Mint Jutras

Making Enterprise Business Systems Pay Dividends

CAN NEXT GENERATION ERP AWAKEN THE FORCE? PART 2

"THERE HAS BEEN AN AWAKENING. HAVE YOU FELT IT?"

This is Part 2 of a 3 part series examining the impact of new features, technology and delivery methodology that can be applied to awaken the Force in your company. The Force, of Star Wars fame, allows Jedi to perform supernatural feats, and also amplifies human physical abilities with added speed and improved reflexes. In Part 1 we defined next generation Enterprise Resource Planning (ERP) and explored how new features and technology could be applied to ERP to awaken the Force.

We continue here in Part 2 recognizing that the right functionality, delivered through innovation, is simply not enough today. It is equally important for that innovation to be easily consumed.

THE RIGHT FUNCTIONALITY, EASILY CONSUMED

Any good ERP solution provider will provide innovation, typically delivered through upgrades and new releases. For many years, enhancements to ERP came slowly. Most solution providers scheduled releases every 12 to 18 months, and often there was little enough value added to justify the effort of moving forward. After all, the upgrade process could be very disruptive. Releases were skipped and customers got woefully behind, sometimes only moving forward when the vendor stopped supporting its current release.

Improved development tools for next generation ERP allow vendors to deliver more innovation, faster. Yet while 43% of our survey respondents upgrade on a regular basis, 30% still skip releases and 11% would prefer to never upgrade at all. In order to keep pace in consuming this innovation and take full advantage of it, the upgrade process needs to improve. This can happen in a variety of ways, but the deployment model is at the very core of ease of consumption. As noted in Part 1, the Force is a universal power available to all, but used by only a few.

DEPLOYMENT MODEL

Those that choose software as a service (SaaS) for deployment are relieved of much of the burden of the upgrade process.

This is reflected in their approach to consuming innovation. The percentage with no interest in innovating shrinks to less than 2% and the best performing

Data Source

World Class ERP Performance

Mint Jutras defines World Class in the context of an ERP implementation. We use a composite metric that includes:

✓ Actual measured results experienced since implementation
✓ Progress made in achieving company-specific goals
✓ Current performance in selected KPIs

The top 20% of survey respondents comprise "World Class." The remaining 80% are referenced as "All Others."
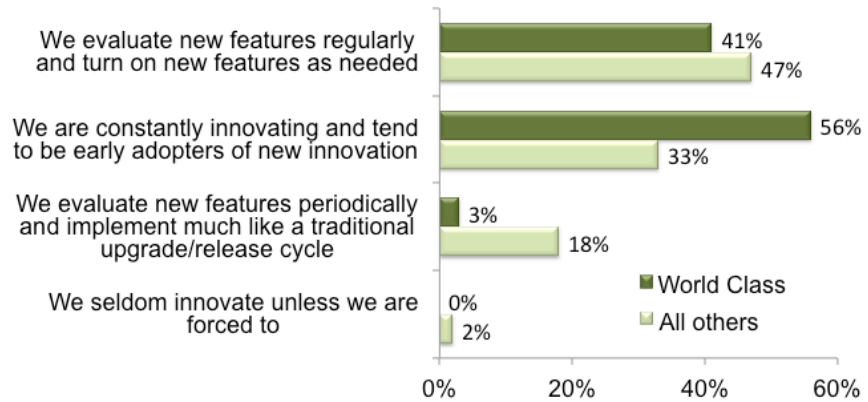
Multi-tenant versus Single-tenant SaaS

Multi-tenant SaaS: Multiple companies use the same instance of hosted software; configuration settings, company and role-based access personalize business processes and protect data security.

Single-tenant (or Multi-instance) SaaS: Each company is given its own instance of the (hosted) software, but may share common services, such as an integration platform, and security.

implementations (those determined to be World Class) are also the best at consuming new functionality at an accelerated pace (Figure 2).

Figure 2: What is your approach to consuming innovation in a SaaS model?

Source: Mint Jutras 2015 Enterprise Solution Study

SaaS can also be a vehicle for more rapid development and delivery of innovation. Of course the pace of innovation can vary quite significantly from vendor to vendor. Those who offer their solutions exclusively as a multi-tenant SaaS solution have a distinct advantage of only having to maintain a single line of code. With multi-tenant SaaS, multiple companies use the same instance of hosted software; configuration settings, company and role-based access personalize business processes and protect data security. Contrast this with single-tenant SaaS where each company is given its own instance of the (hosted) software. This adds more of a burden to the upgrade process for the solution provider, which may also have an impact on its ability to innovate.

Solution providers that deliver the same solution both on-premise and via SaaS are forced to maintain multiple versions of the software. Very often the software is offered on a choice of platforms and databases, and the vendor must support multiple release levels determined by its customers' ability to keep pace with upgrades. For every person-day it spends on innovation, it spends another multiple of that day making sure it works across multiple environments. Choice can be very good but with it you might sacrifice the added bonus of accelerated innovation. The Force has indeed not been awakened.

In Part 3 we will draw the distinction between cloud and SaaS and explore the potential benefits of a SaaS solution, including the ability to take action while on the move.

About the author: *Cindy Jutras is a widely recognized expert in analyzing the impact of enterprise applications on business performance. Utilizing over 40 years of corporate experience and specific expertise in manufacturing, supply chain, customer service and business performance management, Cindy has spent the past 10 years benchmarking the performance of software solutions in the context of the business benefits of technology. In 2011 Cindy founded Mint Jutras LLC (www.mintjutras.com), specializing in analyzing and communicating the business value enterprise applications bring to the enterprise.*