

VAI KEEPS ROLLING WITH ERP UPDATE, CLOUD AND SAAS SALES

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“Scintillating growth” may not be the best words to describe the market for IBM i-based ERP software these days. But don’t tell that to the folks at VAI, who continue to develop compelling ERP software and grow its installed base, particularly on the cloud and software as a service (SaaS).

For decades, VAI has been one of the go-to ERP providers for midsize firms in manufacturing, distribution, retail, and services. Its IBM i-based suite of software, S2K Enterprise, is trusted by hundreds of companies around North America. While many of its competitors on the platform have folded or been snapped up by Infor or other conglomerates, Bob Vormittag’s Ronkonkoma, New York outfit has stuck to its guns and continued to develop and support an integrated suite of solutions.

Most VAI customers are choosing cloud versions of the software,

including hosting of the full ERP suite in VAI’s data center or consumption of individual SaaS applications, which VAI delivered in January, says Joe Scioscia, the vice president of sales for VAI.

“I would say probably 70 percent, maybe even 80 percent, of upgrades are going in the cloud, and I would say 90 percent of new business is in the cloud,” Scioscia says. “Unless they have a serious investment already in servers, they’re not looking to buy servers.”

VAI has invested millions of dollars to install Power Systems servers and storage in a MindShift data center in New York. VAI engaged with IBM to configure the systems and an iCluster-based high availability setup in the Ricoh subsidiary’s data center. The cloud supports customers who consume VAI software via the platform as a service (PaaS) model, where they get their own IBM i environment to run VAI modules, as the SaaS model, where VAI serves up S2K

screens and the customers never sees the back-end.

Only 25 percent of VAI’s customer base is in the cloud, according to Scioscia. But as existing customers come up to their next hardware upgrade, he expects many of them to become cloud customers. Scioscia says his IBM i customers that are on Power7 or Power8 servers may opt for the cloud over a move to Power9.

“Those are the accounts who are really going to take a good, hard look at the cloud,” he says. “Any time a customer is coming up for a hardware upgrade, most of those are considering the cloud.”

The exception seems to be companies in the food and pharmaceutical industries. Those operations tend to be 24/7 and have invested in diesel generators and sophisticated backup systems to support their primary operations, so keeping servers running 24/7 isn’t as big a deal, Scioscia says.



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But hard goods manufacturers have no qualms with moving to the cloud, he says.

“The cloud really has made the platform irrelevant for a lot of our customers, especially new customers,” he says. “Obviously, the customers who love IBM i are happy we’re running on that platform. But for new accounts who just want to be in the cloud, they don’t care what the back end is. As long as your UX is on par with anything that’s out there, most customers just want to be in the cloud.”

S2K Enterprise 6.1

The UX is one of the areas the company spruced up with delivery of S2K Enterprise version 6.1, which shipped in August. The company didn’t do much with the standard HTML5 user interface that customers use to interact with VAI applications, which VAI generates using Rocket Software’s LegaSuite software (5250 screens are also available for select functions). What it did enhance is Smart Center, which is a WebSphere Portal-based interface that serves as a homepage for users.

With version 6.1, the company has added more data to the portlets that make up the Smart Center screen. “We’ve given them new

KPIs [key performance indicators] to drag onto the home page,” Scioscia says. “We’ve really made the Smart Center home page more graphic, more dynamic, with more interaction with the back office, so to speak, where they pull new KPIs.”

VAI also improved the integration of its CRM software, called Sales Force, with its marketing offering, called Marketing Cloud. VAI’s Sales Force software is a Java application that lives in WebSphere Portal, while Marketing Cloud is a version of ActiveCampaign SaaS application. Linking CRM and marketing lets users do their jobs better, Scioscia says.

“We now have insight into customer or lead behavior and what they’ve consumed from a marketing perspective,” he tells IT Jungle. “So if we send out an email blast [we can tell] has the customer opened it? Has the lead visited our website? Has the lead placed an order on the website? S2K Sales Force users can now see that. They know: Hey, this customer is doing things. They’re opening emails. They got the new price list. And the sales team can act accordingly, based on the content that the lead or customers’ consume.”

Supply chains around the world are currently in flux, thanks in part to the trade war between the United States and China. With S2K 6.1, VAI is enhancing its Suggested Purchasing module to help distributors who typically rely on overseas imports to ensure a steady stream of product.

“Basically we are looking at historical data and running it through an algorithm to forecast buying patterns for specific items,” Scioscia explains. “If there’s a purchase order out there coming in from overseas, that system can ignore that long lead time and say ‘Do I have immediate demand for this now that I can fulfil locally?’”

Analytics also get a boost with 6.1. S2K Analytics, which is based on IBM Cognos, has seen significant enhancement to the “healthcheck” function that allows users to easily build dashboards that present historical data for items like fill rates, gross profit, and average order value.

“If you look at the past, even metrics like gross profit over time, you’ve had to calculate it for each period,” Scioscia says. “That’s a heavy load for analytics. By summarizing that data and storing it in a database in S2K, now it’s easy for us to create dashboards



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that say, show me gross profit over time.”

The healthcheck function, which relies on the temporal tables functionality that IBM added to Db2 for i with version IBM i 7.3, was introduced with S2K version 6.0. But VAI significantly bolster the number of KPIs with S2K 6.1,

Scioscia says.

All told, things are going very well for VAI, which has enjoyed double-digit growth over the past five years and has grown to over 200 employees, according to Scioscia.

“The combination of the stability of the platform, which has always

been there; our pricing, which is very attractive for the midmarket; and our continually updating of the software to enhance it with the latest technology, still makes VAI a very attractive solution to a lot of midmarket customers,” he says. “We’re cooking.”



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