

VAI POURS BUSINESS INTELLIGENCE INTO MIDMARKET ERP

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During the past several years, VAI has rerouted its ERP software roadmap with a modernization plan that included Web and mobile development, cloud-based managed services, and now business intelligence analytics. At the company's user conference last week in New Orleans, it provided a peek at the BI component in S2K Version 6, which is in the hands of a few customers now and is expected to be generally available in Q1 2017.

VAI's S2K software is running core business applications in approximately 1,500 IBM midrange shops, primarily in the distribution, manufacturing, and retail industries. The privately owned and family operated company has been in business for 38 years, but the industry-wide technological changes of the past several years have been the most profound, according to the company's president Bob Vormittag. Cloud and mobile computing initiatives—along with analytics—are tools

that are transforming business overall, including the ERP software business and VAI's business. A custom advisory council, in place for 20 years, has been influential in the directions VAI is taking.

"Business intelligence is the next generation of ERP," Vormittag proclaimed during the opening session of the 20th VAI user conference. "Most ERP systems have the bread and butter items. Our system is very robust. Now we want to drive new efficiencies with business analytics technology."

"You can't get by with only a report writer anymore," says VAI CIO Kevin Beasley, based on feedback from VAI customers. Companies are collecting more data from more data points than ever before and that changes the focus from report writing to analytics, making an analytics tool necessary, the CIO says.

To develop the BI tool, VAI embedded IBM's Cognos inside

of its ERP. Cognos is already being used in IBM i shops, but mostly at the enterprise level. It has a reputation for fist-clenching, teeth-gnashing complexity. Beasley contends that VAI has tamed Cognos, by working with IBM to create an analytics tool that works with the dataset provided by S2K, software designed for small to midsize organizations.

"The metadata is done. The dashboards are done. The complexity of working with Cognos on your own is removed, and VAI added years of customer experience into the product. That's our significant value add," he says. "Programming reports [the traditional approach to discovering business trends] is not a productive use of time. An analytics tool is a better choice."

"There's a lot of complexity before you get to the point where it gets simple," Beasley quips while describing VAI's development of a modern analytics tool.



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Although companies using Cognos and other BI tools could be on a similar path as VAI, it would take an incredible coincidence to choose the same data sets accessed by the S2K BI tool. For the most part, those companies are not in VAI's target audience.

There are other changes coming in S2K V6 that include industry specific enhancements for food and pharma organizations and the final phase of converting thousands of old DDS compiled tables to SQL will be completed.

More details of S2K V6 will be available when it becomes generally available in 2017.

VAI executives also emphasized cloud computing as a strategic direction driven by customer feedback. In this case cloud computing is an interchangeable term with platform as a service (PaaS). In other words, VAI will manage servers rented by the customers and running licensed S2K ERP software in VAI data centers.

Joe Scioscia, vice president of sales at VAI, says 50 percent of the new customers and 20 percent of existing customers are choosing the PaaS plan. The cloud is well suited for midmarket companies

because they are lightly staffed and willing to turn over the software and hardware upgrade cycles to a trusted partner: VAI.

It's simpler to run the day-to-day business by using VAI PaaS, Scioscia says. Customers can concentrate on growing their businesses while using technology to be competitive.

The high availability and disaster recovery capabilities that are built into the PaaS program are also an incentive for companies that have not had either, but are aware of the business risk that comes with unexpected downtime. Relying on end-of-the-day tape backups is inadequate for real time operations.

If a company decides HA is necessary, then cloud becomes a likely choice, Vormittag says.

"Warehouse automation and sales force automation aren't backed up without HA. They are real-time processes and can't afford to only be backed up at the end of each day. Too much valuable data will be missing," Scioscia says. "It's much less expensive to get HA in the cloud compared to HA on premise."

Midsize and larger enterprise

companies look at HA as an insurance policy to run their business, but small companies not so much, according to Vormittag's observations. The cloud is too expensive for the little shops and so is HA.

The business problems experienced by companies that are stuck with outdated ERP software and highly customized implementations can be alleviated by cloud-based managed services, says the VAI executive team.

"We have flexibility and can make changes to the base ERP suite and provide migrations to new versions, so companies are not 'frozen in time,'" Vormittag says. Those frozen applications can become "lega-cized," as he described the dilemma of being locked into 10- and 20-year-old applications.

"We have converted outdated software to new by setting up a parallel version of a production environment in the cloud and working through the customizations and eliminating what's found to be unnecessary. We can often wipe out 90 percent of the customizations," Scioscia says.

VAI's development of mobile



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applications is an ongoing process. Its efforts to date have produced applications for sales personnel to do order processing—view product catalogs, do product

searches, view customer accounts, and review order status; provide proof of delivery; automate route sales—confirm truck loading and manage inventory and provide

GPS tracking and navigation; and warehouse management picking and shipment verification, receiving, and product inquiries.

