

ERP TRENDS & PREDICTIONS 2022: MORE DISCUSSION FROM EXPERTS

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Our recent blog post on the Top 10 2022 trends and predictions in the enterprise resource planning (ERP) software market has generated a plethora of comments from market experts and players and prompted some of them to share their own opinions. A few wanted to opine on one or more of our Top10 trends, while others pointed out other ERP trends worth mentioning. (Of course, we realized all along that there are more than ten trends.)

In this follow-up blog post, we share the most noteworthy comments and thoughts by some notable players in the ERP software market, starting with comments on cloud ERP issues.

Cloud ERP's Security and Performance

Joe Scioscia, VP of Sales at VAI, a provider of the S2K ERP Enterprise software suite, sees the cloud ERP market in 2022 evolving along these particular lines:

- *Ransomware and security*

- *High availability*
- *Data vaulting (a way to secure data by sending copies of it off-site where it can be protected from theft, hardware failures, and other threats)*
- *Ramifications of working remotely*

“One of the biggest challenges that cloud software providers face in 2022 is the rapid transformation of the digital sector. Everyone wants to be in on the action, but the methods by which organizations can transition to cloud aren't one size fits all. The cloud market is going to need to become even more flexible in the years ahead,” Scioscia strongly believes. “This includes taking holistic approaches to security and data storage, offering real-time security monitoring, analytics, and more to help businesses get the most from the cloud. This becomes even more important when considering that remote work isn't just a pandemic coping

mechanism—it's here to stay and it isn't going anywhere.”

Winston Hait, Director of Product Marketing, Platform at FinancialForce, believes that, given the shift to remote and hybrid models for work, companies will need to think thoroughly and decide who can access which data, when, for how long, and from where? ERP vendors will need to accommodate these emerging needs of their customers.

Epicor recently launched Epicor Security Suite to both its cloud and on-premises ERP customers with several managed services. Look for many other ERP vendors to follow suit.

Mobile ERP—Work from Anywhere

Scioscia believes that the adoption of mobile ERP and use of mobile apps as business tools will continue to grow in 2022, especially in these aspects:

- *Customer self-service apps*



for ordering and account management

- *Proof of delivery apps*
- *SMS notifications for businesses*

“As a result of the fluctuations in demand we’ve seen in 2021 as well as a desire from business leaders for real-time updates, more managers will leverage mobile apps in 2022 as business tools to gain better insights into the supply chain. In the coming year, I expect a majority of organizations to switch to mobile-friendly operating systems in order to better track products and manage inventory, using a solution like ERP to support mobile applications.

In addition, as companies continue to move between in-person and remote work, contactless mobile operations are becoming increasingly important for those who can’t physically be in the warehouse. Mobile apps can now offer customer self-service tools, SMS notifications for proof of delivery, predictive insights, and other functional capabilities leading to more organizations leaning on the technology for success in 2022.”

For his part, Hait adds that it is not only about mobile, but also about the work from home (WFH),

or work from anywhere (WFA) paradigms. The term “Mobile ERP” implies mobile devices, but it is really about anytime/anywhere access to data, processes, and systems throughout the ERP lifecycle as well as about how it flows into the customer management lifecycle (i.e., sales, delivery/installation and related services, support, etc.

Real-Time Awareness via IoT

Hait believes that ERP’s real-time awareness can be applied via the Internet of Things (IoT) devices and edge computing. Will your ERP system be aware of, listen to, and be able to process info from IoT devices to help drive business decisions?

For his part, Scioscia adds the following:

“IoT and edge technologies are becoming an increasingly important priority for the supply chain, helping manufacturers improve production costs through increased visibility and insights. As the supply chain continues to weather a storm of challenges that will seemingly last through the first half of 2022, more manufacturers are adding IoT technology to their existing supply chain management strategies.

Companies within the distribution, logistics, and manufacturing sector have high levels of outsourced processes, and the implementation of IoT technologies in these areas are helping companies devote more time, energy, and resources to the actual development of high-quality products. The added pressure of inventory shortages is making IoT even more critical for manufacturers to implement as the technology advances to vastly improve production costs and offer insights into the supply chain in 2022 and beyond.”

Smarter ERP

As our recent blog post indicates, combining business intelligence (BI) and artificial intelligence (AI) amounts to augmented analytics, the use of AI within ERP solutions will continue to evolve and grow. To that end, Scioscia says the following:

“Supported by the growing sophistication of machine learning (ML), predictive analytics tools will be able to yield more impressive insights to help executives make decisions in 2022. For example, with ML digesting more and more data, analytics tools powered by ML will be better able to predict and track trends, yielding outcomes that can help companies determine future inventory levels,



weather patterns, changes in demand and more.

Analytics tools are also helpful for sales and customer-facing teams who need greater intelligence into their customer base and the ability to track customer feedback, sentiment, engagement, and more. By pulling insights from customers in real-time and storing them in a central dashboard powered by ERP, business leaders can make smarter decisions using analytics to meet new goals in 2022.”

While our article on ERP 2022 Trends opined that the “BI and AI for Masses” is not yet mainstream, Hait argues that with the FinancialForce Workspaces, Tableau CRM, and Einstein Next Best Action capabilities, the vendor is currently bringing that functionality to the masses in a way that they can benefit without the end users having to know much, if anything, about it.

For its part, NetSuite’s recently unveiled Analytics Warehouse is another example of prebuilt analytics helping users spot patterns and quickly surface insights from NetSuite and third-party data to enhance decision making. An important concept here is datasets that suggest table joins based on the standard

records. This feature lets users create their own joins to otherwise unrelated records. So, now users can create and reuse a dataset for multiple analytics workbooks.

With datasets, operations teams, analysts, and other data leaders can curate collections of data (pre-select fields, run calculations, etc.) that downstream users can use to build reports. Datasets save the operations people time and give them more control, and enable easy, fast, and consistent reports for business users.

ERP as the SCM backbone

Scioscia concurs with our prediction that ERP will relinquish the driver’s seat to supply chain management (SCM) software. Will we see an increased adoption of supply chain planning (SCP) tools to optimize inventory and minimize dead (obsolete) stock? What else might we expect? Scioscia stipulates the following:

- *Long vendor lead times*
- *Effective inventory planning based on demand*

“If the last two years have taught us anything, it’s that flexibility is key when it comes to the supply chain. Recent disruptions and fluctuations in supply and demand are causing major headaches for many of today’s companies.

But how can we solve this? It’s simple—we need to unlock better insights and improve inventory management, and this can start with ERP.

By utilizing an ERP solution to mitigate and predict demand spikes, distributors can identify surges and patterns to ensure shelves and inventory levels stay consistent throughout the year. Even with the ports being clogged up, an ERP provider can help give customers honest and longer lead times to ensure that people are able to meet deadlines and deliveries come when needed.”

Scioscia also believes that robotics automation will continue to transform the warehouse, creating faster and more streamlined processes. We will be seeing even more automation in terms of conveyors and carousels, as well as more use of mobile apps in the warehouse to streamline picking and increase productivity.

“It’s no question that robotic automation is one of the solutions to current labor shortages. Jobs that have long been considered menial, like sorting and distributing, can now be quickly replaced by applications that can do the work at a faster pace with zero error. Mobile solutions also



now exist to give supply chain managers near complete visibility of the warehouse at all times and can quickly patch fixes if something goes wrong.

Most critically, rapid and automated picking ensures that deliveries get out the door on time. While the implementation of robotics and automation in the warehouse must be supplemented with increased skills and new talent, the reality is that companies who invest in this type of fulfillment technology now will see greater gains in the long run.”

Blockchain for Traceability?

While we did not see blockchain as a major trend when it comes to ERP, Scioscia wants to talk about how blockchain is evolving, and how it will eventually affect the ERP software industry. He predicts a slow adoption for smaller businesses, but that the ever-increasing use of foreign suppliers will lead to the growing blockchain requirements.

“While blockchain has been an exciting buzzword for a few years now, the pandemic really brought out the possibilities of blockchain for creating a more transparent supply chain in 2022. By connecting suppliers, manufacturers, distributors, and

consumers together through traceable technology, blockchain can help supply chains transfer and store real-time data quicker while creating a connected, more accurate system for stakeholders to view the status of products.

Blockchain is also evolving to include more foreign suppliers who can transition to the blockchain to better align with their global counterparts. While a slower adoption is occurring for smaller businesses, blockchain is becoming more accessible for all organizations to implement. In 2022, we will continue to see more companies leveraging blockchain to improve equal access to communication and data in an effort to reduce errors and supply chain hiccups.”

ERP in 2022: Enabling “Doing More with What You Have”

At the end of the day, automation, timely insights, and agility is what businesses need from their ERP and related enterprise software solutions. Supply disruptions are making it critical to be able to maximize profit and revenue and available to promise (ATP) from their current means. In fact, wouldn't it be nice if ERP software could tell you to which profitable customer or supplier to allocate some orders given the shortages,

and thus pick the right battles?

This way, companies can have their allocation strategy set up for, say, on time delivery. But then one can view revenue and profit and automatically re-allocate (or allocate that way initially if you like). And there are multiple ways to determine the cost that is used for the gross profit calculation. ERP software should be able to help you optimize the use of what you have and make sure that the resources you have are working on the most profitable orders or the ones that are most important however you determine that.

This “do more with what you have” approach can also be applied to, say, construction projects where one can look at the available resources and materials and decide on their ability to be able to commit to a date to finish a project etc. Vendors like Deltek, FinancialForce, Acumatica, Sage Intacct, Unit4, and others emphasize that there is an amplified focus on project management tools and the project management discipline itself. The process begins with competent project managers, which leads to successful projects and ends with the goal of satisfied customers. This model enhances project management capabilities and



offers project managers more insight into their projects, a distinct focus of ERP solutions that are purpose-built for project-focused businesses.

Reimagined ERP

In conclusion, modern technology, superior user experience (UX), and industry features for reimagined processes will form the marching orders for all the ERP software providers. The ERP solutions of

the future will need to enable a significantly better return on investment (ROI) than current ERP offerings do. Ease of use for an average end user and the overall practicality of ERP software will be the “must have” features for software development.

Additionally, costing and pricing flexibility will be required from the vendors, who will come up with innovative programs. Perhaps

pricing for the actual software usage, given that the profit-sharing pricing initiatives from the past have often turned to be tricky?

How can vendors help customers be more successful with their implementations? What about the cost of failed implementations? And will ERP vendors come up with some compelling value props in that regard?

