Mint Jutras

Making Enterprise Business Systems Pay Dividends

CAN NEXT GENERATION ERP AWAKEN THE FORCE? PART 3

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

This is Part 3 of a 3 part series examining the impact of new features and technology 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 in your company.

In Part 2 we recognized that the right functionality, delivered through innovation, is simply not enough today. It is equally important for that innovation to be easily consumed.

Here 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.

ARE CLOUDS IN THE FORECAST?

We have already seen the potential impact SaaS can have on the delivery of innovation. Many use the terms cloud and SaaS interchangeably, but in fact they are not the same.

- **Cloud** refers to access to computing, software, storage of data over a network (generally the Internet.) You may have purchased a license for the software and installed it on your own computers or those owned and managed by another company, but your access is through the Internet and therefore through the "cloud," whether private or public.
- **SaaS** is exactly what is implied by the acronym. Software is delivered only as a service. It is not delivered on a CD or other media to be loaded on your own (or another's) computer. It generally is paid for on a subscription basis and does not reside on your computers at all.

All SaaS is cloud computing, but not all cloud computing is SaaS. Traditional on-premise or hosted solutions might (or might not) be accessed via the cloud, although this is more likely to be a private cloud.

Therefore, the cloud has implications regardless of deployment model. The majority of ERP solutions can be accessed through a cloud, but we find quite a lot of diversity in how web-accessible ERP is across the sample of companies participating in our 2015 survey (Figure 1). Some require software (sw) to be installed on the device used to access ERP.

Figure 1: How web-accessible is your ERP?
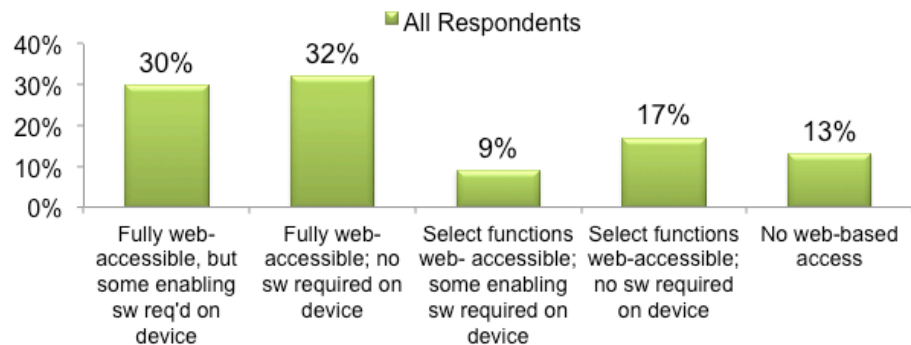
Source: Mint Jutras 2015 Enterprise Solution Study

Potential Benefits of SaaS

- *Lower total cost of ownership*
- *Reduce cost and effort of upgrades*
- *Ability to treat as operating expense rather than capital expense*
- *Lower start-up costs*
- *Elimination of hardware and associated maintenance*
- *More strategic use of IT*
- *More innovation/ through more frequent updates*
- *Ease of remote access for distributed workforce*
- *Improved IT security*
- *More viable business continuity plan (e.g. natural disaster)*
- *Lower risk*
- *Reduce or eliminate IT staff*
- *Ease of bringing up new remote sites*
- *Speedier business innovation*

Devices might run the gamut from desktops to smartphones. In 62% of these companies, the entire application is web-accessible, while only select functions are web-accessible in 26%. If you are among the 13% with no web-based access you are woefully behind. You may be riding a moped when your competitors are riding Jedi speeder bikes.

In almost half (49%), no software is required on the device. This means that access simply requires a browser and proper security. For the 39% indicating some enabling software is required on the device, this might be the equivalent of the client software that was required in the days of client-server or the more modern equivalent of downloadable apps. But this is more limiting in that a user on the road (or at home) cannot simply gain access through a browser on any available device with a browser. This is the "access any time, from anywhere" advantage of the cloud.

This "access any time, from anywhere" capability is all some (28%) of our study participants are asking for. But more (39%) prefer a real SaaS solution. Those considering a SaaS solution anticipate many of the potential benefits listed in the sidebar, on average selecting 3.17 individual advantages of SaaS. But those that have actually deployed SaaS solutions find it even more appealing, selecting 52% more (4.82 on average) of the potential benefits as those that were actually realized.

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Regardless of whether SaaS is in your future or not, cloud is a critical factor in awakening the Force within your company. It is also a prerequisite for providing access through those mobile devices we have all become so attached to.

TAKING ACTION WHILE ON THE MOVE

As noted earlier (Part 1), top-level executives are becoming more directly connected to ERP. You might attribute this to the fact that all of us are simply more "connected" today – period. The less tethered we are to wired connections, the more tethered we are to the business. We are always on, always reachable, whether we are sitting in an office, flying across the globe, on vacation or at our children's soccer games or dance recitals. Smart phones and tablets can be credited with (or blamed for) keeping us in touch and within reach.

While mobile access to data in ERP is relatively low on the priority list for ERP selection criteria (see Part 1), this is not an indication there is little value to be gained, but more an indication that mobile access is simply a means to an end. The end goal is better visibility and faster reflexes, better human performance. Some tasks and functions lend themselves better to being performed on mobile devices. We asked survey respondents to prioritize tasks and functions that might be valuable to mobilize (Table 1).

Table 1: What tasks and functions are most valuable to mobilize?

	All Respondents			
	Must have!	Would be useful	Nice to have	Wouldn't use it even if available
CRM/Sales Force Automation (such as managing contacts and opportunities)	38%	34%	20%	7%
Approvals and authorizations (POs, invoices, expenses etc.)	33%	40%	21%	6%
Business Intelligence (such as viewing KPIs and Reports)	32%	40%	23%	5%
Notifications and alerts of business events	29%	41%	26%	5%
Order/Account Management (order/invoice status etc.)	30%	39%	23%	8%
Product Information (Product data, designs, drawings, specs, images)	32%	33%	22%	13%
Supplier Management (supplier information, order/invoice status etc.)	26%	40%	26%	8%
Work Order Management (accepting jobs, changing status, reporting on work completed)	30%	32%	27%	11%
Personnel/ HR administration (time reporting, travel expenses, sick leave)	22%	41%	28%	9%
Take photos and attach them to records in the enterprise application	17%	38%	32%	13%
Entering voice to text into the enterprise application	14%	30%	37%	19%

Source: Mint Jutras 2015 Enterprise Solution Study

We weighted the responses by how useful they would be on a mobile device and sequenced by order of priority. Table 1 is sorted from highest to lowest. However, we should note that the first four tasks listed were very similar in priority, with the weighting varying by less than 4%.

Tasks associated with customer relationship management (CRM) and sales force automation topped the list. Presumably these sales forces are not inside sales, but rather those out in the field. The next three however are less function-specific and are more about taking action faster (and more effectively) in response to events or changing conditions. This is all about amplifying speed and reflexes in ways that a few short years ago would have seemed to be supernatural.

A mobile device can immediately connect your road warriors and your mobile executives to enterprise data and functions. But a successful enterprise is never a one-man or a one-woman show. When it comes to awakening the vast potential of a business, there is power in numbers. While many of us would love to be able to take the perfect employee and create an army of clones to

bring to bear in battling the competition, we need to find other ways to fully leverage the human resources we do have today.

CONCLUSION

"There has been an awakening. Have you felt it?" Or are you slumbering along with an ERP that lacks any or all of these advanced capabilities?

- Do you have all the feature functionality that would best run your business? Is that functionality keeping pace with new requirements? Are you keeping up with innovation?
- Do you have rich reporting and analytical capabilities that both answer your questions and helps you ask the right ones, the ones that will drive growth and improve performance?
- Are you taking full advantage of the cloud?
- Do you empower your mobile decision makers or are they still tethered to desks or reliant on super users and subordinates?
- Can these decision makers react with speed and accurate reflexes?

If the answers to all of these questions are a resounding, "Yes!" then the Force is strong within your enterprise. If not, then it is time to take action. Whether this means upgrading your current solution, migrating to a new one from the same provider or seeking out alternatives, do so with these questions in mind. And throughout your quest, may the Force be with you.

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.