THE ERP FINDS ITS FOOTING IN A WORLD OF CORPORATE FINTECH

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The Enterprise Resource Planning (ERP) system is a mainstay for the enterprise – but, like all technologies in the back office, it doesn't look like it used to. ERPs of the past were straightforward and tractional, a portal through which professionals could execute and manage key processes like inventory and purchasing.

Today, ERP systems continue to provide this functionality. But digital financial management platforms like accounts payable, treasury and accounting apps that push their way into the enterprise could have some businesses wondering about the role of the ERP system, or whether it's even necessary.

Joe Scioscia, VP of sales at ERP solutions provider VAI, says contrary to that belief, he's actually seeing fewer companies question the usefulness of the ERP system. That's due to the rising adoption of cloud-based platforms, which, research shows, have quickly risen in recent years. Oracle's 2018 top

ERP trends report found more than three-quarters of professionals either already or intend to run their ERPs in the cloud. Where that comes in handy, Scioscia explained, is in the ERP's ability to coordinate and integrate with the trove of enterprise apps coming into play.

"People understand today that having all of these different, unintegrated applications is truly not the most effective way to go," he said. "While there are a lot of good apps out there that assist users in collecting the data, all of that data really needs to reside in one central repository in the end. An ERP system is the perfect spot for that."

Cloud-friendly ERPs can support data sharing across apps and centralization of that information for businesses to run and manage critical processes.

For VAI, the latest integration comes from a partnership with

SAP Concur. In addition to being able to link into Concur's expense management features, Scioscia said the companies are exploring an expansion of their integration to support accounts payable functionality like approvals, too.

While the collaboration augments VAI's ERP offering with Concur's expense management capabilities, the integration also supports the ERP system's efforts to centralize financial data around the enterprise to provide a single view for end users.

With more businesses comfortable with cloud data storage, ERP integrations with other apps are likely to increase as the demand for that holistic view grows.

"ERP vendors and application providers are truly addressing security as part of the inherent deign of their applications," explained Scioscia, adding that this effort has improved corporates' trust.

Embrace of the cloud has also lent support for omnichannel access to ERP systems and the data it stores, especially when it comes to mobile devices, he said, as cloud storage means data capture can occur in real time. Confirming proof of delivery for a transportation system, or entering a customer order on a mobile device, means ERP systems can capture insight as processes happen – and also identify potential mistakes in real time.

"Why the consolidating of the data in real time is really important is because customers today require full visibility of what's going on," continued Scioscia. "Every single thing you can share from a data visibility perspective is important, and collecting data in real time really adds to that visibility."

With ERPs quickly jumping into the cloud, the technology has opportunities to make greater use of data through adoption of tools like artificial intelligence and machine learning. Oracle's ERP report signaled rising interest in these technologies: An estimated 40 percent of survey respondents said they are currently exploring tools like these, and others like chatbots and the Internet of Things (IoT).

But, according to Scioscia, data visibility remains critical.

"There are two sides of the fence," he said. "A lot of people spend time talking about analytics of data, but I don't think they understand that full visibility as the data is being collected is also really important."

It's a factor behind the ERP industry's interest in blockchain technology, too. Scioscia said distributed ledgers support the demand for real-time visibility of data within ERP systems, and regulatory efforts to improve security and safety in industries like pharmaceuticals and food could actually accelerate adoption of technologies like blockchain. Security of the technology makes it an especially attractive use case for ERP providers looking to address demand for real-time data collection and visibility, he said, especially in areas of tight regulation like food safety and compliance.

Like cloud technology, however, it will take time for professionals to understand, adopt and trust blockchain in their ERP systems and other areas of the enterprise. But such change is likely to be just another step in the industry's evolution, Scioscia said, as executives begin to see the ERP system as a vehicle for real-time data visibility.

"The ERP system used to be much more focused on simply executing transactions," he said. "What's happening now is the ability to capture transactions at the point of generation, and the ERP is not only processing the transaction, but helping in the approval process and the streamlining of data entry.

"What we are seeing is the ERP system truly evolving into a workflow management-type system now."