MIDSIZE COMPANIES STEP UP ADOPTION OF CLOUD-BASED ERP SYSTEMS

Enterprise resource planning software, which allows businesses to integrate and manage key aspects of their operations, has changed significantly with the maturation of cloud computing technology. For VAI Associates, a provider of on-premises and cloud-based ERP solutions, that change is resulting in new customers. In this podcast, Kevin Beasley, VAI's CIO, discusses the union of cloud computing technology and ERP along with the advantages that union offers to developers.

The midmarket segment, which Beasley defines as businesses with annual revenue from $30 million to $500 million, started looking at cloud-based ERP systems roughly four years ago, seeing it initially as a pure economic play that allowed them to avoid expenditure for on-premises infrastructure updates or expansion, Beasley says. "We're seeing the cloud coming to an inflexion point of acceptability where companies can be a lot more agile using the cloud."

As companies broaden their use of cloud-based ERP systems, the demand for analytics skills continues to rise, Beasley says. "Analytics is huge because ERP captures so much data. You have to have good analytics to ... get all the benefit from an ERP system." With the maturation of the cloud technology, some businesses are opting to simplify their own operations by outsourcing their ERP needs to a managed service provider.

In its consulting role, VAI (Vormittag Associates Inc.), based in Ronkonkoma, N.Y., divides its clientele into two groups: startups with no legacy IT baggage that can operate wholly in the cloud and legacy businesses that can have years or decades of legacy applications and data. In advising the latter group, VAI's approach is to start gently, migrating into the cloud applications that do not directly impact business or factory-floor processes. These apps typically include email, payroll and marketing services. "Once they get acclimated to the cloud, then we can start looking at the line-of-business and ERP functions," Beasley says. "Many times, they don't understand [the cloud] until they put an application there." Industries that VAI's customer base encompasses include food processing and manufacturing, pharmaceuticals, distribution and retail.

With cloud reticence still strong among legacy businesses, Beasley says providing them with a way to sample cloud-based applications goes a long way to establish a comfort level and eventual willingness to migrate.

"If you want to try an application out ... and not go through any major expenditures or sign any long-term contracts, we can spin up an instance of our ERP or CRM [customer relationship management]," he says. "You can

try those out [to] feel comfortable that they'll do the job you need to do." The same is true for existing VAI clients that want to test a newer version of its applications before committing to an upgrade.

Opportunities for developers
In Beasley's opinion, deploying cloud-based ERP systems offers profound benefits for developers working in corporate IT. With its ability to spin up virtual infrastructure resources and application instances almost instantly, developers are freed from the tug-of-war that sometimes prevails when requesting those assets from IT operations personnel. "[Cloud-based ERP] is timely; developers don't have to wait for acquisition of hardware ... or go through a procurement process," he says.

vIn the remainder of the podcast, Beasley discusses VAI's role as an IBM Business Partner and provides his observations on IBM's continuing transformation into a major provider of cloud-based services and the interest that VAI's pharmaceutical customers have taken in IBM's Watson cognitive computing capabilities.