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Sign of the times

To see where companies' IT priorities lie, look no further than the latest economic statistics, says Gordon Fleming

Gordon Fleming: the only truly integrated business process management solution on the market

'May you live in interesting times,' ran the famous Chinese curse. And certainly, for manufacturers, the last few years have undeniably been… well, interesting.

So as one interesting year, 2012, gives way to another one which looks set to be no less gripping, what trends and topics are setting manufacturers' IT agendas, and the priorities that stem from them?

For Gordon Fleming, chief marketing officer at leading manufacturing ERP vendor QAD, the answer is pithily summarised by just two words: the economy.

"There's a huge amount going on right now, both within QAD and the wider world – but the single thing which connects practically all of them is the economy," he explains. "We're a very customer-driven business and just about everything that we're rolling out right now has our customers' responses to the economic situation as its imperative. Times are tough – and it's all about having the toolset to deal with those times."

As an example, Fleming points to the latest QAD Global Economic Survey of the company's customer base, undertaken in the late summer of 2012. Over three-quarters of respondents – 76% – reckoned that, compared to 12 months previously, the economy was adversely impacting their companies' potential for growth. In short, capital expenditure was being constrained and IT budgets were under pressure.

And against this background, what were companies' IT priorities? A set of objectives that are entirely consistent with the environment within which companies find themselves operating, says Fleming.

"Look at what manufacturers are actually wanting to do, and you'll see an IT agenda centred around reducing cost, boosting internal efficiencies, adding capabilities to enhance business performance, and rolling-out new mobile and flexible deployments – not because such things are fashionable and in vogue, but because there's a solid business case, underpinned by hard cash savings, and a measurable impact on the bottom line," he emphasises. "Our mission at QAD: to help our customers deliver on this."

Warming to his theme, Fleming starts enumerating a set of typical objectives, ticking them off on his fingers as he does so.

"First, ERP upgrades: compared to 2010, when we last ran the survey, there's been a huge increase in the number of companies reporting this as a priority – very roughly, a doubling of responses, to about half of all respondents," he notes.

And against this background, he adds, the average age of an installed QAD system is eight years, against an industry average of 12-14 years – a time when, as he puts it, "the world was a very different place, with year 2000 compliance being a major force for change."

Next up: ERP consolidation. And again, says Fleming, it's not difficult to see why.

"Multiple ERP systems – and multiple instances of ERP systems – add cost and complexity," he notes. "Just as critically, old ERP systems add cost and complexity – and actively hold businesses back from taking advantage of new capabilities and business paradigms."

No wonder, again, that QAD is also seeing a strong interest in consolidation – especially global consolidation: global rollouts; global consolidations, and single global instances of QAD in place of a multi-instance, multi-vendor ERP landscape.

"We've completely packaged our internationalisation: pick the country, and it all happens automatically – language, currency, invoicing particulars, tax and everything else," says Fleming. "Just specify the country, and everything else is automatic."

Thirdly, he continues, straitened economic circumstances – and the need to make every penny of IT expenditure deliver maximum value – are resulting in strong levels of interest in QAD's 'on-demand' offering. Not evenly around the world, to be sure: even within a single continent, such as Europe, ERP in the cloud can evince strong emotions.

But the tide of opinion is moving the cloud's way, says Fleming, with even the most sceptical CIO forced to concede the compelling logic of linking IT costs more tightly to actual usage.

"Plus, of course, we have a hybrid-like or blended solution – which has been a differentiator for us, and which is still relatively rare," he enthuses. "With QAD's on-demand offering, you can mix and match or 'blend' on-demand with on-premise, as you wish, all within a single instance."

And fourthly, says Fleming, there's mobile computing. Here, the story is about mobile device proliferation, and delivering enterprise applications to employees' preferred devices. These, it seems, will increasingly be mobile.

Enterprise tablet adoption is presently estimated to grow by 50% a year, he points out. By 2015, mobile app development projects will outnumber native PC projects by a ratio of 4:1. The iOS and Android platforms will be adapted to meet enterprise requirements, and businesses will increasingly be challenged by the choice between enterprise-owned devices and the burgeoning 'bring your own device movement'. And all that is happening, he stresses, before taking into account mobile-centric Windows 8 and Windows 8 tablets.

In short, look at the latest release of QAD's enterprise suite – QAD 2012.1 – and all these trends are very much in evidence, sums up Fleming. Take business intelligence, for instance.

"Business intelligence has come of age," he stresses. "In today's economy, a solid business intelligence capability has never been more necessary, in order to hone manufacturing efficiencies and market opportunities. And business intelligence no longer calls for an army of analysts and a hefty investment in data warehouses: ordinary employees, using simple browser-based interfaces, can run simple, easy-to-use business intelligence applications – and, what's more, do so on their mobile devices, as well."

And customers can expect to see enhanced business process management capabilities in QAD 2012.1 too, he adds. Again, it turns out the economy has been the driving force behind the move.

"Companies are more focused on internal efficiencies than ever before, and are aligning everything to their strategic goals," notes Fleming.

"QAD's vision is to help our customers become more effective enterprises. We have put a lot of effort into developing what we believe is the only really truly-integrated and embedded business process management solution on the market." ■

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