How to Prepare Your Employees for the Shift to Intelligent ERP
The pace of technological change in business is rapid and accelerating daily. It challenges even the most tech-savvy businesses to predict what capabilities, skills, and processes they will need to adapt, streamline, redesign, or eliminate to keep up.

One of those changes is the shift from traditional, legacy ERP applications to intelligent ERP (i-ERP). IDC predicts that by 2018, 35% of line-of-business leaders will demand intelligent enterprise applications to improve business processes and resource utilization.

**i-ERP system innovations are coming in three waves, with each wave continuing to alter the nature of employees’ roles and work requirements. Helping employees assimilate through each wave will make it easier on both the company and the employees, bringing greater business value more quickly.**

---

**Wave 1**

*Enables an accelerated sense and respond approach to mission critical processes by providing faster access to the latest information, in-context with the business process.* The employee can respond quickly while ensuring the decisions are made with the latest information.

---

**Wave 2**

*Takes the acceleration of data as a given and redefines business processes by redrawing the man-machine interaction, utilizing new task automation opportunities like contract review and automated loan granting.* In this case, major functional processes will be altered. Instead of just one process changing a bit with more intelligence, the entire function’s processes will be optimized, forever changing standard system of record processes.

---

**Wave 3**

*Applies natural language processing, machine learning, curated data sets, and conversational user interfaces to discuss, act on, and move beyond the functional basic business process.* These intelligent decisions culminate from multiple functions and data sets and are then applied across horizontal business processes such as source to settle, order to cash, and lead to order.

The machine learning and natural language processing capabilities of i-ERP drastically alter the nature of work for enterprise employees – and organizations will need to make strategic decisions on how to prepare, train, and communicate with employees about these changes.
Now is the time to begin preparing employees for this shift. Here are three opportunities to do so within your organization:

1. **Explain to employees how the nature of their work will change – and prepare them for it**

   For a great deal of employees, data is collected and discussed mainly from a process standpoint; an inordinate amount of time is spent collecting the data, which means there is less time to derive actionable insights from that information. However, modern intelligent enterprise applications bring transaction processing and analytics together in one place.

   Since i-ERP is doing the actual processing and analyzing of the data, human workers are able to interact with the information at a higher, more advanced level. Instead of focusing on the transactional data itself, workers can concentrate on what the information means and make actionable decisions based upon their conclusions. This higher-level insight into the information makes organizations more agile, flexible, and efficient – three major competitive advantages in the digital economy.

   However, for human employees to take advantage of this level of information collection and analysis, they will need more advanced skill sets. Critical thinking capabilities will be even more important, and employees will need training to assess and put together information differently than they do today.

   Organizations will also need to make strategic decisions about how they acquire the data that the i-ERP application processes. Additional data types and volumes, such as customer and supplier attributes, will be needed to enrich existing data sets. Microservices based on rich data sets enable the base i-ERP application to be extended also require additional data elements. Organizations will need to decide what data they own, what they wish to share with the i-ERP vendor, and what data will be added through third-parties.
2. Train employees to maximize their efficiency with help from the system

Historically, human employees had to complete any number of repetitive, low-impact tasks as well as higher-level strategic work as part of their job. i-ERP systems and applications take over some of these time-consuming, monotonous tasks, leaving workers free to focus on the more high-impact areas of their work that requires specialized thinking, skill sets, or training. i-ERP applications elevate the system from mere records management to intelligent systems that learn from exceptions and adapting business rules.

One example of the kind of tasks that an i-ERP can automate is invoice matching. An invoice, purchase order and the receipts must be reconciled for the invoice to be paid. Any system of record can do that now, but it requires a human worker to not only initiate the process within the system, but to analyze the results manually to glean any sort of actionable information, such as finding a discount.

An intelligent ERP system takes the process beyond making the match, and can pay for something with a discount factor automatically. Intelligence takes care of elements within the process where you normally would need to consult or seek approval from someone to complete the process. This smart process matching frees up the line-of-business personnel to concentrate on more strategic business concerns.

Organizations that invest in intelligent applications should emphasize these benefits to employees, and train them to take advantage of these analytical and learning capabilities. Educate your employee that his/her application of knowledge is much more important to the business than his/her processing of transactions. Enterprises must also encourage employees to seek out opportunities to let the system handle tedious tasks so that the employee can focus on more important elements of their job – and also enhance their own knowledge base.
3. Empower employees to evolve their skill sets

When technology is as transformational as i-ERP, it disrupts the workforce. When systems need less human intervention to perform business processes, organizations must decide what to do with the employees who once performed those tasks. There are two essential choices:

1. Either create a leaner workforce through employee reduction and save the costs that were associated with the employees who are no longer needed;

2. Or redeploy those employees to jobs elsewhere in the organization where they can perform higher-level functions providing actionable insights and bring greater value to the organization.

For employees who wish to thrive in an i-ERP enabled organization, it is critical for the company to help evolve their skills in a way that adapts to the new landscape. Organizations should identify and communicate the skills employees must exhibit to guide workers in their career trajectory.

Organizations can help their employees cultivate these skill sets in several ways. Some examples include:

- Enterprises should establish reverse mentoring programs where younger talent is paired with more senior staff to acclimate senior talent to emerging digital technology. While this program will help senior employees better adapt to intelligent applications, younger workers will benefit from a relationship with senior workforce members.

- Additionally, enterprise organizations should offer continuous learning programs across emerging technology disciplines to ensure that employees are kept appraised of new capabilities and use cases for i-ERP.

For employees who wish to thrive in an i-ERP enabled organization, it’s critical for the company to help evolve their skills in a way that adapts to the new landscape.
Both strategies take advantage of existing resources and help with talent management initiatives such as employee retention and leadership development, as well as maximizing technological efficiency.

While organizations can predict some elements of what they will need in their workforce, there are also new skill sets that are emerging that have not yet been wholly defined. Technical and business process evolution will initiate a redesign of ongoing development and professional training for enterprise organizations.

**Don’t let i-ERP advancements overwhelm your workforce**

While employees may have previously been focused on merely completing tasks, with intelligent applications, their focus now will be on asking questions on the data presented by these systems and seeking more information and insight so they can make an intelligent decision to bring maximum value to the business.

Getting a head start on preparing your workforce and your entire organization for the competitive advantages that come with i-ERP and other intelligent applications is critical.

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 technology suppliers in the ERP marketplace – and how your business can benefit – contact us at [www.thirdplatform@idc.com](http://www.thirdplatform@idc.com).