

WHERE DOES IT FIT IN THE NEW INVESTMENT LANDSCAPE?

In this month's column, David Hurley, managing director of Anglia Business Solutions, asks if the technology platform really matters?

A RECENT survey carried out within the IT industry revealed how radically the landscape has changed when it comes to today's investment decisions.

In the past, the rise of the major operating and infrastructure vendors dominated the thinking of what the IT industry was all about. This left the business applications as the poor relations when it came to prioritising expenditure.

Today, business applications are increasingly in the limelight as organisations strive to reduce costs while improving efficiency. In a *CIO Insight* magazine survey, 69 per cent of the respondents indicated they felt that their industries were now moving faster than all other industries. Some 88 per cent said their focus was now firmly on speed of response and agility as a strategic imperative. In this scenario, the focus is moving from IT to the business managers with specific problems to solve.

Business managers usually view IT as a means to an end and want solutions, rather than just more technology. Moreover, rather than automate past operational processes, the new challenges are to use IT to define new business models and practices. In addition, the new applications have to deliver real business value, be reliable, flexible and, most importantly, cost effective. In this new, fast-moving, competitive world, the choice of business application platform can make the difference between success and failure.

However, when faced with a myriad of choices, how does a management team select an appropriate business application for their company?

Contrary to popular belief, the team does not need to have an in-depth understanding of all of the nuances of the technology world to select an appropriate platform for their business. All it requires is a common-sense approach, a healthy degree of scepticism and the willingness to back their judgement on their selected system.

In this, the changes in the IT industry can provide some useful guidelines. Rather like the fresh produce industry, IT is currently

going through a period of rapid consolidation.

Driven by worldwide pressures, it is clear that only those vendors with global reach and substantial resources are likely to prosper in the longer term. In the worldwide market, there is a broad acceptance that the current 4,000 vendors of what are described as business management solutions will consolidate in time into less than a dozen global players. Microsoft, SAP, Oracle and Sage will inevitably feature heavily in that sector.

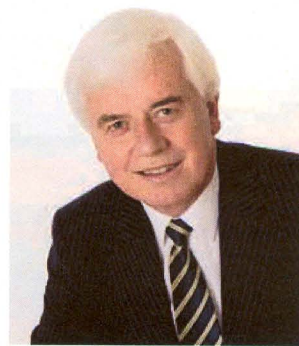
Nevertheless, it could be a serious error to just pick one from these leading players on the basis that "they all broadly do the same thing – don't they?" Being from different authors, the underlying design of the software suite will invariably be fundamentally different. In the Tier 1 marketplace, Oracle could in theory offer PeopleSoft, the JD Edwards OneWorld solution or its traditional ERP suite to meet similar requirements. Each system would have its own particular strengths, as well as its drawbacks.

Likewise, in the mid-range space, Microsoft has no less than four possible business management solution offerings, providing what would appear to be similar applications.

At first glance the line-up in the Dynamics™ stable looks remarkably similar. All are Windows-based, business-management applications with a rich range of out-of-the-box functionality. Once again, however, each of the four was designed and written by different authors prior to being acquired by Microsoft.

In this Microsoft line up, the Dynamics NAV platform leads the field by some considerable way with a global user base of over 57,000 companies. To put it into context, this is more than eight times the user base of the Dynamics AX platform. Its runaway success in the mid-range business-management systems space is due to its inherent agility, low cost of ownership and its wide range of vertical applications. As a result, the Dynamics NAV suite is now widely used across the globe in the fresh produce industry.

Nevertheless, this does not alleviate the management selecting a



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solution for their business of the responsibility of just plumping for the Dynamics NAV suite. Once again, it is vital that due diligence is carried out to ensure that the proposed solution meets the specific needs of the organisation. In addition, other factors such as the credentials of the supply partner, the ability of the business to resource the project and managing the changes caused by operating in the new environment are aspects that have to be taken into account.

However, the key message is that selecting a business-management solution is not a short-term investment decision.

The average deployment is likely to last between seven and 10 years. That's a long time to have to live with a solution that fails to flex to meet the inevitable changes in business models experienced by successful organisations. In this context, the technology does matter – a lot!

• On another matter, Anglia would like to thank the judges for their gracious comments during the Re:fresh Awards last week. The description of LABELcheck as "an IT solution that has significant tangible benefits whilst remaining easy to use and highly portable" resonated with many.

The winning LINKFresh® LABELcheck entry has now made the shortlist in the UK's Information Age Awards, which is a remarkable achievement. It may not win, but rather like the Re:refresh Awards ceremony, it should be another good night out. ○