



# QAD HIGHLIGHTS CHANNEL ISLANDS AT EXPLORE 2018

ANALYST

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## THE BOTTOM LINE

**At its recent conference, Explore 2018, QAD shed new light on its Channel Islands User Experience.** With Industry 4.0 as a central theme to the event, QAD discussed the investments it has made in its platform that enable use of the latest manufacturing technology. The conference demonstrated how QAD is looking to support global customers with its cloud-first strategy.

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## THE ANNOUNCEMENTS

At the conference, QAD executives took the stage to outline the company's vision for what industrial manufacturers can expect from the vendor in the coming months. Some key announcements included:

- Channel Island User Experience. Named after a group of islands near QAD's headquarters in Santa Barbara, California, the Channel Islands is a four-phase investment initiative by the vendor, which most recently has focused on delivering a new user experience (UX). Built specifically to leverage the cloud, Channel Islands uses HTML5 and RESTful API (application programming interface) services to allow the interface to be personalized and extended to address changing business needs. The UX works on any device with a web browser, delivering the enterprise resource planning (ERP) system to users however they want to consume it. Channel Islands works on the QAD Enterprise Platform, which was debuted last year and enables customers to use technologies that are rapidly developing and disrupting many industries such as internet of things (IoT), artificial intelligence (AI), augmented reality (AR), and digital twin.

- QAD Cloud ERP enhancements. Announced in advance of the conference, QAD reviewed some of the updates that it has brought to the solution with its San Miguel 1 release. QAD has built a new version of the QAD Production Orders product which combines the capabilities of QAD Discrete Manufacturing and QAD Work Orders in order to support mixed-mode manufacturing customers. The updated version of the software unifies processes from production planning and execution in one workflow to give customers flexibility to run discrete or process manufacturing with access to the same functionality and transactional data. QAD also introduced a new version of its supplier portal which allows better mobile access and personalization capabilities with integrations to QAD Cloud ERP and QAD Cloud QMS (Quality Management System). QAD QMS received an update that delivers flexible deployment options and integrates with any ERP solution regardless of vendor.
- Industry 4.0. Many of the announcements and reviews of capabilities centered on enabling customers to leverage future technologies that are in various stages of development. Using Industry 4.0 as the umbrella term for technologies like IoT, AR, blockchain, 3D printing, and AI, QAD's investment in its Enterprise Platform seeks to allow delivery of many of the more advanced technologies as either services provide by the vendor or as integrated capabilities. QAD discussed how industries are being disrupted through the use of technology in innovative ways and customers will need to adapt as their industries change. QAD stressed how it is working to be the technology partner to its customers to ensure they stay competitive.

Although many industry verticals are undergoing significant changes, such as the servitization of manufacturing, manufacturers are some of the worst laggards when it comes to adopting new technologies or changing business processes. QAD's task at Explore 2018 was centered on helping customers understand how its technology can position them to remain on the front edge of their industries. The investments QAD discussed at the conference demonstrated how it is moving industrial manufacturers to the cloud and preparing them for an uncertain future.

## CUSTOMER REACTIONS

There were hundreds of customers and partners in attendance at Explore 2018, representing the full suite of industries QAD serves as well as its global presence. Nucleus spoke with a number of customers during the conference to get their views on what QAD's announcements meant to them as well as their general impressions of working with the vendor.

## AUTOMOTIVE MANUFACTURER

A long-time QAD customer with global manufacturing operations is considering the cloud with its next upgrade. With a few sites deployed in the cloud as testing grounds, the company is primarily concerned with potential downtime which can be incredibly costly. The company doesn't have a cloud-first strategy but is looking to QAD to help build a compelling business case.

*The customer said: "We are here to learn more about how QAD's cloud would fit with our business needs. We have a couple of sites where we've deployed the cloud, so we understand the change management that's required. The productivity gains from the greater flexibility and ease of use are where our team benefits the most, with about 10 percent of their time redirected for more value-add tasks. We currently lease our hardware, so we're not worried about depreciating assets, which makes our business case a bit more difficult."*

## MANUFACTURING COMPANY

Another customer that manufactures critical parts for a suite of industries including aerospace and defense discussed its experience moving to the cloud with QAD. The customer's biggest lesson was how custom applications had a negative impact on the ease of upgrading smoothly. The company was successful at ensuring their users were engaged, which helped with the change management that was required. The move to the cloud was motivated by how the architecture will enable the organization to consume technologies in the future.

*The customer said: "We didn't have a single day of downtime in manufacturing during our upgrade, so there was no negative impact on the business bottom line. We are realizing value from the better analytics and dashboards we have for our users. The availability of information saves our operations team multiple hours each week. The ease of use is a core reason why we upgraded."*

## MANUFACTURING COMPANY

A global manufacturer was at Explore 2018 to evaluate what technologies it will want to leverage in the future. The company stressed the importance of QAD's partners as a way to facilitate easier deployment of advanced capabilities. In the search for a manufacturing execution system (MES), the company looked for a partner offering an out-of-the-box integration with QAD. The manufacturer sees expanding the partner ecosystem as a key area in which the vendor could improve.

*The customer said: "We have been looking for test cases that prove the value of innovative technologies. There are a few [technologies] like augmented reality where*

*we are doing proofs of concept. The assembly assistance through AR is what we are working on.”*

## QAD'S STRATEGY

At Explore 2018, QAD showcased the results of its investments in both its platform and user experience. The Channel Islands Initiative, which began in 2015, demonstrates how QAD is enabling manufacturing customers to deploy technology that allows them to modernize and adjust to changing business needs. However, delivering manufacturing ERP that is native to the cloud and gives customers a modern web-based user experience is too far ahead of where many manufacturers are today.

QAD has made investments for the future of manufacturing, with a platform that supports IoT, AI, machine learning, and other cloud-based services. Though the vendor is developing next generation technologies, many of its potential customers are technology laggards. Its task is to convince prospects, many of whom are operating on legacy deployments of SAP, Oracle, or Infor, that it will be of equal or superior value now and the same capabilities moving forward. By keeping its focus on the industry verticals that it services, QAD is working to unseat incumbent vendors and become more of a household name, ending the era when prospective customers would ask, “QAD who?” By providing innovative services and technology to the market, QAD is positioned to ensure it delivers value to its customers and remains a long-term business partner.