

MIDMARKET ERP VENDOR VAI PREPS MOVE FROM I-SERIES TO THE CLOUD

With an installed base mostly on IBM i-Series, midmarket ERP vendor VAI has a renewed focus on ROI in its latest release and cloud deployment option

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It's been some time since I've covered mid-market ERP vendor Vormittag Associates, Inc. (VAI) and its software (S2K Enterprise). The backgrounder I prepared a couple of years back is still fairly relevant today and worth a re-read.

VAI fills an interesting niche in the ERP space. Many of its customers have very small IT departments. When I attended a prior user conference, I noted several firms had an IT department of one person. Some of this is due to these customers' use of IBM i-Series equipment. That machine, like its System 3X predecessors, requires very little setup and maintenance. The systems software configuration of these devices is quite standardized across customers. As a result, an application suite designed for that environment requires less headcount to maintain than many competitor solutions.

Cloud deployment

The i-Series and VAI combination could generate a great business case in the on-premises age. But now, the next wave of computing and IT cost savings is aimed at the cloud. Cloud was a big focus on my recent conversation with VAI executives and at its latest user conference. The company is now promoting its cloud deployment option more aggressively. The firm has two cloud data centers — its primary cloud center and a recovery center located approximately 1,000 miles away in Miami.

The cloud offering allows VAI to instantiate a new customer very quickly as customers do not have to stand up new hardware, acquire and load required systems software, and so on. Customers running this option will also benefit from software updates provided by VAI. This solution is essentially a

hosted, single-tenant deployment with some customers able to manage multiple subsidiaries/ customers within a single hosted instance. This cloud deployment option is a big part of the new ROI story from VAI.

As to VAI customers adopting a cloud deployment, analyst firm Nucleus Research recently noted that:

VAI said half of its new business is opting for the cloud, with 20% of its existing install base opting to move to the cloud now or in the near future.

For mid-market technology buyers, cloud deployments should offer superior data protection, recovery and other capabilities, as a cloud vendor has the scale to spread the costs of enhanced capabilities over hundreds or thousands of customers.

Mobile and Analytics

The other big news updates from VAI focused on:

- Release 6.0 of the product line
- VAI leveraging new analytics, IoT and predictive technologies
- Greater ROI focus

One major part of the new Release 6.0 includes new HTML 5 enabled mobile functionality. The company states:

VAI offers a suite of Mobile apps that provide both connected and disconnected transaction processing capabilities with file synchronization directly with VAI S2K Enterprise.

VAI's core product, S2K Enterprise, now includes a number of built-in analytics and performance monitoring reports, known as Information Business Monitoring.

VAI has a long-standing partner relationship with IBM. It also has partnerships with Microsoft, Google, Apple, Forward Thinking (for GPS technology) and Zebra. The Microsoft partnership should bring along additional capabilities in machine learning, analytics and more if VAI follows the same product enhancement trajectory of other ERP vendors using new Microsoft tools.

VAI offers solutions in several verticals including:

- Apparel
- Automotive
- Building supply
- Electrical supply
- Electronics
- Food & beverage
- HVAC plumbing heating
- Industrial
- Janitorial

- Medical
- Pharma
- Plastics

The company now has approximately 160 employees and 1500 customers. Customers can be found in Saudi Arabia, Canada, Mexico, New Guinea, Hong Kong and, of course, the United States.

VAI is growing around 15% YOY.

My Take

VAI's cloud approach, while similar to other mid-market ERP vendors, is interesting as it is positioned as an ROI enhancement mechanism for current and future customers. I wish more vendors saw the cloud this way. Other enhancements to the ERP suite keep the company competitive with other mid-market ERP vendors.