret. ■

Juergen Lindner is senior vice president of marketing for SaaS at Oracle

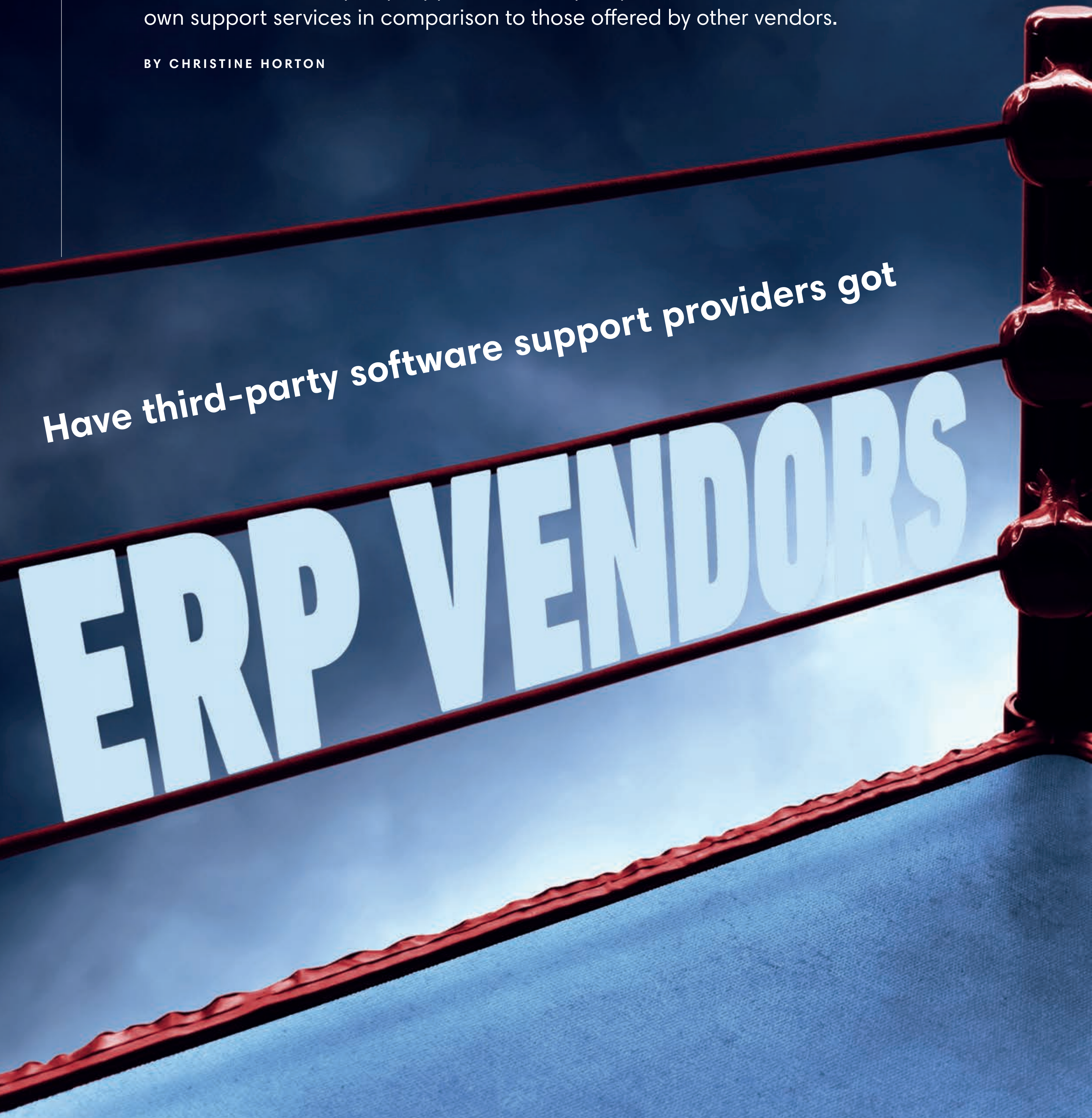
ORACLE DID NOT PAY FOR THIS ARTICLE

SUPPORT SERVICES

In the ERP software world, as with most big business, perception is everything – that's why software vendors invest so much in PR. Despite this, most of the software vendors we approached to participate in the writing of this article were reluctant to contribute. With the exception of Epicor, they chose not to share their thoughts on the merits – or otherwise – of third-party support or offer up any comment as to their own support services in comparison to those offered by other vendors.

BY CHRISTINE HORTON

Have third-party software support providers got ERP VENDORS



That, of course, is their right. But the fact remains that demand for third-party support services are growing, and the option for the customer to spend their software budget with another provider is becoming increasingly attractive. This is compounded by the fact that in the current economic climate, enterprises are examining their spending and seeing where they can tighten their belt. And one increasingly common way to do this is by moving their enterprise software support over to a third-party company. Even before COVID-19, rising software maintenance costs were driving firms to explore the independent third-party maintenance market for the likes of Oracle and SAP. A 2019 Gartner report noted that the third-party software maintenance market for **IBM**, **Oracle** and **SAP** software had grown "as a result of the demand from organisations needing lower-cost alternatives to the escalating technical maintenance, support and consulting services offered by the vendors."

Elsewhere, the analyst predicted the third-party enterprise software support market will grow from $351m in 2019 to $1.05bn by 2023 – a 200 per cent increase. Based on this growth, and increased sales and profitability potential, Gartner predicted the emergence of new third-party maintenance providers, in addition to existing companies offering new services or even supporting more vendor products and services.

The benefits of third-party

Third-party support has grown up on the back of on-premise and legacy applications and most customers who use third-party support tend to be on-premise customers and those on older versions of software.

So, what is so appealing about moving software support away from the vendor and to a third party? Cost is obviously a major factor. Gartner reported the average annual saving of software

ON THE ROPES?

SUPPORT SERVICES

budgets of at least 50 percent when comparing third-party services costs to the annual maintenance pricing models and policies of those vendors.

However, there are other benefits. These include the ability to customise contracts for more flexibility, allowing organisations to opt out of new and future versions and release upgrades if they are unnecessary for the business, for example. Similarly, they can agree shorter duration terms than the vendors' typical annual commitment maintenance policies. Third parties can offer short-term and month-to-month support for special product-specific needs under customised service arrangements and contracts.

Also, more buyers are now aware of the value-added offerings from third-party support providers, such as custom-code support, interoperability support, and global tax, regulatory and security services.

Redirecting IT budget

Another benefit of third-party support is that it allows customers to use the savings to fund digital transformation projects that they are unable to achieve if stuck in an ever-increasing support cycle.

Mark Armstrong is GVP and GM EMEA of **Rimini Street**, which replaces traditional vendor support for the likes of Oracle, SAP, IBM and **Microsoft**. In somewhat of an exception to customers predominantly using third-party support for their on-premise applications, Rimini Street also partners with **Salesforce** to provide support for its SaaS applications.

Armstrong maintains that putting their ERP support in the hands of a third-party frees up IT to focus on digital transformation and other revenue-generating projects.

"Historically, third-party support was seen as a way to make dramatic savings on support, but now customers are carefully weighing up how they prioritise modernising their IT environments and what they need to do to give themselves more time and choice about how they evolve their enterprise applications," he said.

"ERP systems are not the source of innovation for most organisations. Instead, they are turning to third-party support as it gives them the confidence of a partner with experts, who truly understand how to maintain their core ERP and technology applications, while the IT teams focus on those areas of IT strategy where they can introduce innovations to support the goals of the business."

A hostage situation?

From a vendor perspective, most customers get support packaged with the ERP that they buy, and it makes sense to position that support as the only viable option – they know the system best, it's the least risky option, etc. Support can also be a way to coerce customers into upgrading to the next version of the software by ending support for older versions.

In fact, there are stories of vendors going to great lengths to make it as hard as possible for customers to move to a third-party, threatening audits to scare customers into submission.

Support Revolution, a third-party provider of support and maintenance for Oracle and SAP contended that customers are "being held hostage by Oracle and SAP; paying too much for software support and maintenance and being forced into unwanted upgrades."

Founder and CEO Mark Smith acknowledges the vendors "are obviously not keen" for customers to leverage the services of third-party support providers, as they are losing business.

"We have seen many attempts by the vendors to convince customers to stay with them, and often through spreading misinformation or trying to bamboozle customers. Oracle in particular has taken a very aggressive stance in some cases, using audits to find issues where customers were not licensed appropriately and then issuing large fines, which Oracle will reduce or, in some cases, remove if the customer signs up for Oracle's ERP Cloud. The vendor effectively forces customers to stay rather than move to third-party support by using audits and fines."

Similarly, he says SAP audits its customers every year and fines them for being incorrectly licensed. "Two years ago, SAP sold S/4 HANA to some of its Business Suite customers, and many of those customers now do not want to implement the product. In most cases, they cannot stop paying for this new software though as SAP bundled the support and maintenance costs in with their legacy ERP support costs and will not split them out," he said.

Smith believes instead of "forcing their customers to stay and bullying them into it" the software vendors should be providing a better support service or investing more in new versions of their core ERP offerings.

...NOW CUSTOMERS ARE CAREFULLY WEIGHING UP HOW THEY PRIORITISE MODERNISING THEIR IT ENVIRONMENTS AND WHAT THEY NEED TO DO TO GIVE THEMSELVES MORE TIME AND CHOICE.

MARK ARMSTRONG / RIMINI STREET

Move...at what cost?

It is admittedly a little difficult to present both sides of the story equally with those advocating for third-party support putting considerably more effort into being heard. It is also difficult to gauge how vendors feel about losing what is a huge chunk of their revenues – no doubt their highest margin product – to an outside party.
However, Paul Flannery, VP of international channel sales at software vendor **Epicor** did share his thoughts on the downsides of shifting to third-party support.

"In theory, third-party support can provide savings, but at what cost? ERP is at the core of our customers' business and keeping it up and running for them to support their customers, process transactions, and maintain brand reputation are vitally important considerations," he said.

Vendors will indeed argue that third-party support leaves the customer one step removed from the coalface of software development. As such, they will have reduced access to developers, less input into product roadmaps, and a slightly removed relationship with a critical supplier.

This is confirmed by Flannery, who said other potential drawbacks concern issues that the third-party cannot fix due to them having no access to vendor teams, support, or R&D.

"What's more, there could be potential implications and costs associated should the user upgrade to new versions of the platform to take advantage of innovations that deliver real customer value. Epicor invests a significant amount in R&D to enable our customers' digital transformation journey, particularly during such challenging times," he said.

"Support is only one element of a customer's IT investment strategy – if a customer is looking to drive out cost and complexity, then due to our innovations we can help them do more with less by offering a full suite of cloud solutions with a strong business case and ROI. We have a strong accreditation and value-based criteria for our partners to ensure that they are capable and credible in supporting our customers in the way that we, and they, would expect."

> WE HAVE SEEN MANY ATTEMPTS BY THE VENDORS TO CONVINCE CUSTOMERS TO STAY WITH THEM, AND OFTEN THROUGH **SPREADING MISINFORMATION OR TRYING TO BAMBOOZLE CUSTOMERS**
> **MARK SMITH /** SUPPORT REVOLUTION

> KEEPING IT UP AND RUNNING FOR THEM TO SUPPORT THEIR CUSTOMERS, PROCESS TRANSACTIONS, **AND MAINTAIN BRAND REPUTATION ARE VITALLY IMPORTANT CONSIDERATIONS**
> **PAUL FLANNERY /** EPICOR

Adding value

Enterprises might decide that sticking with a single vendor is a less risky approach. And if pressure on costs isn't the most important factor, it can make sense to keep your applications, and the maintenance of those applications under one roof – especially if they are a SaaS customer.

But when industry analysts like Gartner specifically point out the additional services that third-party support providers can offer customers, it's probably time for vendors to have a serious think about their own value-add.

If the growth predictions for third-party support are anything to go by, they should consider doing this sooner, rather than later.■

SUPPORT SERVICES

THIRD-PARTY SUPPORT

It's not just about the money

BY SIMON LYTTON

The role of IT should be primarily about serving the business: providing the necessary infrastructure and innovation platforms that enable enterprises to survive and thrive. Too often, however, that ability to make a difference is diluted by patching, maintenance and keep-the-lights-on tasks. It's my strong belief that wherever possible those sort of tasks should be delegated but in ERP that has historically not been easy. Instead, customers have been stuck with vendors charging an annual fee of 20 percent or more for maintenance even though as a rule of thumb one of every two patches will break things.

When I joined BrandSafway, a leading global provider of access, specialised services, and forming and shoring solutions to the industrial, commercial and infrastructure end markets, we were operating on the basis of multi-year **Oracle** ERP rollouts to a country. We wanted to move faster and we wanted to work smarter to deliver value back to the business without losing efficiencies. We found a highly effective solution to this conundrum, together with a different way of working with vendors and using **Rimini Street**'s third-party support.

Often, third-party support providers are thought of as a way to reduce spend and it's true that we saw direct savings of about 50 percent on support. But, just as important if not more so, we also are clawing back the time and focus to build and innovate, and have been able to roll out and extend our financials, supply-chain, HR, project accounting footprint in new countries, adding timesheets, forecasting and other solutions, faster than would otherwise have been possible. We have not only been able to leave the break/fix hamster wheel but have an internal team that can really focus on projects. We believe that the indirect savings are perhaps 30 percent on top of the direct savings.

There have been other successes too: the initial onboarding took just eight weeks, faster than we had anticipated, and support is superior. Our patches are bespoke and they work first time. An early experience with a major tax and regulatory update was that it was delivered with just one small issue, which was fixed with a 48-hour turnaround. The days of calling 'Brian or Sue' at a big software provider with offices in the UK are long gone, but with Rimini Street we have a largely familiar set of faces to work with. There's no escalation of support tickets ending up with somebody new to the issue that you can get with a blue-chip software vendor.

We needed a partner that could operate not just narrowly in understanding the minutiae of the ERP system itself but the complex ecosystem in which the system sits: hardware, operating systems, networking and the applications that ERP touches. That partner didn't need to have a specific deep domain knowl-

edge of the sector we operate in but did need to understand our set-up, including the fact that we operate across jurisdictions all over the world and we have to keep up with all the various tax regulations and governance activity.

Rimini Street is proactive and we are alerted to changes in the regulatory scene before we know about them: there's no sense of chasing them to help with a problem. The partnership has even extended beyond the core competency of having deep, specialist knowledge of applications. When I was struggling to make sense of how I could use AI, a Rimini Street employee talked our leadership team through how they were using it and how it can be applied, for example, to incident tickets. We learned that we could use AI to identify immediately if a customer was angry (all-caps text), or likely to be frustrated (where multiple similar tickets have been issued multiple times), how to prioritise tasks and find the right person for the task (areas of expertise and availability). In short, they helped us open our eyes.

SOME FEAR THE EFFECTS ON VENDOR RELATIONSHIPS OF MOVING TO THIRD-PARTY SUPPORT BUT WE DIDN'T FIND ANY DETERIORATION IN OUR RELATIONSHIP WITH ORACLE

One challenge was internal. We needed to lose the mindset that by the time you've explained to an outsider how you work, your technical infrastructure and specific needs and priorities, it's quicker to fix it yourself. Working with a third-party support vendor is more than just offloading; it requires the internal team to adopt the role of educator of the partner and it means that there has to be trust and teamwork across internal and external teams. You need open lines of communication, an understanding of product functions that are important to the business, a process for handing off responsibilities, clearly mapped priorities and KPIs for measuring progress. But once we had addressed the 'let's just keep on doing it the way we always have' syndrome, we found onboarding and the relationship was rapid and painless.

Some fear the effects on vendor relationships of moving to third-party support but we didn't find any deterioration in our relationship with Oracle. We explained clearly our strategy, our decisions and we communicated throughout. Oracle knows why we are not moving to R12 or Oracle cloud but we remain a valued customer and we are treated as such.

Today, we view Rimini Street as a long-term strategic partner across Oracle, **JDE** and **Salesforce** applications and we have a roadmap with them extending 10 years ahead. Third-party support means we don't have to be a jack of all trades: if I'm implementing **GST** for India, **JPK** in Poland, or e-invoicing for Latin America, why wouldn't I go to a specialist who really understands that?

Today, BrandSafway is reaping the benefits of a mature, low-cost footprint, in part because it broke with tradition and invested in a new way to support our applications and a modern approach to vendor management. I see companies spending millions on ERP rollouts and I want to tell them that you really don't have to do it that way. We've separated project delivery from support, and we're convinced that approach is the right way to go. Start small with third-party support and then expand, but most of all find a true partner that isn't just providing a body shop but acts as an independent trusted advisor. You will find that your ERP maintenance is enhanced but also that you can concentrate on the work that makes the difference to business. ■

Simon Lytton is global applications director at BrandSafway

STEVE MURPHY

BY PAUL ESHERWOOD

ANOTHER NEW DAWN FOR EPICOR

EPICOR HAS BEEN SOLD, AGAIN – THIS TIME TO CD&R, A VENTURE CAPITAL HOUSE WITH PLANS TO DOUBLE THE BUSINESS IN FIVE YEARS. PAUL ESHERWOOD SAT DOWN (VIRTUALLY) WITH STEVE MURPHY, CEO, TO DISCUSS WHAT THE NEW OWNERSHIP MEANS FOR CUSTOMERS AND HOW EPICOR CAN RAISE ITS GAME IN THE HIGHLY COMPETITIVE MID-MARKET ERP BATTLEGROUND

Epicor is one of the original business software companies. It was founded in 1972 (albeit under a different name) and has grown through a series of acquisitions and mergers throughout its life as a privately held company. It has about 20,000 customers worldwide made up of medium sized manufacturers, distributors and retailers – most of which have been loyal patrons for decades. Recent product refreshes have brought the look and feel of its applications out of the dark ages and into the cloud UI era while newly acquired solutions like **1 EDI Solutions**, **Majure Data** and **Mechani-Net** have given the firm new strings to enhance its offering for warehousing, automotive and, more generally, in terms of marketing and integration.

A recent acquisition by **CD&R** valued the company at $4.7bn, its cloud business is growing at a rate of about 60 percent and revenues for its current financial year are approaching $1bn. You would assume this all amounts to the perfect recipe; loyal customer base, strong revenues, reinvigorated products and an attractive SaaS run rate. And yet something about the Epicor brand has failed to ignite the same pizazz as many smaller ERP vendors enjoy. Why is that?

Several factors have contributed to Epicor's relatively low profile over the last 10 years; a lack of investment in the product range left the applications looking tired compared with many of their competitors. Marketing had historically not been a strong point and you were unlikely to see the Epicor brand adorned on an F1 car, stitched onto the bag of a golf professional or waving in the wind at a global event. And finally, along with many other ERP vendors, Epicor has had to battle through the pain of retooling its applications for the cloud and converting its install base from on-premise applications to subscription billing.

However, a big update at the start of 2020 and the introduction of improved functionality has breathed new life into their core ERP. A new CMO joined around the same time with a remit to put some fizz into the brand and, under new ownership, CD&R look set to continue their support with the cash and resources needed for further acquisitions and investment in R&D. Just a few weeks after the acquisition was completed I caught up with Steve Murphy, CEO, to ask what the new ownership would mean for customers and what we can expect from Epicor in the short and medium term.

EPICOR

Steve, it's been almost three years to the day since you took over as CEO at Epicor - it's been quite a roller-coaster hasn't it?

SM It's been a great ride despite COVID-19 this year, and I'm committed to staying at Epicor for the long haul – I feel strongly that we've got a lot to look forward to in the future and that our best days are ahead of us.

How are you coping with the COVID-19 crisis on a personal and professional level?

SM My approach at home and work is very much the same. My wife and I are focussed on keeping a positive outlook and adapting to this situation so that our kids feel our home is stable regardless of what is going on in the outside world. I also believe that, because physical and mental health go hand in hand, maintaining a physical fitness routine can help keep us mentally sharp.

Similarly, at Epicor our entire executive leadership team is focussed on leading with positivity, clear communication, and empathy for the varying needs of our global workforce. And to keep people engaged and promote healthy activity, we are in the middle of a 25 day Wellness Challenge to walk 40 million steps – and our employees across the globe have already logged nearly half that goal.

What have been the biggest challenges you have had to adapt to as the CEO of a global tech business?

SM COVID-19 was certainly an unexpected challenge. As a software company, we were well-prepared for a remote work environment – in fact, we were able to quickly transition 99 percent of our employees to work from home setups without any additional equipment.

But once we were remote and stopped all unnecessary business travel, we encountered a very real challenge: how to build relationships with customers virtually. I think we came up with some thoughtful, creative solutions, including virtual software demos and value workshops. And those solutions continue to serve us and our customers well as we slowly increase safe work travel over the coming months.

Another one of our biggest challenges has been ensuring our global company culture is maintained virtually. The challenge of isolation is not unique to us, but it is a serious one that needs to be addressed. We want our employees to feel connected and supported, and I believe it's important for our executives and managers to lead by example. We increased internal video communication and global all-hands meetings, and we also got creative with virtual happy hours, games, and coffee and tea breaks. These small efforts go a long way to keeping folks engaged.

What are the biggest challenges your customers are facing at the moment, and how is Epicor helping them?

SM Many of our customers are manufacturers and distributors who deal with heavy industry assets, and their biggest current challenges revolve around how to keep commerce moving while keeping employees safe. Thanks to our industry specific ERP, they can smoothly run operations remotely in the cloud. This is a big feat for these more traditional work environments. Even though many of their employees might not be on-site or in the plant, they can adapt in real-time and make decisions remotely. For example, an on-site worker can use ERP technology to quickly process inventory of inbound materials from a handheld mobile device. Remote and on-site employees can then track and transfer inventory throughout the warehouse.

We've also seen customers that want to be better positioned for future disruptions. And this is something Team Epicor excels at. We can help them course-correct business processes that need to be adjusted and provide industry-specific software solutions that increase agility as well as the connectivity between their employees and their business.

Do you see any big differences between geographies or sectors in terms of how the pandemic has impacted?

SM Certainly, it varies a lot by country. And because we at Epicor always seek to best serve

THANKS TO OUR INDUSTRY SPECIFIC ERP, THEY CAN SMOOTHLY RUN OPERATIONS REMOTELY IN THE CLOUD. THIS IS A BIG FEAT FOR THESE MORE TRADITIONAL WORK ENVIRONMENTS.

our customers, we've adapted to support them no matter where they're working from or how they're working together as a team. Our professional services is a great example. If there's a problem we need to jointly solve, we adapt to our customer's comfort level. Some prefer to meet us in person with safe social distancing practices, while others have great willingness for our team to handle projects off-site and instead hold daily check-ins. It's all about respecting the needs and concerns of each customer.

Most ERP vendors are (quietly) reporting a surge in uptake for their cloud and SaaS services – is that the same for Epicor?
SM Yes. We're seeing strong demand, and SaaS revenues are up 60 percent year-to-date.

Do you think that COVID will inadvertently be a positive driver to move your install base onto your cloud applications?
SM Yes. COVID-19 has accelerated the adoption of cloud and SaaS services, as the flexibility these options provide are no longer 'nice to have', but necessary for most businesses.

Epicor announced some new products recently - which we like. Your core ERP got a big refresh, Commerce Connect looks like an interesting proposition, and Prophet 21 is an entirely new suite – what's the uptake been like?
SM Thank you, glad you like them. Yes, the products were due for a refresh. We invested heavily in look and feel as well as functionality, which has really improved the user experience. And the response has been really strong because the products we announced line up with what customers are looking for today.

For example, as customers are offering more omnichannel buying and selling experiences, they're looking for new ways to extend their footprint. Commerce Connect allows them to do this, and to also grow in new ways that they hadn't considered before and outside of the four walls of their organisations. Prophet 21, a cloud solution, is something our customers were really appreciative of because they could continue to do business without skipping a beat when many employees weren't able to go into the manufacturing or distribution facility.

EPICOR

portion of our customer base is on current or recent versions of our software. This is due to the fact that we've invested so much in our products, and they see the value in updating. For example, nearly 85 percent of our ERP customers are on a 10.x solution. Bookings were 10/90 four years ago, and they are now 50/50.

For customers who haven't transitioned to subscription billing, we make sure to approach this as a journey. We seek to help them understand the value of a cloud destination and to clarify what benefits they will see. We also respect the pace of our customers. This might mean strategically moving one application into the cloud at a time – and allowing their comfort level to increase with each success. The important thing we always stress is that Epicor will be delivering with them every step of the way.

One of the things that seems to hold Epicor back a little is its lack of partners – is that something that you will be looking into under the new ownership?

SM It's fair to say that we've been deliberate in taking on partners very carefully based on value-add. We have tended to be cautious with partners. As we scale, we'll strategically increase our investment with partners internationally and will consider investing in partner relationships in the Americas for professional services and sales where we think it makes sense.

Have you been successful in migrating your install base from the acquired platforms to the new suites being offered now?

SM We have, and that's because we are offering things like remote support, which allows customers to be able to transition from on-premise to cloud in a more simplistic way. We also offer programmes that allow customers to migrate to cloud with greater ease. And for our install base accounts, we continue to share information that helps them understand the value of cloud migration.

The key thing here is that we offer a hybrid of choice, because we believe our customers know what's best for them.

Epicor is one of the original business software firms. It has a very long-standing and loyal customer base – but that customer base is largely on old versions of legacy applications – what are you doing to transition them to subscription billing?

SM It might surprise a lot of folks, but a good

What's Epicor's game plan to grow revenues? As perpetual gradually drops off, can you sustain revenues through migration of the install base, or do you have to be more aggressive about net new customers?

SM We can more than sustain them. I expect organic growth to accelerate as SaaS and subscription growth continues to be very strong and becomes a larger part of our overall business.

And how do you make a play for new customers? What's the USPs that position Epicor as a leader?

SM Two things. Our deep industry expertise coupled with our sincere respect of our customers and their knowledge.

For example, we don't just know manufacturing – we know medical devices and fabricated metals. We don't just know distribution – we know HVAC. This is something our competitors can't offer due to their size and the fact that they don't deliver directly to the customers. Epicor has a true pulse on the customer and the industries we serve.

When it comes to respect for our customers, in the mid-market there are a lot of businesses we work with that are multi-generational and extremely sophisticated. They are big, profitable family businesses, and their success is due to their fine level of detail and ability to utilise what is unique or special about their business. We don't want to get rid of their 'secret sauce' through standardised software. So, we team with them when implementing software that is personalised.

When you joined Epicor, KKR had recently acquired the business – what were the objectives they set for you and how have you measured up against those objectives?

SM The three objectives I had were to stabilise the business, achieve profitable growth, and modernise our products for the cloud. And we met or exceeded all three.

When Epicor makes the media it's more often to talk about the ownership and the mechanics of the business rather than your products and customers. Is that a frustration for you?

SM It can be frustrating, but it's a consequence that comes with being privately held. However, the media around the recent investment by CD&R was encouraging. All three parties (CD&R, KKR, and Epicor) co-operated to have a message that balanced product and investment with the over-arching deal.

Epicor has been a 'best kept secret' for a long time. We have stellar employees who are great at what they do, our solutions are excellent, and our customers love us. We're committed to sharing that story on a wider scale, and it's something we're excited about and investing in for the future.

KKR has just sold the business to CD&R – but Epicor was up for sale almost a year ago and then came off the market. What happened? And what changed to allow the sale to proceed now?

SM We get inbound interest from investors regularly and, as a board member, we'll always evaluate. My personal belief was that last year wasn't a good time to sell. Since then, the company continued to improve and demonstrated its value – during exceedingly difficult circumstances, no less – and put us in a position where change of ownership made sense.

What's the plan under CD&R? What's first on the list and how will it impact customers?

SM The great thing about our partnership with CD&R is that they share our vision and see a lot of growth here. We'll be focussed on innovation and investment in product, which will directly benefit our customers, now more than ever.

Where do you see Epicor in the ERP landscape?

SM In our space, we're top five globally, and I think we're well positioned for the future and what we want to achieve.

And where will it be in five years' time?

SM In five years, I expect us to double in size without losing our core values of customer expertise and industry focus.

Will you still be the CEO?

SM I'm here for the long haul.

What's the best thing about Epicor?

SM Without a doubt, it's the people and the culture we have created together.

What's the commitment you make to your customers when they choose Epicor?

SM We value our relationship with you and pride ourselves on being accessible to you not just through go-live, but in daily operations to help you grow and achieve your business goals. With Team Epicor, you can expect a superior level of service and industry expertise, and a place where your feedback will direct innovation. When you encounter surprises or obstacles, we will be there with you to solve your toughest problems.

Why would a customer come to Epicor if it was looking for a new ERP provider?

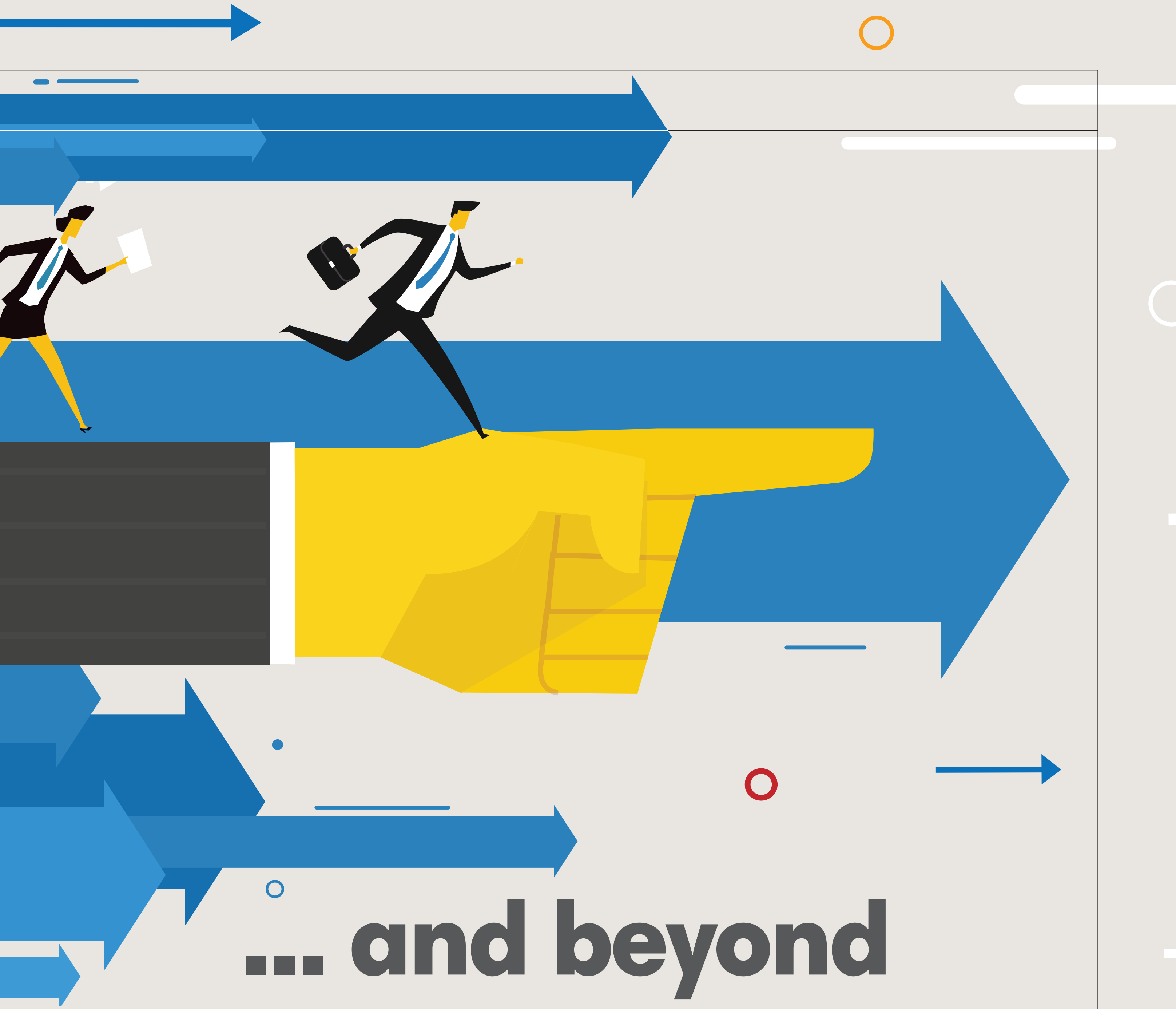
SM Customers come to us for the collaborative relationship we offer and the expertise we provide. At Epicor, we truly understand our customers' industries and what is unique about their business. But we also accept that our customers have useful information we don't have. I can name multiple instances where a customer came to us and offered insight that we then incorporated into innovative functionality. We will listen and collaborate with our customers. And if a customer emails about a problem, they shouldn't be surprised if one of our executives engages to help them figure out a solution. ■

PUBLIC CLOUD PLATFORMS

the state of the enterprise in 2020

While the world struggles with its most severe pandemic in 100 or so years, the key underlying dynamics of enterprise success have not changed. Enterprises need to move even faster and become even more agile to not only survive but also thrive during the pandemic. Practically this means CxOs need to tap into digitalisation, leverage the new infinite computing era, build differentiating next generation applications, and above all, practice enterprise acceleration. Finally, software becomes the key trait of an enterprise's DNA, determining how well an enterprise will fare in dynamic times.

BY HOLGER MUELLER



... and beyond

CxOs need to look at the three fundamental mechanisms of any enterprise:

• **The supply chain.** CxOs need to figure out how they purchase and procure services and goods. Digital marketplaces, software agents and more are the key feasible innovations.

•**The value chain.** The way enterprises create their value add to deliver attractive products and services has been massively disrupted. It has to be reset all the way on how people work together, collaborate, and be rebuilt and reinvented as fast as possible.

• **The demand chain.** What enterprises can sell to who and how is continuously changing with technology. A simple web store is not enough. To win, enterprises need to listen to prospects and customers, make mass customisation real and become omni channel virtuosi.

Besides the three chains, the other determinants are the key resources of an enterprise – assets, finance, and people. With enterprises struggling to keep their business going special consideration is given to capital as it is the essential component to invest in the way forward. Offices and data centres do not look like the best idea to CxOs these days, especially when they see relatively low utilisation. The once humming and cost-effective mainframe running reservations and more at an airline looks like a massive CAPEX dump - at 10 percent utilisation. Same for office buildings. Wonder what the five year ROI of **Apple**'s shiny new campus will be?

HOW COVID ACCELERATES THE MOVE TO CLOUD

Experiencing the CAPEX crunch, CxOs look for any way to find methods of operating the value chain that ties its expenditure to the performance of its overall business. If the enterprise grows, it pays more for resources, if the enterprises shrinks, it consumes less and therefore pays less. That is where

PUBLIC CLOUD PLATFORMS

the cloud as a platform becomes so attractive, as its core nature of elasticity allows exactly that - the expansion and contraction of computing needs as the enterprise requires them to power its value chain.

But there is more than the technology, elasticity must find itself also in commercial terms, enabling commercial elasticity, resulting in lower bills on lower usage. Naturally, cloud providers are flexible with upward elasticity, but not in all cases with downward elasticity which equates into less revenue for them. Many first-generation SaaS vendors still operate their own data centres, effectively coming up with the CAPEX to operate them. On the other side, a SaaS vendor who runs on other clouds, can offer more flexibility in commercial terms. As user demand ebbs, technology consumption ebbs and with that costs. Effectively the cloud vendor who operates its cloud data centre is stuck with the CAPEX bill.

Now, SaaS vendors that can isolate themselves further by leveraging a platform vendor, that by themselves sits on another cloud, are even more and better isolated. Finally, being able to operate on a cloud platform with non-enterprise loads gives both SaaS vendors and their enterprise customers the best isolations in the post pandemic roller coaster economy.

UNDERSTANDING THE KEY CONCEPTS

By now you have a good understanding of cloud and its inner workings. But what about the other key technology concepts – here is a short rundown:

• **Infinite computing.** If you cannot count something, it may as well be infinite. Even better if you can pay for it as your busines scales up and down. The end of finite computing that relies on sized machines in your data centre is the start of the infinite computing era. Its five layers are already familiar (infinite communications aka – the internet), used by disruptive enterprises (infinite insights – Hadoop style technologies), more widely used (infinite compute – from the cloud), the innovation layer (Infinite AI/ML – look at TensorFlow) and the frontier, almost not used yet (infinite deep learning). Adoption of the infinite compute technologies is key for enterprise survival.

• **Next generation applications.** As infinite computing becomes reality, technology capability overtakes best practice demands. Effectively, new best practices are being enabled and created. CxOs cannot afford to wait for their standard software vendors to provide these, as standard software vendors want to run the same software for hundreds if not thousands of customers. The result is that enterprises need to build software again and build their own next generation applications. The seven generic use cases for next generation applications are digitising value chains, tame the internet for demand chain usage, revolutionise intra-enterprise functions for the value chain and across the three chains to build IoT applications, enable data-as-a-service (DaaS), re-invent communication (**Zoom** anyone?) and innovate the human machine interface.

• **Enterprise acceleration.** Enterprises need to move faster and become more agile. To win they need to advance their people skills, improve their people processes, and provide modern platforms for their enterprise to excel. The speed of an enterprise needs to exceed the speed demands of the markets it wants to successfully compete in and the speed is determined by the potential and ability of its people as well as the technology platform. The inherent speed of the technology platforms dictates the limitation to enterprise velocity, therefore technology and software matter so much for enterprise success in the 21st century.

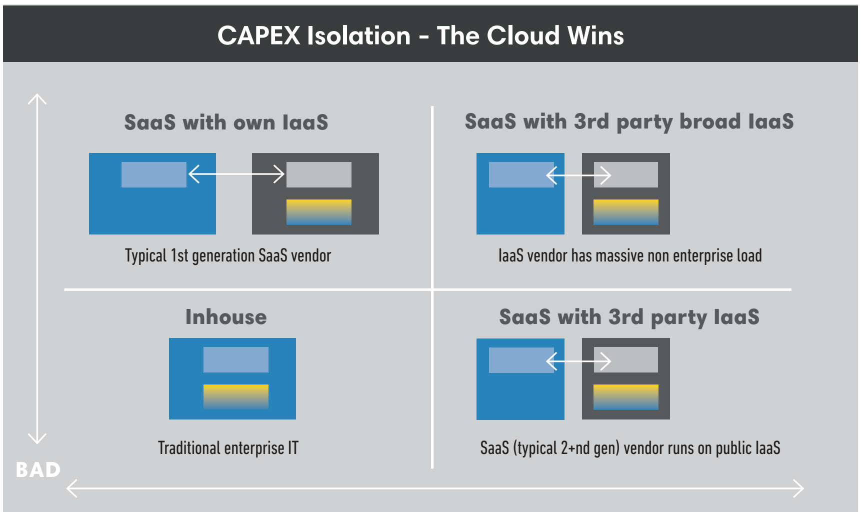
HANDICAPPING THE BIG THREE – AND A DARK HORSE

The cloud conversation has been dominated by the 'big three' – AWS, Azure and Google Cloud. While **AWS** and **Microsoft** battle for the number 1 spot in terms of market share, **Google** is a distant third. That forces Google to do things differently, to improve its value proposition and attraction to enterprises, while challenging the larger competitors and dictating the roadmap.

When understanding technology vendors it is always good to look at their organisational DNA:

• **Amazon:** Amazon is the prototypical showcase of a digital transformation winner, starting in the book business and then expanding into a lot of markets, and now one of the most valuable enterprises on the planet. Amazon is an electronic retailer; AWS is its IT platform. From its inception, AWS had to be elastic to cater for ecommerce peaks like Black Friday and other

FIGURE 1 – 4 DIFFERENT APPROACHES TO CAPEX



SOURCE: HMCC & CONSTELLATION RESEARCH, INC.

holidays. Amazon has key IP in supply chain management, logistics and warehousing automation, operating one of the most efficient fulfilment chains. Its AWS business is margin accreditive, meaning extra investment into AWS (compared to ecommerce) makes it more profitable. Lastly, Amazon has massive internal, organic load from its ecommerce business.

• **Microsoft:** Microsoft is a technology vendor in transformation mode, from its traditional Windows and Office franchise to Azure and more. Its CEO, Satya Nadella, came from the Azure business and is on a mission to turn Microsoft into a cloud company. Microsoft's organisational DNA is that of a software company, not always the first and the best one, but the one that got it right for the enterprise and has multiple decades of relationships to technology decision makers around the world. Azure though remains margin dilutive for Microsoft, meaning Azure investment reduces Microsoft profitability (for now). Microsoft's only substantial load is Office, and Office conversions to Office365 have been the bulk of the Azure load. Given the sensitive nature of Office data, Microsoft is at the forefront of data privacy and data residency requirements.

• **Google:** Google had to 'invent' the cloud to scale for its mission – organising the world's information and making it universally accessible and useful – by itself, a cloud scale challenge. Behind the scenes, Google lives from advertisement, with its eponymous search being the carrot to drive usage. As Google Cloud must scale to cloud scale problems (search, YouTube etc.) it has to be on the forefront of scale, TCO and speed. Google has a two-to-three year lead when it comes to AI, with its TensorBoard architecture entering their fourth revision. Quality, speed, and cost of AI will matter for enterprises more and more and Google banks on this to materialise. Google is also challenging the 'only in my cloud' approach with Anthos, operating across different cloud infrastructures, even building product with Big Query on that platform. It has successfully forced AWS and Azure to adopt and operate both Kubernetes and Tensorflow. Not bad for a number three with some distance. For Google, operating cloud is also margin dilutive, but it has massive organic load from search, voice (for all Android devices out there), YouTube and increasingly G Suite.

TABLE – 1 THE BIG 3 IN THE CLOUD

People Groups and Remote Work Strategies

CRITERIA	AMAZON AWS	MICROSOFT AZURE	GOOGLE CLOUD
DNA	E-Commerce	Software	Advertisement
KEY VALUE DRIVER	Retail, Supply Chain, Cloud	Office, Windows, Cloud	Advertisement, Search, Android, G Suite, Cloud
MARGIN EFFECT OF CLOUD	Accreditive	Dilutive	Dilutive
ORGANIC LOAD	E-Commerce Business	Office to Office 365, some Dynamics	Search, YouTube, Android, G Suite
PRODUCTS TO WATCH	RDS, Outposts, Aurora	Azure Arc / Stack, Azure SQL, Cosmos DB	Tensorflow / TensorBoard, Anthos, Kubernetes

SOURCE: HMCC & CONSTELLATION RESEARCH, INC.

THE DARK HORSE: ORACLE

Oracle has been a critical element of enterprises IT landscapes, pretty much from the start of the vendor in the 1970s. The Oracle organisational DNA is to build superior software products that win in the marketplace with functionality and total cost of ownership (TCO). Like many established vendors, Oracle has struggled moving to the cloud, only getting the equation right with Oracle Cloud Infrastructure Gen2. With its Exadata product line it is the best platform to run an Oracle Database, and with the full workload portability and identicality of its on-premise and cloud platforms, offers unique flexibility to enterprises. As long as Oracle remains a key database for enterprises, Oracle has a shot to become part of the current big three. For Oracle cloud is as well margin dilutive, when compared to its enterprise software business but margin accreditive when comparing to its hardware business. Oracle has substantial in-house load with its enterprise application portfolio, PaaS stack, and DaaS offerings.

IT IS KEY FOR CxOS TO UNDERSTAND THE DIFFERENT DNA AND CAPABILITIES OF THE TOP THREE CLOUD VENDORS. THEY BRING DIFFERENT VALUE PROPOSITIONS TO THEIR CUSTOMERS.

THE TAKEAWAYS

It is key for CxOs to understand the different DNA and capabilities of the top three cloud vendors. They bring different value propositions to their customers. AWS will be the preferred platform by developers for the foreseeable future – and outside of the AI/ML space, where they are catching up – has done very well. Microsoft works well with IT and most enterprises use the vendor already. Google will be ideal for enterprises who want to bet on the AI/ML card today.

In reality though, practically all enterprises operate in a multi-cloud world, using all cloud providers, and there is a high chance an enterprise with 5,000 employees is present on all three clouds. How to best operate them might be a good topic for a future piece in ERP Today. Watch this space. ■

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Mark Twedd

SUPPLY CHAIN

Change of plans

WHY IBP IS KEY TO POST-PANDEMIC SUPPLY CHAINS

While organisations need more visibility, modelling and planning than ever before, what are the five key areas of change crucial to the success of forward-thinking businesses? BY FRED AKUFFO

It was a feature of the recent COVID-19 pandemic lockdown that retail and healthcare supply chains struggled to keep up with demand. While shortages of toilet paper and PPE grabbed the headlines, most businesses have suffered from some sort of unscheduled break in the supply chain. This crisis, while unprecedented and unforeseen, has been unforgiving but it has also provided us with some valuable business lessons.

The first is that supply chains can be extremely fragile. The second is that no one can really predict for certain what will happen in the next 12 to 18 months. Unexpected events can always happen. The third is that businesses need to be able to plan for and simulate change and be able to maintain continuity despite uncertainty and crises. This makes economic sense.

While the pandemic has accelerated the need for change, for increased supply chain visibility and disaster planning, this is not a new concept. Integrated business planning (IBP) is a process and methodology of business planning made possible by the proliferation of departmental and supply chain data, so it's important to understand what is driving the need for IBP – industry changes or disruption, cost pressures, ailing customer demand or to facilitate better collaboration of internal and external teams?

Understanding the strategic reasons for taking on IBP is important but how ready is the business and what effort is required to implement IBP thinking into the organisation? Below we have outlined five key factors for building and delivering successful integrated planning that can transform business and supply chain profitability.

WHAT IS INTEGRATED BUSINESS PLANNING?

Integrated business planning or IBP is a process that links strategic planning with sales, financial and operational planning. By incorporating financial and operational data from across an organisation and from supply chain stakeholders, it is possible to get a holistic, transparent view of the business, enabling more informed planning, modelling and decision making. IBP uses technology applications to help manage the processes.

How mature is the business?

IBP will work differently within organisations depending on business maturity. In some cases, it may not work at all, at least not yet, as a business may not be suitably set up to integrate planning across disparate departments. That doesn't mean the business cannot evolve and work towards the sort of good practice required for successful IBP. The requirements can be achieved in phases. This means no one has to rip and replace anything. It's about improving the internal structure to enable a greater flow of data and understanding across departments.

The first thing to do is align the business strategy with existing processes, if it is not already. This should help the organisation identify any gaps or misalignments across people, behaviours, process governance, data availability, format and accuracy, speed of decision making and reporting controls. This will help build a picture of where the organisation needs to make changes to move forward.

The implementation plan must consist of both a strategic deployment and operational excellence track with clear drivers for what the organisation is trying to achieve through IBP. This process of embracing IBP thinking should start early and will eventually inform how the organisation structures and grows in the future.

Stakeholder ownership – who's in charge?

Ideally, any organisation needs someone to take ownership - an IBP leader. This person would then be responsible for bringing together the relevant stakeholders from across the business, including key supply chain partners. A dedicated IBP manager drives adherence and ensures governance. This role also coordinates and manages the whole process, including timelines, tasks, actions and activities of the individuals and teams.

Also, the right combination of stakeholders is essential for successful IBP. By bringing together the views of the different stakeholders, a business can begin to identify and manage areas of potential conflict and ensure every department is moving in the same direction. Outside of the sales and operations view of demand and supply, stakeholder representation must also include supply chain finance and procurement supply chain management. This drives finance integration and supply chain collaboration, which goes a long way to achieving successful planning outcomes.

There's no substitute for expertise

Skills are always a challenge for any business tasked with change projects. What we have found is that specialist IBP input is needed throughout the journey, across both strategic deployment and operational tracks. While the composition of the team will, of course, change throughout the journey, a core thread of expertise and adoption specialists must be retained to deliver and maintain the necessary processes and to avoid user dissatisfaction and burnout.

Educating employees about the value of IBP and the role they are playing in making the organisation more agile and profitable is key to motivation and the on-going success of IBP. It is also key to adopt the 'best of breed' consulting approach, ensuring interoperability and reliability of key technologies and processes. This specialist help is needed to avoid common pitfalls and to ensure project risk is minimised. Ultimately, without the right, sufficiently skilled people, IBP projects will struggle.

> ENSURE THE TECHNOLOGY IS IBP ENABLED AND AVOID SOFTWARE THAT NEEDS EXCESSIVE RE-CONFIGURATION AND CUSTOMISATION

Don't be led by IBP technology

Technology, rather than being a driver of the IBP process, is an enabler. It should not dictate processes but enable them. It's a common problem to shape an IBP project around the software alone, especially when taking into account legacy systems and data silos. That said, any technology solution must be able to provide the following:

- Single data model
- Fast scenario modelling
- Financial integration
- Flexible reporting
- Forecast collaboration capability
- Near real-time transactional integration
- Intuitive user interface – it has to be easy to use

Ensure the technology is IBP enabled and avoid software that needs excessive re-configuration and customisation. While no one system provides the full IBP scope, there are specialist IBP applications that can provide the core capability. How organisations choose software will also come down to the stakeholders involved. It is likely businesses will need a broad landscape of apps that can support the overall IBP process as long as the core IBP system can scenario model.

Good project management for on-going success

For a business to get maximum value from an IBP project, it will need to adopt and maintain a number of project management principles. The aim is to embed IBP within the fabric of the entire organisation and use it as the source for business targets and KPIs. To do this, the project needs to adhere to the following:

- Embed quality principles for projects
- Have a back-up plan for key resource and changes in working circumstances
- Look out for potential in-flight projects and practices that can disrupt your plan
- Prioritise solutions for business impact
- Manage different solution priorities across different business units
- Use agile methodologies to drive early adoption
- Include the right people from the business who can develop in the supply chain
- Leadership must realise they have a major role in supporting the project and the process

Good governance is critical

Ultimately a successful IBP project will be judged on the company's ability to make intelligent, data-driven forecasts that improve supply chain agility and increase profitability. Having a vision is all very well but having the ability to realise a vision and basing it on accurate forecasting and planning data is why IBP should be seen as the engine driving the future of supply chains and business strategy. ■

Fred Akuffo is the managing director at Olivehorse

Are you ready to go all-in on SaaS?

BY MARK SWEENY

Experience tells you that in the enterprise SaaS cloud market you are always selling regardless of position and role you play within a company. You always sell yourself first, *"Like me, like what I am saying, like what I can do"*, in this game, using a poker analogy, this is merely table stakes.

This ecosystem thrives on business relationships, and regardless of remote communications technology that we now all rely upon, people want to physically see the whites of your eyes before they sign on the dotted line for a multimillion-pound contract. However, noone signs such contracts just because they like someone.

Raising the game

The 'raise' in the SaaS game is value and the bigger the pot gets the value realisation expectation increases exponentially.

But what is value? What is this word that we are transfixed on? Translating this into financial means and then stoking expectation further by providing numerous 'intangibles' that we cannot even attach a monetary number to. The combination enhances our hand before we lay down a disappointing deck of cards at the outcome.

How do we translate aspirational words in a business case into a real tangible asset that we can touch, feel, see, and ultimately measure - seeking a financial return on our investment?

> **The value chain is circular, between organisation, systems integrator, SaaS platform vendor and end customer.**

Hierarchy of value in SaaS

Value has a hierarchy. Think about the triangle in 'Maslow's Hierarchy of Needs' but this time the triangle is inverted to reflect that as you work your way up the triangle greater value is released.

At the apex at the bottom of the triangle the value you release is only going to be the perceived cost savings that include, but not limited to, the likes of decommissioning your on-premise datacentre. Whereas, at the top of the triangle (the widest base in our inverted scenario) you will get the financial gains from the kind of innovation that arise from end-to-end process digitalisation connecting front to back-office that allows you to create new experiences that lead to market disruption. Again, welcome to the experience economy.

The SaaS value chain

Implementing SaaS is only the start of a customer's cloud journey. I have often highlighted the pitfalls of buying an implementation on the cheap and just 'switching the lights on'. Executed correctly from the outset SaaS should release incremental value from the point of go-live continuously over the life of the contract and beyond. This takes continuous investment allowing the organisation to evolve their business operations through SaaS innovation providing new services and experiences to their end customers at front of house.

The value chain is circular, between organisation, systems integrator, SaaS platform vendor and end customer. Think of the first three parties operating as a Formula 1 team with the organisation's customer as the paying fan.

The platform vendor provides the car's engine – the source of innovation; the systems integrator is the pit crew monitoring the car's performance, maintaining it and ensuring maximum performance, and the organisation is the driver setting the direction of travel and controlling the speed as it transforms.

Unlocking hidden value

Realising value is always a challenge, unlocking hidden value can be as elusive as finding the leprechaun's pot of gold at the end of the rainbow. The three stones to overturn are:

- **Not transforming.** Clients lose out primarily as they don't really transform and are not willing to adopt new ways of working. Translation - they are prepared to sit down at the table but then don't play the hand they are dealt preferring to preserve the status quo of the old world. It proposes the question of why sit down in the first place?

If one thing the COVID-19 pandemic has taught us is those who resisted the digital journey and were not prepared to adapt to a new market environment are the ones whose organisations are most at risk.

In the world of enterprise systems, the real magic is when you combine HR and finance data together, not only to create new experiences but by driving real operational insight. That's why the integrated suite play is just so powerful and always presents the biggest opportunity for an organisation to evolve. Work is not undertaken in functional silos.

• **Missed opportunities**. By taking advantage of new user experiences as the platform vendor releases new innovation. I would estimate today over 75 percent of customers overlook what their platform vendor is providing over the life of the contract.

This is the biggest missed opportunity and where the experience economy comes in - connecting the front office to back office creating new experiences as you break down the silos. It's all there for the taking, with the irony being that this channel of innovation is already included in your SaaS subscription fees.

• **Opportunity cost – the innovation gap** This is the most powerful of the three elements, especially for those that dither and delay and is equally applicable for the 'let's just switch the lights on' brigade, as they never get up the value hierarchy.

The opportunity cost hardly ever makes it to the original business case. However, here in itself is that elusive 'leprechaun's pot of gold'. The longer an organisation does not take advantage of technology innovation, the gap of where they are today to where they should be in the future increases exponentially over time. Consequently, the cost to move increases on all fronts, not just in the technology implementation, but also the greater the size of the transformation required to access and release financial value from the innovation delivered as business models and markets are disrupted.

For many, artificial intelligence, machine learning, and adaptive intelligence - which create efficient and effective business processes through pro-active decision making - is completely out of reach. Conversely, for the organisation that is adopting SaaS, continually investing and transforming the innovation gap is minimal and competitive advantage increases.

Wider social implications

Unlocking hidden value also has wider social implications. SaaS enables digital transformation and digital transformation creates time.

Our time is the most valuable asset we all have. Consequently, being more effective and efficient at work with the right discipline should translate into ourselves having more quality social time with friends and family.

Raise the bar again – new commercial models required

New thinking however needs also to be reflected in new commercial models. Customers are always looking for more and innovation is not just restricted to technology advancement. Commercial contracts linked directly to the value released, or the value available to be released should be the order of the day. One buyer of such services commented.

Vincent Godfrey, Strategic commissioner of **Kent County Council**, said: "Customers are buying an improvement relationship with SaaS, where the vendor works with them as a partner to progressively unlock value and is incentivised by the commercial terms accordingly. This is a more sophisticated, nuanced approach, and harder to achieve than the previous norm but is the real differentiator and what gets the most from SaaS compared to on-premise".

> **"This is the biggest missed opportunity and where the experience economy comes in.... it's all there for the taking, with the irony being that this channel of innovation is already included in your SaaS subscription fees.**

The value lifecycle

The lesson is clear. Don't just switch on the lights and see SaaS as another technology project. If you do, you are better off placing a bet on the 13:05 at Chepstow, you will get better odds regarding your return on your investment. ERP SaaS technology is proven, its low risk, the challenge however is are you prepared to go 'all in' and transform releasing value on a continuous journey? The winning hand in this game are those that do. ■

THERE IS AN ALTERNATIVE TO

Doom and gloom

BY EMMA SINCLAIR MBE

Tough times sharpen our minds and force us to re-evaluate almost everything, both personally and professionally. If we were always on an upwards trajectory, we wouldn't have the opportunity to take stock, as hard as that lesson might feel.

On every news medium we are reminded that global economies are weakening and sluggish. Governments have been making vast financial contributions to the private and public sector. Commercial and personal financing is getting tougher to source and the amount and terms are somewhat sharpening compared to the last few years. Confidence is ebbing and people and businesses are naturally concerned about the next few years.

The economic reality may feel inescapable and inevitable however whilst doom and gloom may be the flavour of the month, and for many months to come, that is not the only thing I see. Arguably, a challenging environment can provide a platform for innovation and economic growth through entrepreneurialism and creative thinking.

I am an entrepreneur and by nature, we are natural optimists. Entrepreneurship involves systematically and continuously taking on risk, with the likelihood of succeeding depressingly small. More positively, it involves solving problems, navigating obstacles and finding opportunities where others do not. And there truly are opportunities and silver linings which I believe we must seek out, celebrate and welcome.

Over the last six months, I believe tech has changed forever.

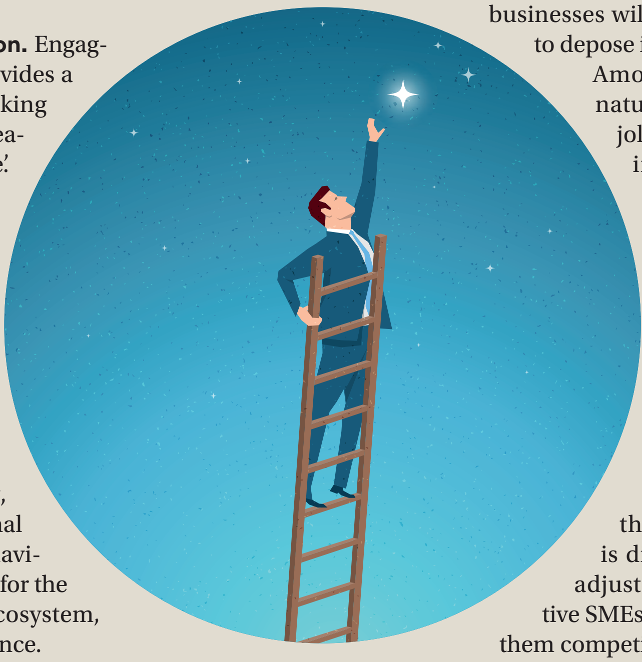
> Doom and gloom may be the flavour of the month... but is not the only thing I see

1. Technology is in the starring role. No longer a 'thing' that sits aside strategy and plans, merely supporting business goals and challenges, tech has become a key, essential business pillar in a way that it never was previous to lockdown.

2. Data is intelligence, intelligence is winning. The power, importance and necessity of creating a data-driven organisation has heightened, with the analytical insight required to inform smart business decisions more pertinent than ever. For most impact, organisations are being re-wired to maximise the information collected and equip themselves with the necessary high quality tools to use this at scale. Data is no longer a supporting feature but is at the heart of real transformation.

3. Business reimagined. With previously accepted rules broken, top-level 'strategy' is moving from incremental improvements into the world of paradigm shifts. Traditionally tech-phobic boards are embracing the digital-first approach, creating an opportunity to radically change how business is done from the ground up. In order to remain agile and resilient, future proofing not only infrastructure, but also the workforce to withstand the digital transformation is an important consideration. There are casualties – but there are also big opportunities.

4. Responsibility and education. Engaging with smaller businesses provides a platform for innovation, unlocking the entrepreneurial power of creative companies with less 'muscle.' However, as regulation and data privacy laws become more stringent, to ensure these relationships work in practice requires mentorship, support and an innovative procurement process to unlock the symbiosis between young companies and large enterprises. The appetite to take risks is increasing; reimagining, not necessarily relaxing, internal procedures to support SMEs navigate the barriers to entry is vital for the transformation of the entire ecosystem, without compromising compliance.



There are rich and plentiful opportunities that come with this change. With a shift in priority and tech moving from its complementary 'supporting role' into the 'lead role,' appetite for best in class software and professional services has increased and sales cycles are speeding up to reflect this urgency and demand.

During a growth period, people don't care so much about costs. During a recession, the only thing people care about is cost cutting which creates another route to win new business too. There is no better time to depose an incumbent by working to tight budgets in order to get a foot in the door. A meaningful reduction in a company's annual overheads may be the deciding factor when allocating their new business. And a recession being a temporary condition; there is going to be an end and budgets will recover.

And whereas previously, businesses might have chosen light solutions to address challenges – making do with something cheaper and more basic to address a problem or need – or sticking with an existing solution that is 'good enough' - I see that there is a demand for best in class, intelligent products and services. To survive and thrive at a difficult time, mediocre simply isn't good enough. Intelligent platforms are winning – and that's where nimble, ambitious, high quality businesses will find additional opportunities to depose incumbents and win customers.

> **"There are rich and plentiful opportunities that come with this change... sales cycles are speeding up to reflect this urgency and demand.**

Amongst all this change, the very nature of leadership has had a big jolt it cannot ignore too. The shift in boardroom and leadership attitudes means this change is truly supported. The successful enterprises, however big or small, will be the ones that can find symbiosis between leadership, culture and technology. The unsuccessful ones will be the ones that don't. There is no room to hide anymore.

Large enterprises recognize that doing business with them is difficult and know they need to adjust processes so that the innovative SMEs building products that can give them competitive advantage can do business with them. And in my experience, this is increasingly being addressed by leadership (but needs more attention).

I am not suggesting that there are no hard challenges ahead - we are all suffering. Companies will continue to suffer. A difficult economic climate requires considerable ingenuity, the ability to look at things differently and a focus on where the fertile opportunities lie. And in looking at things differently, the reality is that there are many opportunities out there – not just for new business but also to improve existing businesses.

I am constantly reminded there is an element of luck in finding those opportunities too. Samuel Goldwyn famously said: "The harder I work, the luckier I get." The message is be cautious but don't be inward and conservative. Look outward and look differently at your assets, at your job remit, your business challenges, your hardware and software and/or your skills. Work hard to seek out where the prospect lies if you're selling – and equally hard to see where the smart tech is being created, if you're buying. As they say, seek ... and ye shall find. ■

SPECIAL FEATURE

SAP AND THE ROMAN EMPIRE

COMPANIES ACROSS THE WORLD HAVE INVESTED IN SAP TECHNOLOGIES FOR DECADES BUT MANY ARE AT A CROSSROAD. WHAT CAN BE LEARNED FROM THE ROMAN EMPIRE NOW THAT THEY HAVE TOUGH STRATEGIC DECISIONS TO CONSIDER?

BY DUNCAN PRIOR

SAP IN FOCUS

THE ROMANS DEALT WITH MANY CRISIS

because they carried out reforms and drew on the strength of their underlying fundamentals. It is a similar story when considering how your SAP solution can empower a sustainable long-term future.

And we are in a major health crisis "all were shuddering, fleeing, shunning the contagion ..."

Several organisations too have been affected. Perhaps you are one of those IT managers who have seen a drastic alteration in your budget and perhaps you have had to redefine your IT strategy and delivery model. Perhaps you are even questioning whether your ERP system will be a facilitator of recovery or a millstone.

This is not the first time the world has been afflicted in this fashion - those words were written by St Cyprian during the pandemic that raged across Europe for 13 years in the mid 3rd century AD. It may have been Ebola or a form of influenza, maybe something that passed to humans from animals. The impact was similar: trade collapsed, people fled from places of work, tax revenue could no longer match expenditure and political systems were placed under great strain.

The dominant political system in Europe, the Middle East and North Africa was, of course, the Roman Empire. Integrated, complex, standardised and widespread, it not only survived but became stronger because Emperor Diocletian carried out a series of ambitious reforms (more on that later). This was one more test for the longest lasting empire in Europe.

Now your SAP platform is similar – just as integrated and widespread. Like the Roman Empire it has developed and changed, from the early (republican) days of R2, through to R3 (Empire), facilitating your business' expansion, and is about to embark on similar reforms perhaps through the suite of solutions on offer, SAP Cloud Platform and SAP Analytics Cloud.

Apart from the sanitation, medicine, education ... What have the Romans ever done for us?

It is fascinating to consider that West and Central Europe needed over 1,000 years to claw back what the Romans had built up. Communications, civil engineering, legal systems, secular philosophy, trade and urban development disappeared only to re-emerge gradually and in painstaking fashion across a continent which had broken down into separate fiefdoms; split by language, power structures, mutual suspicion and even core values. Worth holding on to, as its equivalents today are.

So, what about your SAP system now?

As you survey your own SAP landscape and weigh up the impact of the IT equivalent of some of the challenges the Romans faced from AD 250 – rival empires, smaller and mobile groups just beyond the borders, alternatives to the existing infrastructure and greater demand for devolution – it is worth reminding yourself of the virtues in which you have invested so much over the years. Then you can work out a way to preserve the core and its strengths while embracing the new. Just as Romans did themselves repeatedly, and as it is possible to do on your SAP estate. After all, that is far more productive than having to repeat the history of the Dark Ages!

A core strength not to lose: internal integration

The Romans built a road network of 400,000 km - dependable, built to be standard, everlasting and transformative. It enabled rapid flows of all sorts of goods including wheat from Sicily and North Africa, the ubiquitous fish paste from Catalunya and tin from Britain. That is what SAP has given your organisation for years and continues to do so. The complex flow of data from sales and demand forecasting to inventory to production lines to management accounting and then to statutory reporting is fundamental to your organisation. Imagine if the equivalent of the provinces were running on their own system, their own software, how long it would take to build up that network again to enable internal communication. It would take the equivalent of the centuries Europe took to recreate that.

Invest to improve that core

A lesson to note is how the Romans improved and maintained the network. Distributers demanded heavier vehicles and shorter journey times and the engineers responded by cutting straight grooves for wheels in the road surfaces and bridges over valleys to straighten the carriageway. Surely, we should do a better job of including improvements in our basic SAP network. After all, the functionality is now available. They also hit upon ways of repairing the network without lengthy downtime – quickly pouring molten lead into eroded stones. Surely (again) we can do the same with frequent and shorter release windows.

Standard solutions provide the flexibility to deal with complex challenges

The Roman Empire ran on consistent standards – common language, civil engineering practices, calendar, weights and measures and legal system. Not regarded with affection (Latin has been never been viewed with the same levels of affection by people having to adopt it as Spanish, English and Urdu are) but starkly effective to enable generation of economic value and dissemination of information.

SAP is at its best when it is standard and consistent across the domains. In response to COVID one new client told us how it responded quickly right across its European supply chain by simply making some changes in its standard and well-maintained SAP system overnight. They went on to say that both smaller competitors and those running on bespoke and incomprehensible systems had been less responsive and so lost market share.

Through rigorous application of these standards the Roman Europe thrived, but when they were dismantled, cities shrank to a tenth of the size and farming fell to subsistence levels. To this day information spread and impacted life positively. During the COVID lockdown, the British media (**The Times**, **Guardian**, **Daily Telegraph** et al) reported that people were finding consolation in the works of Roman Stoic philosophers. Whereas, parchments by Anglo-Saxons, Goths and Vandals have not stood the test of time.

It is not easy, nor popular to drive these standards. It requires an understanding of the fundamental principles and determinations. The lesson for you and your organisation is to adopt the standards, to keep them updated and to encourage all the domains to take advantage. Sometimes the results will be immediate, other times they will take longer. Either way your organisation will be strengthened.

Secure the sponsorship of local stakeholders

Rome absorbed many societies into their world: from as far away as England, Portugal and Egypt, people defined themselves as Roman and believed they had a stake in the system. The Romans achieved this by widely awarding citizenship, being fair and consistent, administering tax revenue equitably (most of the time), and a flair for circuses and celebration.

SAP IN FOCUS

SAP'S INTELLIGENT ENTERPRISE HAS THE POTENTIAL TO BE THE SAME: A DEEPER, DATA-BASED UNDERSTANDING OF THE WIDER ENVIRONMENT WHICH ENABLES YOUR ORGANISATION TO ACT QUICKLY AND EFFECTIVELY.

Integration with the outside world

Roman currency has turned up in excavations throughout the world - across the Silk Road in eastern Asia and down the Nile river systems proving the extent of their external trading networks.

As for SAP, a key part of the Intelligent Enterprise is access to a wide network of external suppliers and collaborators. The benefits available to this sort of solution are indeed impressive but perhaps the strongest integration is with the internet of things (IoT). Imagine what can be achieved if the data garnered in processes can be hooked together with that gained from scanners monitoring external activities. The Roman chroniclers tell us more about the world outside them than any other source, as they recorded what they saw for the benefit of policy makers. SAP's Intelligent Enterprise has the potential to

be the same: a deeper, data-based understanding of the wider environment which enables your organisation to act quickly and effectively.

Reform and revitalise, part 1 – tidy up the core

At the heart of Rome lay a model of executive power invested in one or two men (consuls then emperors) who were advised and watched by several wise citizens (the senate). This model had to be monitored, critiqued and reformed, otherwise it would become outdated and inefficient, which would cripple the entire Empire.

A similar picture exists for an SAP system. Its core is a set of relationships (not executive and legislative, state and army) but customer – sales order - demand - stock – product costing – batch. I am sorry to say that in many systems, the original design 20 years ago was not up to the mark and flawed. For example, too many company codes or incorrect mapping of sales order to production orders/project. Now you have to manage the high number of bespoke elements, but these are the symptoms of the underlying 'mis-designs'. Now with good advice and the improved functionality of SAP (universal journal, etc) it is perfectly possible to sort this out. Just as the Romans did by following the wise counsel of writers such as Polybius (note: he was a Greek which proves the point it is better to listen to outside expertise).

Reform and revitalise, part 2 – shift from one core to multiple

What about Diocletian, who we mentioned earlier on? How did he reform Rome and why is that relevant?

Diocletian recognised he had to ensure his empire was ready to face up to new challenges which varied extensively across the Empire. The core strengths remained unassailable: sophisticated and reliable military and fast communications. He simply set up a system of local Emperors, each answerable to his own domains and accountable for his actions.

This should be mirrored in today's SAP environments – devolvement to localised solutions, either by function (planning, procurement, finance etc) or by market so long as all continue to adhere to common standards.

Ultimately the core shifted away from Rome to the East, from the Latin West Mediterranean to the Greek-speaking East. Perhaps over time you will see your SAP system shift its focus from manufacturing and supply chain to the customer.

Conclusion

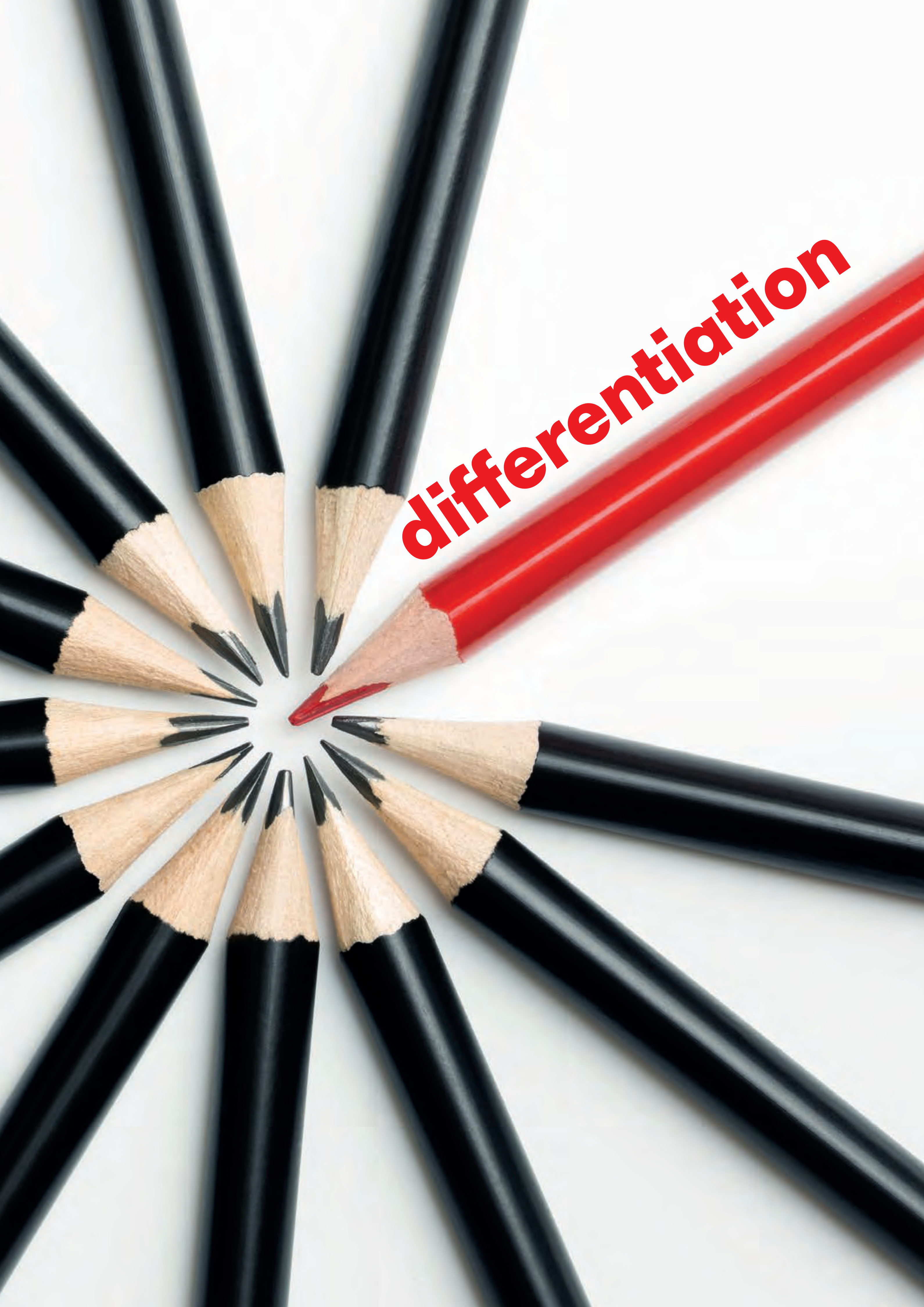
I think SAP's contribution to the way businesses have developed has been one of the most significant trends in commerce in the past 25 years, comparable to how the internet has been for personal communication and expression in the same timelines. Sometimes we take both for granted and even grumble about them. And just like the internet, your SAP system will continue to be fundamental to your IT estate. It is just that your organisation needs to assess its current strengths as it goes forward and build on them (albeit with some reform). This is a complex question, with several options available, and it is best to take external advice to plan that way forward. ■

Duncan Prior is head of ERP advisory services at Capgemini

The thin veneer of

I wrote to each of the ERP vendors and asked them to send me a few words on what set them apart from the competition - the results were depressingly vague. I hate to break it to you but 'putting customers first', 'deep industry knowledge', and 'intelligence' are not differentiations. That's just table stakes. If your vendor is peddling these superficial concepts as ground-breaking and relevant capabilities then you should consider talking to another vendor.

BY PAUL ESHERWOOD


differentiation

DIFFERENTIATION

If you want an example of true differentiation take a look at **Acumatica** – a small ERP vendor from the US that has just launched a bold plan to bring its products and services to the UK. Consumption-based licensing that flexes as usage goes up or down; a unique Bill of Rights (until it was copied recently by **Infor**) which sets out clear commitments to customers – even if they want to leave; a channel-only strategy which means it is 100 percent focussed on products and customers and doesn't have to support a sales team – these are three clear contrasts to the competition and what I would call true differentiators.

The idea of differentiation has taken hold swiftly - and for good reason. Product suites have matured and there are only so many ways you can build an accounts payable app or develop a widget to support invoice reconciliation. The offerings have largely caught up with each other and every ERP vendor has a set of applications that perform most, if not all, of the tasks an enterprise requires. There was a time when **Oracle** could boast of the most sophisticated finance functions, or **Workday** could claim dominance in the HCM space – but today, after the vendors have had a decade or more to refine their products, there isn't much between any of them at face value.

Of course, the functionality of an app or a module in isolation doesn't equate to a fully functional ERP solution. Just because the individual modules have become comparable that doesn't mean that all solutions are equal, they aren't. An application sits inside a suite (usually) which is built on a technology stack or platform, which is hosted on an infrastructure layer. Within the platform there will be extensibility to connect to other systems and sophisticated tools that use emerging technologies to manage, manipulate and analyse data. If you get all your ducks in a row the simple click (or automated action) that passes an invoice, records a sale, or places an order, miraculously feeds into a data repository of some sort and then the wizardry of artificial intelligence and machine learning, impelled by the power of the cloud, produces meaningful insights that give the enterprise an edge.

That fundamental end-to-end process is what all ERP products do (or should do) and claiming that there is something inherently intelligent or anomalous about it does a disservice to the enterprises that are queued up to buy the next generation of business software. Frankly, if your flagship ERP product doesn't provide that sort of seamless performance – and more – it shouldn't be on the market.

The vendors already know this. Marketing of the past focussed on functionality where one could claim superiority over another - and demonstrate it. Today, however, the functional gulf between most of the vendors is closer than two coats of paint. As this realisation set in, vendors sought new ways to abstract themselves from their competitors. Industry specialisation and last mile functionality became the battleground but even that is a stretch to describe as a true differentiation. Surely, if you are a retailer you should expect the solution being pitched to you has been fine-tuned to work for retail. If you are a manufacturer it should go without saying that any ERP being presented can manage orders, inventory, and distribution, right out of the box. Being suitable doesn't equal being different and, as I said at the start, there are only so many ways you can place an order, raise an invoice or pay something.

Of course, if you drill down into verticals even deeper, some of the ERP products do start to offer up some unique qualities. Rather than a solution that is built for the food and beverage industry, you may find offerings that include specific functionality for butchers, bakers and even candlestick makers. Vendors that have a cohort of customers in a particular vertical market are able to compare data, share ideas and refine products to deliver tailored best-practice and standardised processes. And of course, when one aviation company sees a competitor implement **IFS** successfully, it is more likely that another similar organisation will follow suit because of the referenceability. But, I still don't consider that to be the ultimate definition of what differentiation is meant to be – or certainly what it's sold as.

ERP vendors have to be smarter about separating themselves from the competition, focus on where ERP is heading, and figure out how to get ahead of the curve. ERP applications will ultimately become touchless solutions that are embedded into a seamlessly automated IT landscape. Users will barely know they exist and their only interactions with them will be to set some rules at the outset or give voice commands when they want a report. In a world where ERP applications become as invisible as that they will develop into commoditised purchases and it won't matter whether you are running **Epicor**, Workday or **QAD** – they will just be there to do a job – largely through hyperautomation and RPA.

Business software must become as intuitive, automated and unobtrusive

> **I hate to break it to you but 'putting customers first', 'deep industry knowledge', and 'intelligence' are not differentiations. That's just table stakes.**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SOFTWARE BULLY YOU
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Source: IDC Business Value White Paper, sponsored by IFS, The Business Value of IFS Enterprise Solutions with Industry-Specific Use Cases

DIFFERENTIATION

as consumer applications; intuitive through the integration of machine learning to create smarter processes; automated with RPA to reduce clicks and repetitive tasks; and unobtrusive in such a way that they are virtually touchless. When a vendor can demonstrate this kind of faceless, touchless, and perceptive solution, coupled with embedded industry standardisation and the boundless compute power of the public cloud, they will have finally realised an ambition that began more than two centuries ago when the first punch card looms were invented.

While we wait for Nirvana, how do you separate the vendors?

It is interesting to listen to a vendor selling their points of difference and realising that you only spoke to a different vendor half an hour ago that was selling the same story and claiming the same uniqueness. Even the arguments about being 'born in the cloud' are beginning to sound a little hollow. Perhaps ten years ago there was some clear demarcation between vendors that had designed their application for the cloud and those that had retooled legacy technology and shoehorned it into a SaaS product. But today, even those that were late to the party have got their apps on a single line of code and operating as genuine cloud tools – or at least most of them have.

If we think about the main ERP vendors, they each have a natural hunting ground and an anchor which they have built their business on - that in some ways does separate them a little. But how much of it is real differentiation?

Oracle is rooted in finance; Workday in HCM; **Unit4** in people; IFS in service; Infor in micro-verticals; **SAP** in the intelligent enterprise. They all have something that they claim is their USP and it would be unfair to completely discount it as having no merit. I wrote previously that certain vendors play better with certain verticals or horizontal functions and that is still true today. For example, despite the closing gap between each provider, I won't be holding my breath for Unit4 to announce they have won a major Oil & Gas contract or that QAD are getting into banking.

Specialisms do play a role and working with a contingent of similar businesses and learning from those experiences allows vendors to develop new thinking, products and services tailored to a particular industry. Developing their internal resources to include domain experts further enhances their capabilities in specific areas – but again, who isn't doing this? Which vendor doesn't have a manufacturing expert or a retail guru?

Increasingly, it will be a vendor's ability to provide (either directly or through closely coupled strategic partners) an integrated end-to-end solution that wins the most business. Enterprises, and small businesses alike, will be much more discerning with the technology purchases in the future and holes in a solution or awkwardly integrated technology will be unacceptable. COVID-19 may be the catalyst that pushes many slower organisations towards transformation, and in the rush to embrace digital technology, some less than optimal solutions may still slip through the net. But once businesses have satisfied the short term requirement to introduce technology that helps them through the crisis, I expect that there will be a big reality check and only those vendors which can offer a seamless, future proof, and touchless solution will prosper.

With this in mind let's take a cursory look at what sets the main vendors apart today:

WORKDAY

Workday's big strategic advantage comes via its ability to deliver an offering through 'the power of one'. Workday was designed from scratch for the cloud and its solutions combine one source of data, one security model, and one experience. It has bet big on the emerging technologies and is a leader when it comes to integrating artificial intelligence and machine learning into the fabric of its solutions. More than 45 million Workday users collectively help it to become more intelligent and the very largest of enterprises have found Workday a perfect companion for its HCM needs. Its financials offering is less mature but it is also proving popular with big enterprises that, for whatever reason, have decided that neither Oracle nor SAP cut the mustard. Workday believes that its financials business will outgrow its HCM business over the next five years – a bold ambition given its late arrival to the party.

Workday is a publicly traded company.

UNIT4

Unit4's key advantages are its flexible platform and its ability to work for businesses that are people-centric, specifically professional services, non-profits, education and public sector. Unit4's platform is a highly flexible microservices based set-up with an exceptionally good cloud-based extension kit delivering out of the box, multi-tenant industry solutions that are extensible with configuration, not customisation, to a broader set of applications. Its voice-controlled digital assistant, Wanda, may not be the only offering of its type but it is a significant step ahead of its competition and a key move towards the touchless applications that enterprises will crave. Its recently launched next-generation ERP solution called ERPx delivers a fully integrated ERP, HCM and FP&A, on a unified architecture, with rapid deployment and industry-specific innovations out-of-the-box. Significant improvements to the user journey have been made which are under-pinned by smart automation to provide users with recommendations for actions to com-

plete manual tasks, like populating timesheets, via a touchless experience. Unit4's strengths lie in its platform but despite a big brand refresh it still lags behind many of its competitors in terms of brand strength.
Unit4 is privately owned by venture capital company **Advent**.

INFOR

Infor's big play is focussed on micro-verticals and it has developed hundreds of niche solutions that are finely tuned for particular sectors of commerce. It has taken Infor almost a decade to refine these offerings but they are finally getting some traction and the last-mile functionality that comes out of the box is a clear shift from the norm. The latest breed of Cloud Suites represents the culmination of nearly $5bn in R&D investment that the vendor has ploughed into its products. Its new ownership structure sets Infor apart from every other ERP vendor and allows it to make long term decisions based on the value of a customer over its entire lifecycle rather than looking for quick gains. You can read more on Infor elsewhere in this issue of ERP Today.
Infor is the only major vendor that is privately owned and not private equity-backed.

IFS

IFS is on the precipice of a major step-forward with its latest release of IFS applications set for December 2020 (more on this in the next issue of ERP Today). Its customer base is made up of organisations that are often asset-heavy and rely on service as a key tenet of their operations. It works with aerospace and defence organisations, energy producers, distributors and manufacturers with a key focus on asset and service management underscored by its ERP applications. In terms of revenues IFS is a mid-tier vendor but its aspirations are significantly loftier than that and it is increasingly winning business away from the larger software vendors and making some inroads into the territory historically dominated by SAP and Oracle. IFS is an innovative thinker and considerable effort has been put into positioning its brand as a 'challenger' to the norm – and by the norm they mean Oracle and SAP. Their starting point is 'why would an organisation buy our solutions in the first place?' and they have built an offering around the notion that helping customers themselves become more customer-centric gives an enterprise running IFS applications a clear advantage over the competition. You can read more about IFS in our cover story in the next issue.
IFS is private owned by venture capital company **EQT**.

SAP

SAP is the world's biggest business software company and its strategy is built around the concept of 'the intelligent enterprise'. There has been continual debate about the SAP strategy by media commentators and analysts and significant disquiet amongst customers over its roadmap. Its flagship ERP product, S/4HANA, has taken a long time to gain traction (largely due to the complexities of moving from an older SAP system to the newer one) but, developments in the partner eco-system have started to build capabilities that ameliorate some of the migration pain. However, the notion of the intelligent enterprise falls a bit flat as far as I am concerned and it's hard to see how something so generic can be described as, or considered as, a real differentiator. Now that the dust has settled following the departure of two CEOs in relatively quick time, it will be interesting to see if sole-CEO, Christian Klein, can articulate the longer term strategy more coherently – at the moment it's hard to tell if SAP is an experience management business, an ERP vendor, or an eco-warrior.
SAP is a publicly traded company.

ORACLE

Oracle is a one-stop shop for all of your enterprise technology needs. Other than **Microsoft**, it is the only vendor that can deliver a fully integrated solution from application to infrastructure and its autonomous database (for which they are now a growing number of reference points) is a significant differentiator from all other vendors. Oracle's ability to provide everything that an enterprise needs from click to cloud is seen by some as a major advantage. Others argue that a lack of specific industry functionality is a limitation and having 'all your eggs in one basket' is not the optimal arrangement. As IT landscapes become more complex and data insights from multiple systems are required to talk to each other, Oracle's single solution approach is appealing. The 'hairball' architecture that Juergen Lindner talks about elsewhere in this issue of ERP Today is an increasingly onerous task for many enterprises to manage. Simplifying your IT landscape is a solution that many large enterprises favour – but it's not for everyone, not least because Oracle, after all, is Oracle and many customers still find Big Red just that bit too bullish.
Oracle is a publicly traded company. ■

ERP vendors have to be smarter about separating themselves from the competition, focus on where ERP is heading, and figure out how to get ahead of the curve."

Know Your Data

BY WAYNE LLOYD

In 1963, Raymond De Roover published 'The Rise and Decline of the **Medici Bank** (1397-1494).' It tells the story of how it became the world's largest bank under the wise management of Cosimo de' Medici. The bank grew at pace across Europe until Cosimo died in 1464. After his death it was handed to his son Piero and later his grandson Lorenzo, but by 1494 Medici Bank ceased to exist. Piero and Lorenzo implemented and relied upon poor corporate governance structures, stopped innovating and failed to learn the business of banking itself. Instead, they entrusted their branch managers who made self-interested decisions against the best interests of the bank and their customers, whilst failing to consider the macro-economic environment of the time.

The legacy of the Medici Bank's early innovations still live on to this day. Under Cosimo, the bank introduced the first model of a modern holding company, allowing them to scale into London, Lyon, Geneva, Bruges and Avignon. This was supported by them pioneering one of the most important financial mechanisms for international trade – a letter of credit. Their most important legacy; however, was their popularisation of double entry accounting standards, tracking debits and credits, deposits and withdrawals in the same way businesses continue to do so today.

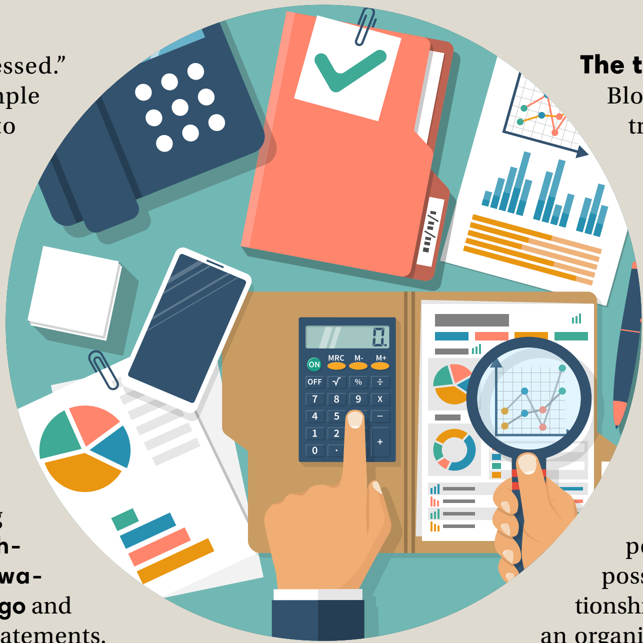
Double-entry accounting was seen as a major advance on single-entry accounting standards. Instead of maintaining a single ledger, accountants would maintain two – one for incoming transactions and another for outgoing transactions. This standard created trust and built up the Medici Bank's reputation as being one of the world's most reliable and trustworthy financial institutions.

> **"This standard created trust and built up the Medici Bank's reputation as being one of the world's most reliable and trustworthy financial institutions.**

Medici Bank's accounting books; however, show just how fragile trust in businesses can be as their double-entry accounting methods demonstrate 'errare humanum est' – human errors – with debit and credits sometimes failing to add up. Further evidence suggests these accounting 'errors' were in fact deliberate mistakes for illicit means. Their story should serve as a cautionary tale.

Whilst Piero and Lorenzo did not have the luxury of the technologies we now have at our disposal, we must remind ourselves that to some extent some software solutions are still just digitalised versions of paper and pen accounting systems that allowed for human errors and misconduct at Medici Bank almost 600 years earlier. Whilst we have moved from paper to computers, the data organisations hold today are still fragmented and underpinned by the same governance structures of Medici Bank's time – trust.

Charles Handy (1995) states "by trust, organisations really mean confidence in someone's competence and in his or her commitment to a goal" ensuring control is always after the event, “when results are assessed.” Of course, it is rarely this simple as businesses have a duty to empower their people but ultimately, the important point is that ‘trusting-parties’ have no control and this typifies all relationships within every organisation.



With many ERP systems still being run on traditional, centralised database architectures, control will likely continue to be an ‘after the event’ occurrence. The more recent scandals involving household names such as **Lehman Brothers**, **Enron**, **Volkswagen**, **The Post Office**, **Wells Fargo** and **Wirecard AG**, support such statements. Their mistakes demonstrate just how easy it is for human errors and misconduct to be overlooked and the corporate governance structures of trust to be broken.

When such events occur, history shows that it is always the customer that suffers most of all. From the Great Recession caused by Lehman, to Volkswagen vehicle owners now left with non-compliant emission standard engines and the vulnerable people that were allegedly unable to access their benefit payments from UK based cards and applications that used Wirecard for purposes of processing. These events can have a detrimental impact on brand reputation, whilst as Medici Bank, Enron and Lehman Brothers prove, such events can lead to an organisation’s ultimate demise.

These examples demonstrate the flaws of double entry accounting and how easily data can become disconnected and mis-used. Double-entry accounting lacks transparency, making it difficult to verify the accuracy of information in real-time, placing organisations and their customers under constant risks, whilst providing opportunities for bad actors to exploit. With new digitally transformative products and services being built on top of these existing architectures; organisations should perhaps consider if they are truly placing trust at the heart of the customer experience.

> **“...as Medici Bank, Enron and Lehman Brothers prove, such events can lead to an organisation’s ultimate demise.**

The trust engine

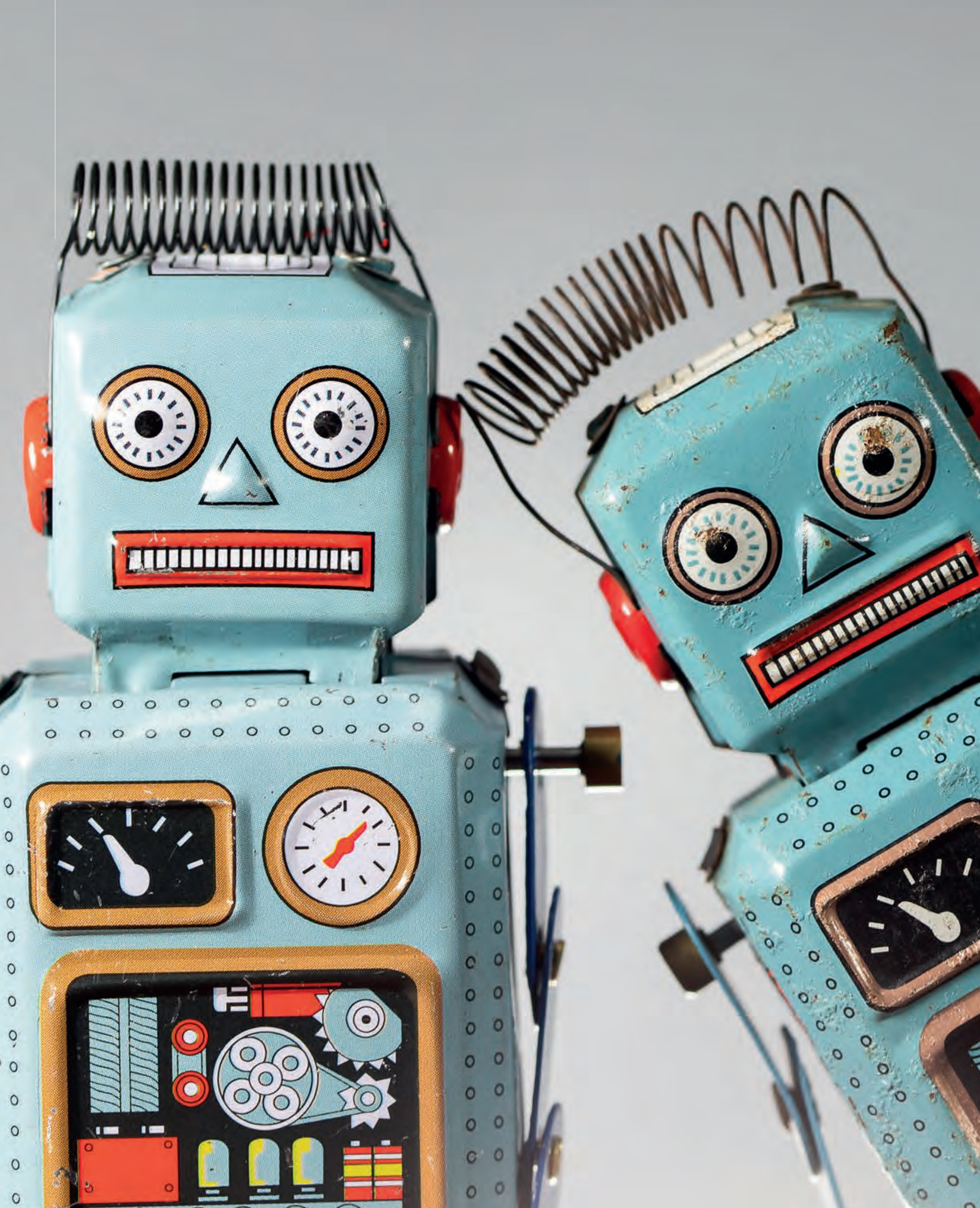
Blockchain marks the advent of triple-entry accounting. Rather than tracking ingoings and outgoings across multiple ledgers or systems, blockchain provides organisations with a single ledger of immutable truth, interlocked by blocks of verified, accurate data. In an online world that is increasingly competitive blockchain provides organisations with the ability to offer customers innovative and disruptive real-time experiences. It also opens up the possibilities of new business relationships via shared ledgers, allowing an organisation’s trade partners to post information to a shared ledger, significantly reducing costs and driving new levels of efficiency.

Unlike centralised database architectures, blockchain rejects inaccurate information caused by errors or misconduct, before they’re stored on-chain. This ensures a constant flow of accurate, auditable information and real-time control ‘before an event’ occurs. It allows errors and misconduct to be identified ‘at-the-source’ rather than waiting for what can be long and inefficient end-of-day batches to reconcile disparate systems.

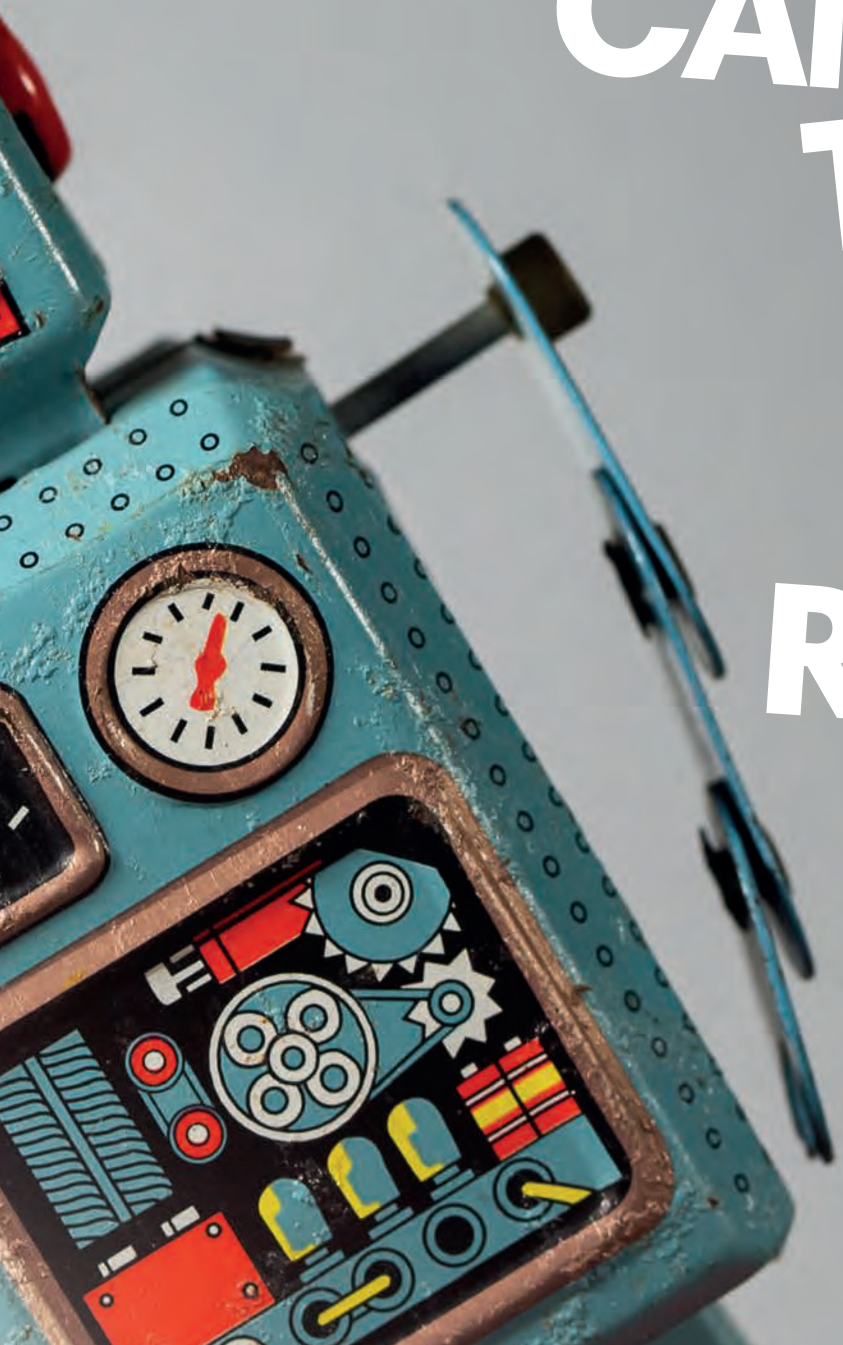
The ability to control ‘before an event’ also removes the need for ineffective and morale-sapping micro-management processes and procedures. Managing people in such ways destroys rather than builds trust, especially when we consider Handy’s previously described definition of trust in organisations. Such things can have a detrimental impact on the overall management of an ERP system, particularly in the increasingly virtual workplace organisations now have to facilitate.

Moving towards blockchain based architectures will take time. There are multiple variables that need to be considered but taking time to understand those variables and what will be required is something every organisation should now be doing. As Warren Buffett famously said “it takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you’ll do things differently.” ■

AUTOMATION



JUST HOW LOW CAN THE RPA ERP ROBOTS GO?



AUTOMATION

IF WE WERE ALLOWED TO CREATE NEW INSERTIONS

to conjoin acronyms with acronyms, then our first mission would be to add ERP to RPA. Enterprise resource planning (ERP) augmented under (AU) robotic process automation (RPA) is of course ERP-AU-RPA, or ERPAURPA (pronounced er-paw-pa).

BY ADRIAN BRIDGWATER

Sadly, this concept is almost certainly not going to stick despite the well-aligned fit for RPA application and implementation in ERP. But what are RPA software functions at the core, how do they work well (and not so well) with ERP systems... and how far should we push the engineering envelope in terms of their usage?

Somewhere on the spectrum

Although the notion of software robots (bots) and automation functions has been around since pre-millennial times, RPA as a defined sub-discipline of the IT industry has flourished in the latter part of the last decade. The challenge for many organisations approaching RPA is that they don't quite know how to classify it, let alone know where to start applying it. Somewhere on the artificial intelligence (AI) and machine learning (ML) spectrum, RPA still (arguably) suffers from association with ineffective chatbots and a wider distrust of 'robots' in general.

Regardless of how we classify it, RPA has the potential to reinvent work processes and digital workflows inside organisations at almost every level. Key among the practices it can be used to target for new efficiencies is ERP, due to the high volume of repeatable and definable transactions that pass through a typical ERP system.

At its most basic level, RPA is just 'screen scraping' to copy and track what happens when a user interacts with an application. That software application action might be filling out details in a forms-based app, it could be a database entry action or some other repeatable but essentially definable task. In the past, this has been known as 'instant record-and-deploy automation' by some parts of the software industry. We're now moving considerably past that point as RPA starts to get more intelligent.

Process mining opens up ERP to RPA

To make ERP RPA work in practical real-world deployment scenarios, business managers need to work with data architects and software developers to break down workflows and look at the actions that occur inside them. This occurs through a practice typically known as 'process mining'. The constituent elements of the ERP system may have already been clearly defined by the ERP vendor, but they are less likely to show how they 'offered up' to automation through RPA.

What we're looking to do here is re-engineering the user interface (or at least parts of it) that a human would have been interacting with and re-purposing those RPA-ready tasks as a machine interface. Software robots can perform a wide variety of ERP-centric tasks from business team and departmental analytics – and onward to industrial equipment and machine performance analytics. But this technology needs to robot-to-robot, so there is a certain re-engineering responsibility to shoulder at the outset.

ERP RPA kill zone

So what parts of the ERP ecosystem do we apply RPA to? Technology analysts like to talk about the RPA kill zone, swim zone and free zone. The RPA kill zone includes basic ERP-centric data entry tasks that can be easily automated once systems are deconstructed and interconnected. RPA is good at shouldering repetitive, non-intuitive, process-driven tasks that are characterised by a definable pattern that can be digitally-tracked. These are the 'low hanging fruit' for ERP RPA.

The ERP RPA swim zone will be the tasks that still require some human interaction, but where humans will be increasingly replaced. Risk and insurance roles are a good example of professional tasks that appear largely skilled but can still be shouldered by software as they predominantly involve data crunching and analysis - a job the bots love.

"While RPA can play a useful role in orchestrating multiple systems, when it comes to interacting with an ERP deployment, it's always on the outside looking in. ERP systems are in a better position to do the process mining they need in their own logic engines. They are also in the best position to gain benefits from contextual data using techniques such as machine learning and to properly combine domain knowledge with new technologies in an out-of-the-box manner – this is really intelligent process automation or hyperautomation, rather than RPA," said Bob De Caux, VP for AI & RPA at **IFS**.

"That being said, there is a space for RPA and ERP to work together," concedes IFS' De Caux. But, he cautions, it is incumbent on the ERP system it-

WHILE RPA CAN PLAY A USEFUL ROLE IN ORCHESTRATING MULTIPLE SYSTEMS, WHEN IT COMES TO INTERACTING WITH AN ERP DEPLOYMENT, IT'S ALWAYS ON THE OUTSIDE LOOKING IN.

AUTOMATION

self to offer up 'intelligent processes' through an interface for easy consumption by an RPA framework. "This interface is the key, both for where governance should be considered as well as for where new ERP roles could be created related to optimising delivery. However, many customers will want this interface to be via the robustness of API rather than through a GUI, so RPA will not be the only game in town and will need to adapt to face off against system integration platforms," he added.

A natural fit, intelligent automation

Prince Kohli, CTO at **Automation Anywhere** is extremely upbeat on the confluence of RPA and ERP and asserts that these two technologies are 'a natural fit'. He makes this claim on the basis of a bot's ability to handle everything from user logins, to data movement tasks, copy-paste commands and correcting missing data details. Kohli points out that ERP RPA is 'most potent' when applied to processes where efficiency, speed, or scale are the most important metrics, or where human errors are too costly.

Automation Anywhere has worked with a large retail customer that uses bots to automate its journal reconciliation, with the bot performing data validation to deliver the highest levels of accuracy. Other RPA bots deployed by this customer speed up order and invoice processing - and many apply intelligent automation to employee onboarding and administration to free up employee time for higher-value work.

"Data entry, movement and rules-based manipulation are essential but notoriously manual and error-prone processes that many organisations accept as a cost of doing business. RPA software bots can perform the same functions as employees would but much faster with a near zero-error rate.

From experiences with a customer base spanning multiple industry verticals, Kohli says that possibly the most important impact of ERP RPA bots for IT is the fact that they significantly enhance but in no way impact existing

systems. But there is an understanding here that the roles of those within the business will evolve as employee time shifts away from manual, repetitive tasks to make way for finance specialists to offer more value with analysis and planning or HR to focus on nurturing teams.

"As many enterprises plan migration and consolidation projects of major ERP systems, it's worth remembering that RPA can deliver powerful punches for one-off projects too. **Santander Consumer Bank** deployed bots to handle a systems migration converting data from one system to another. The cost for an external vendor to complete the two year project was a projected $2m. With bots running 24/7 the migration was completed in just 12 weeks with 100 percent accuracy," said Kohli.

These are just a few examples out of a myriad of opportunities where intelligent automation can play a critical role in transforming the performance outcomes of ERP systems and unlocking value for the business.

The hands-on ERP RPA free zone

No analysis of RPA for ERP would be complete without mentioning the human factor and the no-go areas for software bots. There's an 'old' joke in RPA: the masseur will never be out of a job. Now, unless an ERP system is being used by an enterprise-size massage company the joke doesn't work, but it still makes the point i.e. it's the hands-on human roles that RPA won't be getting rid of any time soon. Those employees that do find their roles displaced by ERP RPA can now look to more intuitive, human empathy-focussed hands-on roles, which should be ultimately more fulfilling anyway.

As we now know, to make 'real' ERP software robots work in demanding real-world mission-critical applications, a degree of pre-engineering (process mining) is involved. We will need to follow this process with an exhaustive approach to data quality (we could call this the oiling and maintenance processes that any machine needs) to ensure that our bots function in a fluid manner. Further still, we will need to keep an eye on the whole robot factory floor so that we know who (or, in this case, what) is being tasked with which elements of which workflow.

This is the rise of the ERP RPA robots. They're friendly bots that aim to please - just be sure to keep them well-oiled and tightened. ■

| RPA |

THE KEY TO UNLOCKING TRANSFORMATIONAL VALUE IN ERP SYSTEMS

BY PRINCE KOHLI

As the business world grapples with the economic impact of the global pandemic, ERP systems are a source of proactive insight that can offer visibility and help organisations better plan for tomorrow.

Those businesses that transform the performance of their ERP systems with robotic process automation (RPA) can use this technology to not only survive but thrive in challenging circumstances.

The data and insight gleaned from ERP systems is essential, however most ERP systems require large amounts of manual work each day. For example, a recent study found that 51 percent of companies with ERP systems had to use manual extraction and transformation if they wanted to reuse ERP data. Most companies take that for granted – meaning that they have assumed that this participation must always be manual, using humans as bridges between applications or as part of processes.

Similar statistics point to the frustration with ERP installations and often with legacy systems. This usually arises due to their perceived inflexibility as they require custom-coded modifications to address changing business needs. Also, while they contain large amounts of business-critical data, this data is typically siloed and difficult to extract. Data entry itself into ERP systems is a manual process that consumes hours of many employees' workdays. Besides being laborious and inefficient, it can be highly error-prone – yet many organisations accept this as a cost of doing business.

> "A recent study found that 51 percent of companies with ERP systems had to use manual extraction and transformation if they wanted to reuse ERP data

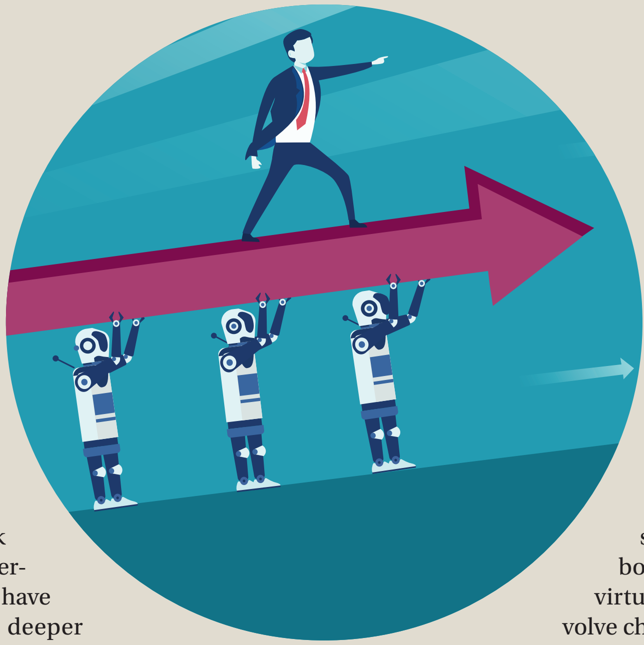
Unlocking value with RPA

RPA is a natural complement to ERP systems and is perfectly suited to address their inherent inefficiency problems. The software "bots" created by an RPA platform perform the same functions as human beings would, but much quicker and with a near zero-error rate. They can operate 24/7 or trigger automatically as needed. They scale up or down, work across any number of systems, and can automatically handle even data or system anomalies and auto correct. And, possibly most importantly for IT, they significantly enhance but in no way impact existing systems.

From a technical perspective, RPA works best on processes that have the following characteristics:

- Rules-based, where human judgment involved is small or predictable with a reasonable degree of confidence
- Repetitive
- Stable, i.e., not subject to frequent changes

From a business perspective, the most likely candidates for intelligent automation are those where efficiency, speed, or scale are the most important metrics or where error rates are currently too high, or any errors are costly. Examples of common processes often identified as candidates for RPA include various back office and front office tasks such as sales order and invoice processing, employee onboarding, intelligent data handling and transfers, customer-facing processes, managing physical or digital systems (automating building infrastructure, for



example) - these are only a few out of literally limitless opportunities where intelligent automation can play a critical role.

Automating the repetitive tasks such as data-entry, movement and rules-based manipulation shifts time back to employees to focus on higher-value work. Finance specialists have time to offer more value with deeper analysis and planning and HR can focus on nurturing teams and talent. A large telco went from concept to production in only 18 weeks and was able to support seven different groups within finance by month seven. Automating financial reporting, invoice to cash and electronic fund transfers is saving this organisation 4,000 hours every month. This is valuable time back to the business allowing teams to focus on crucial digital transformation projects.

Implementation choices

Each business is unique, and just as ERP systems are adapted to best fit the company's strategic objectives, the RPA implementation should be too.

Some organisations choose to empower employees to automate business processes that fill up their days with tedious work and keep them from attending to higher-value tasks. The best RPA platforms are specifically designed for non-technical people who have no exposure or knowledge of software programming. With these platforms, with as little as one or two hours of training, employees can build their own bots. They diagram the process they want to automate, and the code is automatically generated.

Another employee-centred approach enables users to 'record' (or follow) a process instead of diagramming it, again with automatic code generation to create the software bot. In both cases, these bottom-up approaches to RPA are virtually risk-free, as they don't involve changes to any of the existing ERP or other systems.

> **"The best RPA platforms are specifically designed for non-technical people who have no exposure or knowledge of software programming**

Artificial intelligence (AI) capabilities are available for companies that prefer a top-down approach. These tools can observe human behaviour and automatically discover processes for one person or across one or more teams that are good candidates for automation. They can even rank these processes in terms of the potential ROI that any given software bot would likely deliver. Finally, with no other IT intervention beyond approval, they can generate the required code with one mouse click.

ERP systems are going to play a major role in corporate IT for the foreseeable future, and the use of RPA to eliminate ERP inefficiencies or gain advantages that were not imagined before represents a huge opportunity for businesses. In addition to improving efficiency, bots can free employees to make better use of their time and even boost morale – often with ROI in only a few months.

Given the high reward and minimal risk, the choice to transform ERP systems with RPA is simple. ■

Flexible working

THE POLICY THAT IS IMPLEMENTING ITSELF

BY DR ZARA NANU

I don't think many of us understood what flexible work was until March 2020. Many of us in the ERP space, with roles that could have been done flexibly and remotely for years still saw the 9-5 as the way to operate within the framework of a cubicle in the office. Flexible working was still something parents did - mostly women - to fit the school run in between meeting deadlines and taking calls.

At Gapsquare we've been conducting research into flexible working that has revealed an incredible shift that is happening for employers, whether they are ready or not.

A flexible working approach from the word go

The most useful definition of flexible working I have seen is from **Timewise**, who define flexible work as 'any kind of working pattern that doesn't fit into the traditional 9-5, five day week - that doesn't include zero-hours or temping contracts.'

The right to request flexible work has been statutory in the UK since 2014, but research by Timewise says only 11 percent of jobs with salaries of above £20,000 are advertised as being open to flexible working arrangements. And even then - the interpretation of flexible working differs. Beyond recruitment, a **Censuswide** survey also stressed a gap in uptake; 40 percent of employees aren't formally offered flexible work.

> "Flexible working has been implemented in such a way as to blur the line between home duties and work duties

COVID has shown us that we should be aiming to offer flexible working to 10 out of 10 employees.

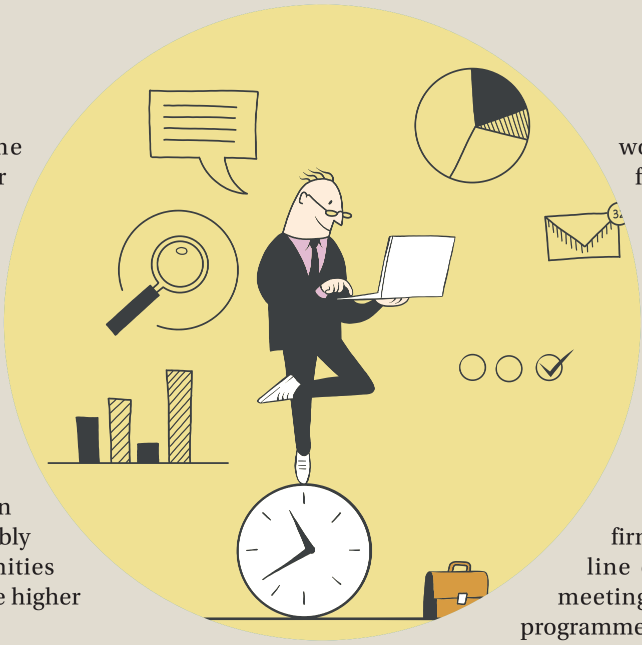
Flexible working - stepping into the light

There have always been many reasons why employees sought flexible work options, but the main reason has always been work-life balance. As it stands, social indicator research shows that there isn't yet an empirical link between work-life balance and flexible work. They are not inherently one and the same. Instead of facilitating balance, flexible working has been implemented in such a way as to blur the line between home duties and work duties. This is something I wish I could write on the agendas for board meetings around the country: letting people work around their home life, also means letting work into their home life unless you do it right.

Whose policy is it anyway?

At the moment we are seeing that the high female uptake of flexible roles (and low male uptake) is reinforcing gender roles. **ONS** data shows that most flexible working arrangements have a disproportionately higher uptake from women than men.

Recent **EHRC** research finds that 51 percent of women report disadvantages from requesting FWAs - this can come in the form of having fewer opportunities or personal development



options. Similarly, part-time work is often included under the banner of flexible work. As most of it is in low-paid, stereotypically female occupations, this results in women being critically underpaid under calls for flexibility.

The EU Gender Equality Index 2019 highlights that women are less likely to be able to move from part-time to full-time jobs. The pool of men working part-time is considerably shallower, yet their opportunities for moving to full-time jobs are higher in comparison.

But what can companies do?

Current new working arrangements are making flexible working the norm. This means it must be the norm for all employees. An employer's job now is to scale flexible work in a work/life balance mindset. This is a necessity in a world where your children might literally step into your office whilst you're on an important call.

Here are some tips for creating flexible working that we have picked up:

• **Start by advertising flexibility in job vacancies.** Many companies do not advertise roles as flexible, and post-lockdown with rising unemployment, those entering the workforce will particularly look for flexibility. Instead of a vague statement on flexible work, job advertisements should cover what types of flexibility is available for specific roles. For example, not every role can be done remotely, but may be available for job sharing or compressed hours. Businesses can show their commitment to ensuring flexible working by highlighting case studies or role models during the recruitment process.

• **Get past cumbersome policies.** We need to move beyond old practices around flexible working. With times as they are, flexible working is necessary from day one for new employees and should not be held back by old fashioned policies. Employers need to be more adaptive and engaged with a changing environment and consider requests for flexible working a priority issue, crucial to employee success.

• **Communication is key.** While firms have seen an increase in online communication - daily team meetings, informal catch-ups, buddy programmes etc - they note that it does not fully replace physical communication in the workplace. A blended approach allows workers who prefer face-to-face communication to have it in the office, while those who need flexibility can choose their own arrangements.

> **“**
>
> **....at the end of the day, it takes effort to build holistic flexible working practices, but the returns in employee loyalty and productivity are invaluable**

At the end of the day, it takes effort to build holistic flexible working practices, but the returns in employee loyalty and productivity are invaluable. During lockdown, there has been a 25 percent increase in productivity through work from home arrangements - this increase is higher for those without caring responsibilities. Now the challenge is to carry through with best practices from the crisis. As the amount of employees working flexibly will likely increase by 45 percent, employers cannot ignore the need for flexible work any longer. Gapsquare has developed guidance on implementing flexible work throughout companies' talent pipeline - from recruitment, to retention, up to progression. This not only addresses the need immediate issue of COVID, but also seeks to build long-term progress. The report is available for purchase on our website. ■

COVID PRICING & DELIVERY

WHAT'S YOUR COVID PRICE?

IS THE PANDEMIC THREATENING THE CONSULTANCY MODEL?

BY MARC AMBASNA-JONES

Last year we predicted some big changes for the SIs in terms of their delivery methods and in the pricing of deals. As COVID-19 has accelerated the wider business community's need for digital services, so too has it forced big consultancies to rethink how they operate.

Consultancies and systems integrators have been both criticised and critical over the past few months but what does a post-pandemic future look like?

When the country went into a COVID-19 lockdown back in March, it set in motion a series of events that both upended and unnerved most industries. For consultancies and systems integrators however, this has been a time of mixed fortunes. On the one hand they have had their work cut out in helping clients overcome the rapid shift to remote working, while coping with their own internal pressures to shift to virtual working. And yet, on the other hand, consultancies have actually done quite well out of it.

While government contracts awarded to consultancies to manage track and trace systems and PPE purchasing – controversially totalling over £56m in just a few weeks, according to **openDemocracy** – have somewhat clouded the public image, perhaps consultancies should be better judged on their reaction to the crisis, their ongoing support of customers and their future relevance. For the most part, consultancies reacted quickly to the pandemic but now, learning to live with the virus, workplaces and working patterns are under increased scrutiny.

That sense of urgency and the 'we are all in this together' spirit, seems to be slowly ebbing away. A new reality is kicking in. One that threatens to either undermine the consultancy model or deliver a new way of working that will set the tone for future deals and relationships with clients. What is clear is that nothing should be taken for granted. According to numbers from Fergus Navaratnam-Blair of **Source Global Research**, the global consulting industry, which is worth US$157bn, will contract by up to 14 percent over the course of 2020 as a result of the pandemic.

To some extent, it's not that surprising given that global economies have suffered and most industries have been under financial strain. But this has the potential to run deeper. Certainly, some smaller and independent consultants have struggled. According to research by **Comatch**, around 30 percent of independent consultants said their running and/or planned project was postponed, while 12 percent said that a running project was cancelled.

"The crisis has definitely changed the way clients buy professional services," says Navaratnam-Blair. "Because there's so much uncertainty about the future right now, many clients have reduced the average length of their consulting engagements. And because many clients are worried about their own cashflows, they're scrutinising consultants' rates more heavily; we've heard stories of customers explicitly asking firms to give them their 'COVID price'.


FERGUS NAVARATNAM-BLAIR
SOURCE GLOBAL RESEARCH

So, what impact will this have on how consultancies and SIs frame client projects? It's surely dangerous territory for any deal maker to set precedents on special pricing. Could this lead to consolidation?

"Clients are also starting to consolidate their consulting spend around a smaller number of providers; with so many challenges they have to deal with right now, they're looking for any opportunity to reduce complexity," adds Navaratnam-Blair.

Virtual working

It's understandable but sectors will, of course, vary. And far from being pessimistic, there seems to be a mood of hope bordering on expectancy. As Bhagiyash Shah, director at management consultancy **BearingPoint** admits, while the firm saw a number of projects suspended as a result of COVID, those projects are now restarting and new opportunities are emerging.

"We have won new work and seen existing projects being extended," says Shah, "which to us indicates that the value we add is recognised and that clients have a high degree of trust in us and therefore see us as a partner to help them achieve their business aims and objectives. On the whole, clients,

COVID PRICING & DELIVERY

BHAGIYASH SHAH
BEARINGPOINT

their teams and BearingPoint consultants recognise that we are all operating in very difficult circumstances and therefore there has been a high degree of accommodation to enable productive delivery and outcomes."

It's a common theme. Shah tells a story about how one client kitted out a combined project team with IT equipment to ensure they could all work virtually and securely with what was sensitive material. Malcolm Wilkinson, partner in **Deloitte**'s consulting practice has similar stories of clients "showing remarkable resilience and adaptability."

He also claims that remote working has "worked better than anyone would have expected with regards to both new and existing clients" but the crisis demanded agility in how the business reacted to changing client demands. The severity of the impact of COVID-19 on clients was a key factor in how Deloitte adapted and worked but for the most part, consultants managed to continue to work on projects remotely, thanks largely to an already existing culture of virtual working.

> I would not play down the value of face-to-face interaction and its place in building trust and relationships. **I think a lot of people are missing this aspect of their work.**

It's a similar story at BearingPoint. Shah says the company saw it coming and prepared early, switching to virtual working with some clients prior to the formal UK lockdown, minimising project disruption.

"Multi-channel communications were important," says Shah, to not just keep teams informed of developments but also to manage client expectations. "We were aware that home working and virtual working could impair team cohesion, so we put in place measures to deal with this. We also planned support for those who may not have facilities at home for extended home working."

Owen Dowden, sales director for digital enterprise at **Hitachi Consulting** claims that the current climate has surprised everyone, with both the firm and clients demonstrating impressive agility and determination.

"Over the past three months we have had multiple successful 'go lives' and we sold and successfully delivered, a new **Oracle** demand and supply planning solution with a brand new client, without ever setting foot on their premises."

Certainly, technology consulting seems to have fared well. By its very nature, it is intended to help remedy gaps in client infrastructures and processes, so it lends itself more easily to virtual working. With other areas of consulting, this is not always the case and some, according to Navaratnam-Blair of Source Global Research, have suffered in recent months.

"HR and change management is, by some margin, the service line worst affected by COVID-19," he says. "Our modelling suggests that this part of the consulting market will contract by around 30 percent this year. Traditional change management consulting is hard to do remotely, since it involves a lot of on-the-ground work analysing people's working patterns and delivering training. The projects that are still coming through in this space are much more short-term and tactical than in the past."

Changing futures

For some consultancies this has meant a return to some degree of on-site working, or at least initial meetings, albeit with social distancing measures and health precautions in place. This was certainly the case with BearingPoint, especially with new clients, and the consultancy model suggests it will return but to what extent?

"I would not play down the value of face-to-face interaction and its place in building trust and relationships. I think a lot of people are missing this aspect of their work," says Dowden at Hitachi. "Therefore, I think the future will offer a more balanced and flexible approach to the delivery, with the obvious trend towards increased virtual working."

Wilkinson at Deloitte agrees. The firm has been providing new tools and initiatives to help facilitate remote working but also the mental and physical wellbeing of employees. While Wilkinson quite rightly sees the firm's long-term support for remote working as a success story, he is all too aware that there also has to be a return to some form of pre-COVID normality.

"In the future, we'll look to strike the right balance with clients to work

MALCOLM WILKINSON
DELOITTE

remotely when it suits them, as well as working together in shared working spaces in order to benefit from the collaboration, creativity and camaraderie working side-by-side allows," he says.

It suggests a horses-for-courses approach, with increased bespoke tailoring of projects to fit both requirements and budget. As Dowden suggests, consultancies are coming under increased scrutiny on any new investments, accelerated by the pandemic. There will be an increased need to find efficiencies and to tinker with the more traditional consulting model.

"Projects without a robust business case won't make the cut," says Dowden. "We have helped clients go a step further by developing a detailed business case and offering to tie our fees to the delivery of those results using risk/reward mechanisms."

Risk based commercial models don't come without their own challenges, he admits. What it means is that consultancies have to spend even more time working on the project business case to create accurate costs, scheduling, accountability and to set expectations.

"We have seen this make a real difference over recent months, as it can help give executives the confidence to move forward in such uncertain times," adds Dowden.

This has to be good news for customers. If the pandemic has realigned consultancies into being even more accountable, more cost-conscious and more open to flexible contract terms, it could go a long way to smoothing over the bumps in the UK's economic road. But we are not out of the woods yet. While COVID-19 cases continue to rise and we head into the winter months, who knows what is waiting around the corner.

For Navaratnam-Blair at Source Global Research, it's a moment of evolution, where consultancies will continue to learn how to adapt and deliver but it's not without its challenges.

"For the most part, consultants have adapted remarkably well to remote working; clients generally tell us that this transition hasn't had a negative effect on project outcomes," he says. "However, there are some challenges associated with this new way of working. For one, pipeline management becomes harder; when you're not onsite with the client every day, it's a lot harder to know what services they're likely to buy from you. Also, junior consultants and new graduates miss out on the development opportunities of working alongside more experienced professionals on a day-to-day basis. If virtual working remains the norm going forward, consulting firms will have to think about what that means for how they train their next generation of leaders." ■

RISK AND REWARD: WILL COVID FORCE A CHANGE IN PRICING?

According to Owen Dowden, sales director for digital enterprise at Hitachi Consulting, the changing working patterns coupled with increased scrutiny on project value have led to, in some instances, tying fees to results. In truth, the risk/reward model has never really gone away but during challenging economic times it tends to become a more accepted tactic for getting deals over the line.

COVID has almost certainly impacted new business and will continue to do so. Virtual working is not for everyone and certainly not for every project and so clients are asking about COVID rates, at least according to Fergus Navaratnam-Blair at Source Global Research. In order to have a significant impact on buying decisions though, discounts need to be sizeable, says Navaratnam-Blair. Source's forthcoming research on the topic has found that the sweet spot is around 21-30 percent off.

"Historically, larger firms have often been willing to use their deep pockets to undercut the competition on price and build market share," adds Navaratnam-Blair. "It wouldn't be surprising to see more firms engage in this kind of behaviour over the next 18 months as they look to rebuild their pipelines."

OWEN DOWDEN
HITACHI CONSULTING

This will undoubtedly hit smaller consultancies and SIs the hardest. Speaking at the launch of a Guide to SMEs for Government Buyers of Consultancy back in March this year, Management Consultancies Association chief executive, Tamzen Isacsson ,said: "Smaller firms are vulnerable at this uncertain time and government, more than ever, can support them by stepping up use of our small sized members for building extra capacity and expertise."

However, while the demand for public sector consulting has indeed increased with infrastructure and COVID-related projects, most of the work has gone to the major consulting brands. If nothing else, this is sending a message to the sector to rethink its pricing now and build-in more value and accountability. If not, we could see the sector consolidate quickly as SMEs in particular come under unsustainable pricing pressure.

SHARED SERVICES

WHAT SHAPE ARE YOUR SHARED SERVICES IN?

GEORGINA ELRINGTON LOOKS INTO CURRENT ISSUES AND THE EVOLVEMENT OF CORE SHARED SERVICES INTEGRATION

SHARED SERVICES

> "Is your goal just to create highly efficient machine that works with precision much like a Swiss watch? Or is it also to transform the service being provided to bring additional value to the business?"
>
> ABIGAIL VAUGHAN
>
> ZELLIS

> "Many organisations are now looking to their SSCs to support the broader enterprise objectives around cost and cash."
>
> JULIA LEWIS
>
> EY UK CONSULTING

A simple way to think about shared services is as one back office installation that is used by various departments. The administrative tasks in an HR office, for example, can increasingly be carried out on a single system. This same system can then feed information to other business areas - such as the finance department - to help keep a watchful eye over budgets, resources, spending, and revenue. If everyone is using the same access point in the right way there will be less chasing for information and data can be automated to produce instant intelligence.

But for this to run smoothly the workforce needs to be engaged and understand the importance of using the shared service properly. And before that can happen, the system in place needs to have been set up with full consideration to the objectives. "As you build central back office functions it is important to have a clear view of your goals," stresses Abigail Vaughan, chief operating officer at the payroll and HR software and services company, **Zellis**. "Is your goal just to create a highly efficient machine that works with precision much like a Swiss watch? Or is it also to transform the service being provided to bring additional value to the business? What do those new services and capabilities need to look like? The answer to these questions will very much influence the scope and shape of the shared services organisation."

REASSESSING CURRENT SHARED SERVICES FOR VALUE AND PRODUCTIVITY

And the shared services shape can shift. Six months ago everyone was in the office accessing systems that were already networked for the people sitting in front of them. Julia Lewis, director, global business services at **EY UK Consulting** offered her views for those looking after shared services today. "While shared service centres (SSC) have demonstrated resilience and done well to navigate the disruptions of the COVID-19 pandemic, the experience has highlighted a number of areas that need renewed focus. Many organisations are now looking to their SSCs to support the broader enterprise objectives around cost and cash. Cost of service delivery can be targeted by looking at operating models and location strategies. SSCs will be asking themselves what is now the right balance of on-shore, off-shore and business process outsourcing, what is the right location for their centres, and is there an opportunity for consolidation?

"Although most SSCs have started their digital journey, they realise that they need to accelerate their digitisation and automation programmes and scale their solutions across the enterprise to have a greater impact on efficiency. A recent survey by EY and the **Shared Services** and **Outsourcing Network** (SSON) noted that almost half of leaders confirmed that SSCs need to become more digitised post pandemic.

"The pandemic has increased remote working and changed the way businesses function. Where, traditionally, there was an expectation that all employees delivering service would be office-based, this policy has been turned upside down. SSC leaders must therefore reconsider what the 'new normal' means for their workforce – especially their Generation X and Y workforces, and also rethink policies and procedures to ensure that they not only attract and retain the best talent, but can also manage well-being and team morale effectively to achieve the best levels of motivation and performance."

Pre, during, or even post-pandemic there are still some lagging processes that need an overhaul when it comes to shared service utilisation. Andrew Hayden, a senior product marketing manager at **Winshuttle** - a data management and process automation company said: "With increasing amounts of data to manage, shared

service centre professionals are relying on slow, laborious manual processes to perform business critical actions. Within a finance shared service centre for example, it's not unusual to find highly qualified professionals spending large amounts of time performing repetitive and monotonous tasks. Not only can this drain morale, but it can also lower productivity levels, stifling their ability to concentrate on other more valuable goals. This also accelerates the risk of user error. Common mistakes causing unnecessary headaches for SSC professionals include misplaced invoices, inputting errors, items not matching to purchase orders (PO) and missing PO numbers."

Colin Crow is the managing director at a digital transformational company, **Sigma Dynamics** which helps companies to improve productivity. Crow's perspective on the issues for shared service leaders today also focusses on achieving end-to-end data capture, alignment and management to ensure information is provided quickly, efficiently and accurately to all stakeholders, especially the end customer. "Capturing current-state data from all elements of the supply chain is key to being able to analyse this data, make informed business decisions and provide accurate and timely information to all other parts of the supply chain, which is crucial to business success in this competitive and challenging world," he said. He also made the point that AI technology is maturing to the point that this data management can be largely automated. "This offers the potential to further optimise the management of the shared service centres, so they become value-added centres and not just processing units," he added.

"With increasing amounts of data to manage, shared service centre professionals are relying on slow, laborious manual processes to perform business critical actions."

ANDREW HAYDEN / WINSHUTTLE

This [AI] offers the potential to further optimise the management of the shared services centres, so they become value-added centres and not just processing units."

COLIN CROW / SIGMA DYNAMICS

HOW IS MORE DIGITALISATION ENTERING SHARED SERVICES?

Taking up on the concept of shared services becoming more efficient enterprise assets we heard from Peter Walker who is the chief technical officer EMEA at intelligent automation technology company, **Blue Prism**. "An increasingly key change agent, across any central back office function of a shared services environment, is intelligent automation that runs an AI-enabled digital workforce. This is a workforce that interoperates without requiring coding, across all systems and disparate operating environments - automating processes up to 150 times faster than human workers - with zero errors, 24/7. This is proving the best way to swiftly and accurately perform end-to-end, process-based activities, so they're delivered much faster, smarter and more efficiently."

"For example, over 50 NHS Trusts are using our cloud-based digital workers to automate a wide range of activities at unprecedented speed across multiple functions. There's a growing community of healthcare organisations that are sharing their tried and tested automations using a newly created NHS Digital Exchange (private online marketplace) that allows **NHS** teams to further accelerate the deployment of new automations and better support remote health activities. These pre-built automation assets cover more than 40 processes enabling key back office support for recruitment, HR on-boarding, finance processing, and tackling enhanced access to services, patient communication from admissions and outpatient support."

For digital workers as a business-led initiative, Walker highlighted that: "While IT and technical leaders are vital to ensuring smooth rollouts and the ongoing running of the platform, it's down to shared service leaders who best understand their operational challenges and demands to make judgements about where digital workers will have the greatest impact on swiftly delivering positive business outcomes."

THE POTENTIAL OF SHARED EFFICIENCY STARTS WITH A SHARED VISION

Staying with the NHS example we heard from Patrick Highland, finance manager for systems and reporting at

The Royal Marsden NHS Foundation Trust. He told us that: "A good example of the potential for shared services within the NHS is the growth in Trusts transforming their back-office technology estates to create a digital eco-system designed to optimise collaboration in pursuit of excellence in patient care and management. Without a shared vision to guide change, the decentralisation of the NHS has created a splintered technology backdrop that works against realising a collaborative approach to managing patient care. It's clear there's a long way yet to go if the NHS is to achieve the wished-for digital transformation.

"Siloed technology approaches and ways of working limits the NHS in leveraging one of its greatest assets, data, and the ability to share that data to better analyse, treat and prevent illness. Intelligent automation will play a significant role in allowing clinicians to swiftly and accurately perform joined up, data-driven, end-to-end activities across disparate systems. For example, at our Trust we're seeing a significant acceleration of eReferral processing and automation of that work stream. Using Blue Prism Cloud has protected existing resources from the impact of that increase which would otherwise be shouldered by existing back-office resources. Automating our private patient billing function has sped up the process and removed processing errors. This has freed our team to focus on developing relationships with customers and allows them to chase debt in a more sympathetic and empathetic way that only people can do."

"My advice for other NHS Trusts considering the adoption of intelligent automation is to first secure C-suite sponsorship for the initiative and use that powerful voice to articulate and champion the efficiency benefits of automation, to pave the way for wide-scale adoption. Communicate success and use every opportunity to educate potential internal customers on the benefits of automation to turn them into positive proponents and adopters of the technology."

"An increasingly key change agent, across any central back office function of a shared services environment, is intelligent automation that runs an AI-enabled digital workforce."

PETER WALKER / BLUE PRISM

"Without a shared vision to guide change, the decentralisation of the NHS has created a splintered technology back-drop that works against realising a collaborative approach to managing patient care."

PATRICK HIGHLAND
THE ROYAL MARSDEN NHS FOUNDATION TRUST.

So what can leaders do now to optimise the functionality and value of shared services?

Zellis' Vaughan stressed that enterprises need to focus on harmonising business units. "This means understanding why differences exist, and working to develop harmonised, lean working practices and pursuing a unified automation agenda. At the heart of this process should be a best-in-class process team which has up-to-date knowledge of automation. This team can ensure your enterprise doesn't sit in a technology implementation logjam, and instead can take ownership of driving process automation using widely available and simple tools, such as Microsoft Power Automate, to enable quick results. You do need to consider, however, how automated processes will be supported in life and ensure that the usual monitoring infrastructure is in place in order to ensure business continuity," she said.

The last words go to EY's Lewis as she puts the focus, for SSC leaders looking to ensure that their central back office functions are optimised and fit for purpose, into four main areas.

1. Fully digitising their operations and implement disruptive intelligent automation technologies across end to end processes;

2.Increasing service scope by creating centres of excellence to make the best use of data and new analytics tools to enable decision making that will drive significant value for the broader business;

3. The customer and user experiences when defining process and service to enhance satisfaction;

4. Re-assessing the skills required for their workforce and up-skill appropriately to ensure they have the right talent to support digital, analytics and customer centricity. By addressing the above SSCs can continue to deliver on enterprise objectives, keeping costs low and driving value-add across global operations. ■

The three lessons learned

NOW THE FUTURE OF WORK HAS BECOME A REALITY

BY CAROLINE DARBYSHIRE

13th March. A date etched in my memory. Not because it's a birthday or anniversary. Rather, it is the last date I found myself in an indoor space with hundreds of other people for my son's school assembly. Fast-forward six months and for many of us crowded spaces, and even offices, seem like a distant memory.

As we've been fast-tracked into home-based working, what we used to speak of as the 'future of work' has now become our everyday life. Video calls, collaboration platforms and stable WiFi connections are all many of us now need to work productively. According to research from Deloitte, one in four office-workers in the UK said that lockdown had a positive impact on their wellbeing – with workers finding more time on their hands to do the things they want to do such as reading, gardening and spending more time with their families.

However, many workers, particularly those new to organisations, have missed collaborating with their teams in an office and the teamwork and creativity this fosters. To counter this, I've got to grips with three key lessons:

> **What we used to speak of as the 'future of work' has now become our everyday life**

1. We're all human: Working remotely using video calls has given us a window into our colleagues' home lives - whether that is through discussing the pictures hanging in their background, to interruptions by family members and pets. Taking the time to learn more about our colleagues is important at a time when many have felt isolated. Even at the busiest times, a short call to catch-up with a colleague can make all the difference. At Deloitte, we've introduced new initiatives, including a virtual Coffee Club, aimed at connecting people across the company at a time when we are working individually.

2. Working from home is here to stay: According to Deloitte research of people in the UK working from home during lockdown 54 percent said they would like to work from home more often once restrictions were fully lifted. Just one in 10 said they planned to work from home less often than they did before lockdown. That's not to say that offices are a thing of the past – they will still be a valuable base for teams to meet, aiding collaboration, creativity and camaraderie.

3. But it won't be for everyone: A lack of space, childcare and face-to-face interaction has made working from home a significant challenge for some, impacting health and wellbeing. Remote working is not for everyone. Offices will remain vital spaces for social interaction, collaboration and desk space for those who cannot work from home.

The future of work is here. What we must do now is take time to understand what this means for how we connect across teams and organisations to ensure that we continue to work in a productive, creative and collaborative way. ■

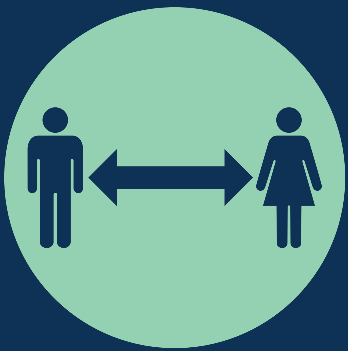
HM Government

NHS

We must keep on protecting each other.

HANDS

FACE



SPACE

STAY ALERT ▸ CONTROL THE VIRUS ▸ SAVE LIVES