

VAI USER CONFERENCE 2014: VAI SOFTWARE'S COMPETITIVE LONGEVITY

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This was my very first VAI Software user conference attendance in spite of my relatively close contact over the past few years with the enterprise resource planning (ERP) software vendor from Long Island, New York and Premier IBM Business partner. Attending the 2014 VAI User Conference was a good experience, for the chance to get acquainted with the corporate culture of both the software vendor and its customers. While VAI is primarily North America-focused (with great success in the Caribbean region), the 400-plus conference attendees represented a mix of geographies such as the Middle East, Caribbean, and New Zealand.

VAI Backgrounder—What Does VAI Stand For?

VAI was founded in 1978 by Bob Vormittag, and the company name in fact stands for "Vormittag Associates Inc." It is a family-run privately-held business with no debt or outside capital involvement. From initially

delivering an ERP solution for distribution-intensive small to medium businesses (SMBs) on IBM's hardware at the time and being an IBM reseller, in the subsequent decades, VAI has developed solutions for discrete and process manufacturing, as well as retail point of sale (POS) and e-commerce solutions (see Figure 1). About 10 years ago, the vendor developed the distinct S2K for Food vertical solution with formulas, recipes, catch weights, potencies, and other important industry capabilities.

VAI's flagship S2K Enterprise suite is used by a wide variety of companies worldwide, with a number of clients in the manufacturing, distribution, retail, food, and service and repair industries. Additional best-of-breed applications such as warehouse management, electronic data interchange (EDI), customer relationship management (CRM), business intelligence (BI), mobility, and e-business provide companies

with more power to leverage their core information technology (IT) investment. The aforementioned S2K for Food, along with S2K Pharma and S2K Apparel, are full-fledged industry solutions.

The core ERP is IBM i-based and written in RPG ILE with integrated Java service layers, and has an HTML5 Web-based graphical interface for anywhere, anytime access from a browser. Other S2K Enterprise capabilities, including S2K Smart Center, S2K Mobile, S2K Analytics, S2K Portal, and S2K Sales Force, leverage Windows and Linux operating systems. VAI has thus been leveraging IBM Power Systems, a platform that accommodates coexistence of a number of popular operating systems (OS). These software solutions allow VAI to offer a cost-effective business system to the midrange market. VAI leverages IBM Websphere Portal middleware to deploy S2K Sales Force and IBM Cognos for the S2K Analytics application.

One of the announcements at the conference was that the aforementioned add-on S2K Analytics module now exhibits new pricing options for 4-user and 20-user bundles. Cognos Viewers now include report authoring capabilities, Framework Manager is now included, and Workspace has been enhanced with an improved query tool. There are new S2K Enterprise metadata and dashboards as well as for S2K Enterprise. For its part, the S2K Portal/e-Commerce module is Schema.org and Robot.txt compliant. Figure 3 shows the integrated third-party tools that are offered, for functions such as email marketing, click-to-chat, Web analytics, and more.

Adaptability Key to Longevity

VAI's solutions have always run on IBM midrange servers, and VAI's more recent solutions run on multiple platforms in a variety of infrastructure configurations. Recently, the vendor has started offering hosted private cloud deployments for its customers.

Approximately 1,500 companies have implemented VAI's software solutions. Of those, 50 percent are in wholesale distribution, 45 percent are in manufacturing, and the remaining 5 percent are specialty retailers/distributors.

VAI customers are predominately in North America (including the Caribbean), with a smaller presence in Europe, the Middle East and Africa (EMEA), and Asia-Pacific (AP), and they range in size from \$20 million to multi-billion (USD) in sales, with VAI's sweet spot being customers in the \$50–500 million (USD) range.

VAI has 150 employees (and is expanding 15–20 percent annually), with offices located throughout the U.S. S2K's default language is English, with Spanish and user-defined language capabilities available in VAI's S2K financial management and warehouse management applications. In addition, VAI has approximately 100 resellers of its software solutions, most of whom are small system integrators (SIs). As a business model, VAI allows these SIs to sell hardware to its mutual customers, but the implementation and support of all VAI software solutions is done directly by VAI employees.

Moreover, VAI has some key partnerships with other independent software vendors (ISVs) that offer integrated solutions to enhance VAI's ERP suite, with capabilities like transportation and shipping, sales tax management, advanced

scheduling, etc. (see Figure 4). VAI Conference 2014 had about 30 partners on the expo floor and more presenting their solutions during breakout sessions.

Conference Highlights—Growth, HTML5, and More

Bob Vormittag started his keynote presentation with a year in review, highlighting the company's growth and expansion over the past year. The company added an additional floor of office space at its Long Island HQ and hired new staffers to accommodate product development needs in Java, HTML5, RPG ILE, Objective C, and Swift, especially given the vendor's recent focus on Web enablement and mobility. VAI utilizes a local data center and expanded both in terms of space and disaster recovery/ high availability capabilities.

There have been significant product developments across all S2K product lines, starting with the core S2K Enterprise. As announced at the conference, the latest S2K Enterprise release features are commissions dashboards, order guides, enhanced suggested purchase order entry, enhanced accounts receivable allowances, customer rebates, immediate accounts payable check printing, the

ability to save and re-use quotes, fixed assets, reserved customer inventory, etc. The company launched a new VAI University with S2K Enterprise 5.5 training videos in process.

VAI had developed its new user interface (UI) using HTML5, while existing users can still have their Java UI if preferred. HTML5 was picked because it can work on any device with a browser and has seamless integration with S2K's Web applications. Updates from the server rather than from the client mean a simplified infrastructure. Lucene search, cloud enablement, and service layer development were other incentives to opt for HTML5. While VAI's Java screens present static pages, HTML5 screens offer the so-called "actionable grids," i.e., the ability for end-users to personalize their screens by sorting, moving, and hiding certain fields, rows, columns, etc.

VAI also announced new mobile apps. While Web apps have to be connected to the Internet and run in a browser, they also need keyboard and mouse navigation, and are well suited for high-level features (e.g., CRM, analytics, portal/e-commerce, etc.). S2K mobile apps can run in both connected and disconnected

mode, as they run on a local device. Their navigation is touch-based and they seem well suited for a single low level function such as order entry, proof of delivery (with e-signatures), messaging, mobile analytics, or route sales.

Configurable S2K Smart Center Work Center

A truly new capability for Release 5.5 of S2K Enterprise is S2K Smart Center—a configurable role-based work center or a home page that end-users can personalize to their needs. The module features a responsive HTML5 UI design to adapt to any device size. The Smart Center roles can be configured even for external users such as trading partners. There are over 100 prepackaged key performance indicators (KPIs) to personalize and provide actionable alerts to any device as necessary. Embedded IBM Connections delivers the social networking capabilities. The aforementioned ISV partners are adding their APIs, and MetaViewer paperless accounts payable document management software is already available.

S2K Smart Center now includes the formerly standalone S2K Sales Force portal as a sales role with CRM capabilities available.

Customers on older versions can still purchase S2K Sales Force as a standalone module. While previously targeting only sales reps, the module is now intended as a corporate-wide CRM portal looking into a central database for all the info. Back-office folks can track the leads from the Web site, tradeshow, and more, as well as track all interactions with leads, prospects, and customers. Sales reps can do portal-based inquiries into back-office data (e.g., customer order and invoice histories, the latest company news, etc.). E-mail marketing and collaboration are other capabilities aimed to allow companies to better analyze and react to customer behavior and provide better customer service.

What's Next for VAI

While international expansion remains a future objective, a higher priority for VAI is the delivery of new functionality, keeping abreast of the latest "SMAC" (social, mobile, analytics, cloud) IT trends, and improving the user experience. The vendor's ethical and nurturing treatment of its employees, partners, and customers, in addition to its offering of unlimited user pricing per site should keep VAI competitive against Infor, Epicor, and Microsoft Dynamics. This is an admirable

feat given the somewhat obscure
company's much smaller muscles

in comparison. Based on its past
success, there is no reason to

believe that VAI won't continue
along this path in the future.