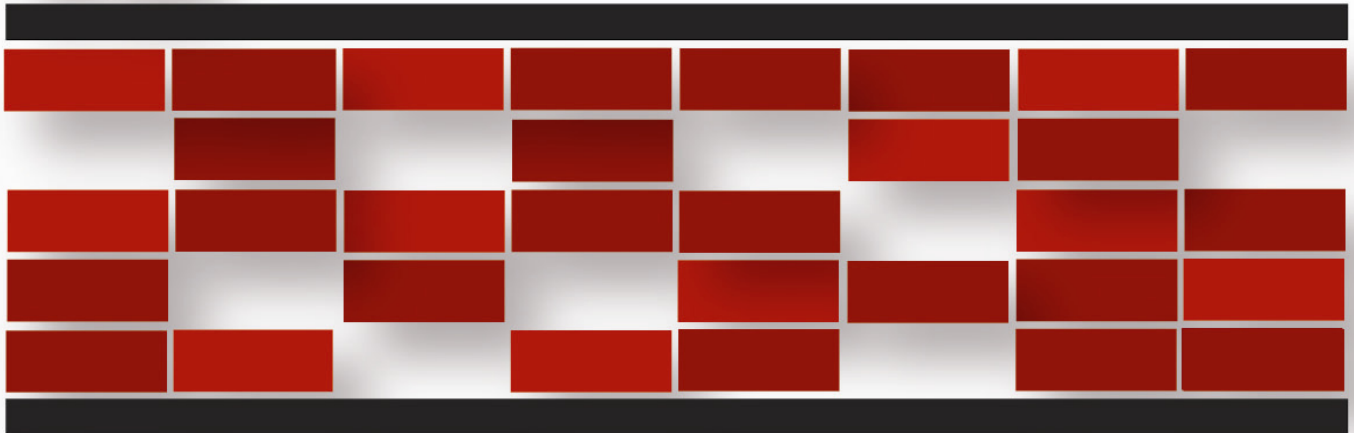


Article

When is Free Not Free? ERP Field Service versus Best-in-Class Software

VSI





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Many CIOs have bought the premise offered by ERP suite developers that the benefits of a tightly integrated package from a single vendor outweigh the lack of features and functionality found in the best-in-class software approach. The ERP suite vendors often sweeten their sales pitch by throwing in “free” modules to get corporate customers off the fence. For many companies, buying into the ERP approach is a way to overcome the challenge that haunts every CIO: getting all of the company’s software to integrate properly and “play well” with each other. It also is an easy sell to the executive committee, which believes that the “free” software has value. But is this software really free? Is the ERP approach a good deal for companies?

For an accurate answer, talk with the companies that are in the midst of ERP software deployments. These companies eventually find that the ERP approach costs them money in two ways: out-of-pocket costs for expensive customizations that produce functionality that already exists in best-in-class systems, and lost opportunity costs for departments whose efforts are delayed while they wait to deploy the base ERP system internally.

Companies report implementation / customization fees to license fees ratios approaching 10:1 in many cases, while ROI opportunities are lost waiting for custom modifications. The reality is, the ERP promise of “free” software is actually very costly.

We work with service management teams, which manage most of a company’s post-sales interactions. In addition to dealing with support calls and repairs, these folks gather valuable information on customer usage and product design, and often drive significant revenue from warranty renewals and upgrades. Their intensive customer contact, need for multichannel interactions (phone, email, and on-site), and service-level-agreement variations drive specific technology requirements. They often are the department within the company that shouts loudest against deploying an ERP suite. They know the business benefits an enhanced services department can deliver, and they also know that the service modules in most company’s ERP packages don’t measure up to the task.

SOA Presents a Profitable Option

Is there a way for companies to have their cake and eat it too – a best-in-class software package that integrates seamlessly with enterprise software such as ERP? The answer is yes, and the driver is Service-Oriented Architecture (SOA). SOA-developed applications enable companies to unbundle the steps of a business process down to basic elements, and create interfaces that connect independent modules with existing applications. SOA enables independently developed applications to work together with ease, without intensive programming or lengthy customizations.

SOA combined with web-services technology enables strategic business process optimization. One example is when a company wants to automate the process of generating a sales lead or service request within its service management system. A business analyst will map the steps in a process diagram, identify all of the data that need to be involved in that process, and determine in which applications they reside. An SOA-driven service management system enables companies to connect those libraries of processes to trigger an action within the service management application, or any other external application.



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SOA service management systems can provide an infinite number of integrations between service-based data points and other enterprise software installed within the company. Companies can use this information to start designing their products for serviceability, or around a whole series of business processes that will enable them to dramatically compress the product lifecycle and save tremendous costs. By using SOA-developed software, integration with existing systems is no longer a multi-year, multimillion-dollar project – it is a matter of weeks, or months.

This approach means companies can avoid compromises inherent in enterprise packages and focus on best-in-class solutions. Companies no longer have to wait to deploy technology to improve their business processes. In addition, they can work on individual elements within the service chain without impacting other systems.

When is free not free? When it's a ploy used to sell a company on inferior technology. Companies can't afford the costs associated with ERP modifications to gain needed functionality, and they really can't afford the time involved in waiting for a fully functioning service management package to deliver the anticipated ROI. In addition, with SOA-developed technology, every company can get the best-in-class software it deserves with the seamless integration it needs.

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