

OPTIMISM ABOUNDS IN VAI'S INAUGURAL SURVEY

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A new customer survey released today by IBM i ERP software vendor VAI shows that companies are extremely optimistic about the future of their businesses. Besides the almost nonexistent pessimism, the survey also highlighted interest in analytics as a way to boost productivity, as well as a commitment to improve security.

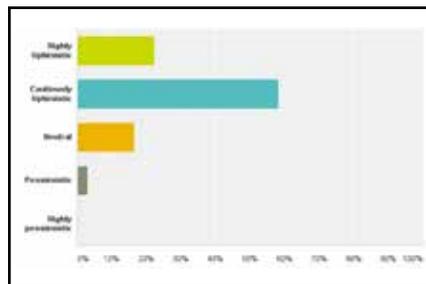
The United States' stock market is in the midst of an historic eight-year bull run that shows no signs of quitting. Since stocks hit their low point in the dark days of March 2009, the buying spree has continued quarter on quarter, with nary a correction (defined as a drop in value of 20 percent or more) in sight. It's the second longest bull market ever according to Fortune, and would surpass the 1990s dot-com rally if it continues for 16 more months.

The rosy glow of S&P 500 component profits extends down into the small and midsized business sectors, which is where

VAI predominantly plays. The Ronkonkoma, New York, software company has periodically polled its customer base for insight into their business outlook and technological needs, but it never publicly released its findings, until today.

If you're optimistic by nature, you'll love what the 2017 VAI Customer Business Survey finds.

But for VAI CIO Kevin Beasley, who's a pragmatic sort of guy, the lack of negativity was downright shocking.



Responses to VAI's survey question about business outlook over the next 12 months.

"The big surprise we got out of this wasn't necessarily the high level

of optimism, but the fact that the pessimism was so low," Beasley says, citing the 3 percent of survey respondents who reported being pessimistic about the business outlook. "Usually, you see polls that might have an 8 to 10 percent negative outlook. We weren't seeing that."

(Beasley has his theories about why that's the case, and it doesn't involve a lick of tech. "There's a lot of people who are plain happy the election is over," he says. "They don't care who won. They're just glad they don't have to hear about it anymore.")

About 71 percent of the 103 VAI customers who participated in the survey, which was conducted in late winter, reported having a "cautiously optimistic" or "highly optimistic" view on business prospects for 2017, while about 16 percent were neutral. There were no takers whatsoever for the "highly pessimistic" option on the survey, which VAI conducted via

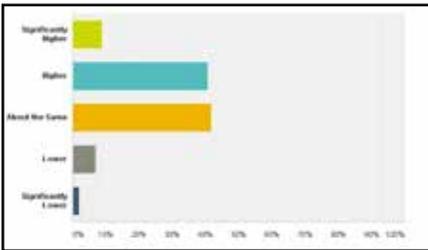


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SurveyMonkey.

“People are looking at the next 12 months in a neutral to highly positive attitude,” Beasley tells IT Jungle. “That’s what we hear in the media. That’s what we asked people, and this quantifies that.”

That optimism appears to translate directly into companies’ technology spending plans, which makes the rosy tech outlook even rosier.



Responses to VAI survey question about current level of technology spending compared to last year's.

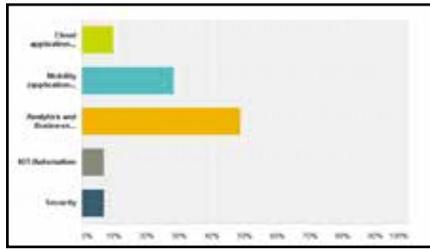
According to VAI, more than 80 percent of customers report this year's technology spending to be equal or greater to last year's spending level. About 9 percent say their spending level will be “significantly higher” than last year's; about 7 percent say it will be lower; while 2 percent say it will be “significantly lower.”

The survey also shows that more VAI customers consider technology to be a competitive differentiator that can spur growth rather than a necessary but non-strategic expense that should be

minimized.

“Most see it as something that’s valuable,” Beasley says. “We’ve seen it from 2011 until now; people tend to get out of bad economic woes through technology. They view it as a strategic benefit to improving their situation.”

So with eight years of historic economic expansion and the 2016 presidential election behind us (if not the bulk of the Trump presidency before us), the question becomes: What will



Analytics was the leading response to the question: Which of the following tech trends could have the biggest impact on your company.

“We’re seeing that everywhere,” Beasley says. “People are actually starting to see the benefits of analytics, and gaining useful information from it.”

VAI has been a reseller of IBM Cognos for many years, and is now moving to adopt to the next generation of big data analytics and cognitive computing. To that end, the company is working with

IBM to extend Watson into its customers’ IBM i data centers.

“They move slowly, but there is interest in moving toward big data,” Beasley said. “Not big data in that it’s petabytes of data, but grouping different data together. . . They want to be able to do ad hoc analysis.”

VAI also found that security topics bubbled up higher than other topics – like cloud migration, disaster recovery, supply chain optimization, ecommerce, warehouse automation, and demand planning – which is a trend that jibes with other IBM i user surveys conducted this year. “Security is always on people’s minds. . . just because of the IT and cyber world we live in,” Beasley says.

The survey found continued investment in cloud and mobile computing among VAI’s customer base. While the survey showed that most VAI customers are in the early stage of cloud adoption, the adoption is quite broad.

“The people who say they’re never using the cloud is only 20 percent,” Beasley says. “Eight percent are using it already, in some shape or form – a higher number than we expected out of



our installed base.”

Considering how conservative the IBM i installed base is, that’s a surprising number, Beasley

says. And while few of the apps that VAI customers are running on the cloud actually run on IBM i, the IBM i cloud contingent will go up, Beasley says. “Now that

people are getting comfortable with ERP in the cloud, we expect that number to start growing very quickly.”



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