VORMITTAG ERP - CONFERENCE HIGHLIGHTS/CUSTOMER INSIGHTS

VAI may not be the best known ERP vendor out there but their customers sure like them. Read on for the highlights of their recent user conference.

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I recently attended the VAI (Vormittag Associates, Inc.) user conference in Las Vegas. It was my first opportunity to attend their show and to speak with their customers.

By way of background, VAI makes a line of ERP software that is built and optimized for the IBM iSeries and related platforms. They've been around a long time and their customer base has been quite loyal to the firm. The software is clearly marketed to the SMB/Mid-Market space.

Some of the bigger things to note:

VAI customers have some of the smallest IT departments that mid-market firms would ever possess.
This is a serendipitous result of the hardware this solution utilizes. Some of these firms have 1 person as their IT department (out of a total workforce of 115 employees). A $500 million revenue firm, for example, has only 10 IT staff. It would be hard for any software vendor to displace VAI in these accounts using an economic or IT savings use case. Only a full multi-tenant cloud solution could stand a chance of replacing VAI (and even then, a vendor would have to mollify any conversion risk concerns of the client).

High customer satisfaction is a rare commodity in established software firms.
The older a firm gets, the more common it is to find customers being subjected to frequent usage audits (to generate more inbound revenue for a flagging vendor), fewer net new software releases/upgrades, etc. VAI has some really happy customers and this would, like the point above, make their customer base harder for competitors to siphon away.

Cloud penetration into these accounts was scant.
One customer reported being a user of salesforce.com. Payroll and some HR functions are often outsourced (the usual big players were indicated). One customer is using Ceridian's cloud solution (note: this could be a private label version of Ultimate's HR solution).

In my discussions with customers and management, I learned that:

Customers appear to be quite pleased with the software. In my informal polling of them, I asked them to give VAI a customer satisfaction score (1-10 score with 10 being most satisfied). Most firms gave VAI

Vormittag Associates, Inc.
A Leader in Enterprise Management Software
www.vai.net

a 9 with one firm offering up an 8.

Many users have customized the solution, some materially, and can often be several versions back from the current release.

While some of the customers acquired VAI software over a decade ago, the competitor names that did surface included: JD Edwards (now part of Oracle), Epicor, Daly (www.daly.com), SAP and some vertical industry solutions.

Many of the customers have had a long history with IBM hardware. Several of them can date their experience to System 3X, AS/400 or iSeries gear.

The reasons these firms moved to VAI included:

- Y2K replacement solution

- Needed a post merger solution that supported multiple companies and locations

- Needed critical warehouse distribution software

I also attended a couple of the vendor briefings and keynotes at the event. VAI announced new sales force functionality, new integration capabilities and several mobile enhancements.

IBM also presented. Their spokesman discussed how the new Power series solutions will permit simultaneous virtualized environments for both AIX and Windows environments. This would permit a customer to run their Microsoft applications (e.g., Office) and VAI software on 1 machine. There is a potential for cost savings for some firms in going with this approach.

I walked away from the event better aware of VAI. I also confirmed something that I've known for a long time: sometimes the software companies that delight their customers the best aren't necessarily the biggest, oldest, newest, hottest, best known or the most bleeding-edge. If you value a positive long-term customer relationship, make sure you add the right questions, characteristics, etc. in your next software selection RFP. Customer references, Net Promoter Scores and other data points speak volumes about the future relationship you'll have with a vendor.