



Four Ways Intelligent ERP Applications Deliver Value to Your Organization



of line-of-business leaders will demand intelligent enterprise applications to improve business processes and resource utilization by 2018.

Digital Transformation is changing every element of how enterprises conduct business, including how companies capture, process, and disseminate information. IDC’s research shows that today’s systems of record are being replaced by new systems of intelligence, which layer in new autonomic and predictive intelligence assets. This transformation is already underway across the spectrum of core software applications including marketing automation, service and support, commerce, and sales, but the pace is most pronounced in the ERP application suite.



IDC calls this enhanced ERP portfolio “intelligent ERP” (i-ERP) and “intelligent applications” (i-Apps). These products are starting to run businesses in an increasingly digital world.

i-ERP’s features, driven by machine learning and advanced analytics, offer a myriad of opportunities for enterprises to compete in hyper-competitive landscapes. Here are four key examples of the benefits that an i-ERP and application strategy and solution can bring:

1. RESOURCE OPTIMIZATION

Every enterprise is looking for new and innovative ways to accomplish more with fewer resources, and intelligent ERP systems are tailor-made to accomplish this goal. i-ERP applications optimize resources such as the human input and interactions, business processes, and the technology itself.

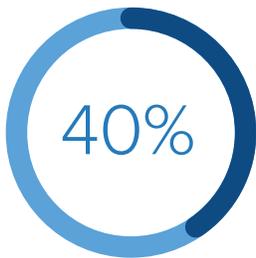
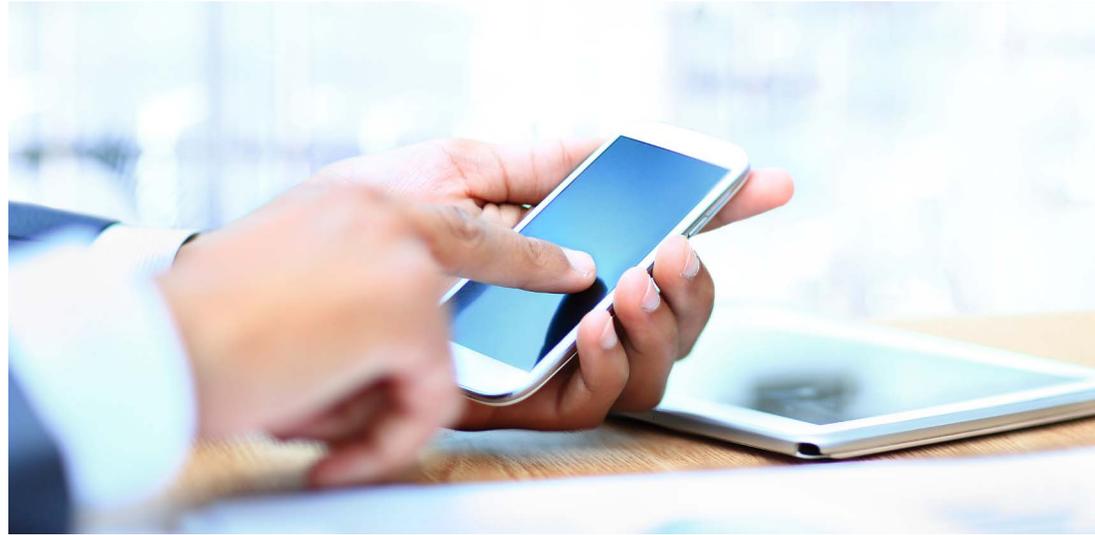
These intelligent systems leverage machine learning on massive data sets to enable innovative products and services and drive higher employee productivity, maximizing return on information assets. An i-ERP system elevates the technology from records management to intelligent systems that learn from exceptions and adapting business rules. This level of context empowers professionals to discover new insights, better predict and plan for outcomes, recommend next best steps, and automate additional processes - creating more efficient resource distribution and utilization. In fact, by 2019, 60% of organizations will measure the change and impact of resource optimization across people, processes, and new i-ERP systems and applications.

2. REDUCED OPERATING COSTS

Clearly, one of the main benefits of optimizing resources is to reduce operating costs for the business. i-ERP is not the only business application to use machine learning, cognitive ability, and advanced analytics to cut costs. Major manufacturers in the United States and across the globe have invested heavily in robotics and other automation technologies to increase productivity, lower labor costs, and ensure a better and more consistent level of quality. From an i-ERP perspective, machine learning capabilities are vast and cut across many functions within the organization. i-ERP can help with procurement and sourcing by analyzing purchasing patterns and automating the next order, eliminating redundancies and additional transactional steps. Real-time cash management, surveillance-based audits and continuous budgeting are more examples of intelligence applied to the finance processes. Additionally, i-ERP and intelligent applications help augment business processes, making them more efficient,



while eliminating some other unnecessary processes entirely. With enterprise executives challenged to make strategic investments and organizational changes that lower costs and create market differentiation, i-ERP is a great long-term solution to help with both objectives.



40%
of large organizations will have at least 60% of their ERP applications in the public cloud by 2020.

3. REAL TIME ANALYSIS AND DECISION MAKING

i-ERP applications are capable of processing, analyzing, and acting on massive volumes of data in real time, using in-memory computing (IMC) technologies. This kind of autonomous (or assisted) decision making gives enterprises the agility and flexibility to adapt to obstacles or pivot in real-time, creating a competitive edge in the digital economy. Additionally, these systems are scalable to enterprises of all sizes and have anytime, anywhere interfaces that drive crucial information flow to the right human parties at the right time. This facilitates better high-level decision making from the workforce. This emphasis on agility through timely collection and analyzing of data will further drive enterprises to push their ERP solutions into the cloud.

4. ENHANCED USER EXPERIENCE

i-ERP applications feature an assistive and conversational user experience (UX) by automating a set of high-volume repeatable tasks and augmenting the performance of less frequent, more novel tasks through human-machine interaction. This assistive UX is a key differentiator for i-ERP versus older legacy systems. The i-ERP system isn't just easier for employees to use; the technology actively works to make employees more efficient and effective within their job roles. The experience provides guidance on the next best action on tasks ranging from customers and suppliers, to hiring and financial actions such as

payments and collection. Furthermore, the UX is designed specifically for mobile-first for convenience and availability – i-ERP is designed with worker behaviors and styles in mind. That’s why by 2018, assistive and conversational UX will be a primary differentiator in the selection of at least 40% of ERP systems and associated applications.



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By 2020, 30% of Global 1000 CEOs will be strategically planning significant resource shifts from human to intelligent systems, cutting across multiple functions and processes. i-ERP, along with other key intelligent applications, will be the technologies that these DX-minded executives turn to so they can remain competitive.

From our robust enterprise ERP applications research, to our forward-thinking, experienced analyst teams, IDC is at the forefront of meaningful ERP research. To learn more about how IDC provides strategic advice to tech suppliers in the ERP marketplace – and how your business can benefit – contact us at www.thirdplatform@idc.com.