

Making Enterprise Business Systems Pay Dividends

SYSPRO Theory of ERP Relativity S=MC²

Einstein's theory of relativity is based on the concept of massenergy equivalence, recognizing that the mass of a body is a *measure of its energy* content. In Einstein's famous equation E=MC2, E is energy, M is mass and C is the speed of light in a vacuum. In the equivalent equation for the theory of ERP relativity, M stands for material, and C2 is cost and cash management. S, of course, stands for SYSPRO.

SYSPRO "Einstein" Strategy

Simply SMARTER

- ✓ Strategy
- ✓ Methodology
- ✓ Accountability
- ✓ Resources
- ✓ Technology
- ✓ Education
- ✓ Customer
 Rewards

EINSTEIN CONTINUES TO INSPIRE SYSPRO QUANTUM ARCHITECTURE

In June 2011 SYSPRO USA announced its Einstein-inspired theory of ERP relativity: S=MC². This was a continuation of the theme introduced in December 2010 by its "Einstein" strategy of "Simply Smarter" ERP. In keeping with this theme, in December 2011 SYSPRO USA launched its new Quantum Architecture. Although "architecture" implies technology and this framework embeds four key components for managing hardware, software, data and workflows, the real message here is not a technical one. It's about delivering a mechanism by which customers can easily "architect" their own customized solutions without being bogged down with technical details or introducing roadblocks for continued enhancement.

QUANTUM?

OK, so what is the connection between SYSPRO's architecture and either Einstein or quantum mechanics? Einstein's theory of relativity attempts to explain the relationship between matter and energy. Classical physics started out explaining laws of motion of particles of a certain size: those things we can see. But it couldn't explain the behavior of particles that were too small to see - particles like electrons and neutrons. Back in Einstein's day, it was assumed an electron didn't know where it was and didn't know where it was going and therefore motion was entirely random. But Einstein balked at the idea that the outcome couldn't be predicted. Hence Einstein and a group of "doubters of uncertainty" gathered to explore another explanation and to develop quantum theory. Quantum, by the way, is a measure that is defined as the smallest amount that can exist independently.

Many small independent business owners of SMBs (small to midsize businesses) can relate to the early assumptions of classical physics. SMBs are not exactly the electron equivalent in that they **are** big enough to be seen, but do often struggle to be seen by prospects and the market in general. And without the proper tools to manage their businesses, often feel as if they don't know where they are, much less where they are going.

Enterprise Resource Planning (ERP) can provide the transactional system of record, which can at least tell them where they are. But many smaller companies are scared to death of the process of implementing ERP. And even if they do embark on such a journey, they often simply don't know how or where to start.

Einstein Continues To Inspire SYSPRO Quantum Architecture Page 2 of 3

This is what SYSPRO Quantum Architecture is meant to address. Every company, large or small, needs an ERP solution that fits. In fact many may yearn for a custom fit, but we all know that customizations can build road blocks to future enhancement and upgrades. How do you build the best fit possible, one that "feels" like it is home grown and specifically built for your company and yet stay within the confines of upgrade-ability... and be confident that processes modeled make sense and are efficient? Let's face it. Many SMBs simply do not have processes that are well-defined, and those that are may be less than ideal and hardly "best practices."

The typical ERP implementation (perhaps even the selection) starts with a discovery process, spanning functional requirements, people, processes and technology. SYSPRO's implementation methodology and its Systems Process Modeling (SPM) software have always been important components of the company's offering.

SYSPRO Quantum Architecture now puts that discovery and implementation process on steroids, so to speak. The SYSPRO development organization has automated the discovery process with a simple question and answer format, where the questions are all business questions, not technical. If you can't answer these questions, then you either don't know your business well, or you need to rethink the fundamentals on which it is based. These questions are designed to capture what the SMB does today, but to also suggest best practices where appropriate.

Keeping with the inspiration of Einstein's theory of matter and energy, SYSPRO lists six business "matters":

- ERP implementation
- Communications reporting
- Workflow processes
- Security issues
- Regulatory/Financial requirements and change
- Mobile and cloud requirements

The advantage lies in aligning these "matters" with the organizational energy that powers the business. The process starts as early as the SYSPRO sales cycle and is often delivered as a ten day consulting engagement. Using the SYSPRO Quantum Architecture, the SYSPRO team (or a trusted partner) walks the prospect through this series of questions. The result:

- A fully documented model of the business, including all processes, systems, integration, employee roles, security and data
- Communication issues identified and resolved (early)
- Monitors and metrics defined: Key Performance Indicators and reports are defined by role, along with menus, processes and functions
- A streamlined implementation plan



us to create the business model, it also compelled us to question current practice at a much deeper level... SPM gave us a platform to discuss what was considered good practice outside our own organization. Equally it forced us to challenge conventional thinking and remain focused on designing a simple

"Because the

methodology required

current environment." Craig Holden, Operations Manager, Union Carriage & _____ Wagon

business model for our

Einstein Continues To Inspire SYSPRO Quantum Architecture Page **3** of **3**

This process produces a report which gives the prospect a comprehensive view of its own organization's uniquely modeled processes. This is theirs to keep even if SYSPRO is not chosen as the ERP solution.

As to the mobile and cloud deployment? A series of apps for the iPad and iPhone are currently available which can be downloaded for free. More importantly, using these apps does not "use up" a user license for SYSPRO, a significant budgetary consideration since many of the potential users of these mobile apps might not be current users of ERP. This has the added benefit of giving these non-users direct access to enterprise data instead of requiring them to go through a surrogate or a subordinate, which improves efficiency.

SYSPRO ERP today is available both as a traditional on-premise license, as well as through a subscription. Today the subscription delivers Software as a Service (SaaS) through a single tenant architecture, but can easily coexist with other multi-tenant SaaS partner offering (for example Avalara and Vertex for tax accounting). The single tenant approach is actually appealing to some SMBs and others simply don't care. However SYSPRO plans on introducing a multi-tenant SaaS offering in 2013.

KEY TAKEAWAYS

SYSPRO Quantum Architecture can be summed up easily: it is called "architecture" because you are creating a blueprint of a custom-configured solution. This should be appealing to those small to midsize manufacturers who, like those early "doubters of uncertainty" are looking for predictable results.

About the author: Cindy Jutras is a widely recognized expert in analyzing the impact of enterprise applications on business performance. Utilizing over 35 years of corporate experience and specific expertise in manufacturing, supply chain, customer service and business performance management, Cindy has spent the past 6 years benchmarking the performance of software solutions in the context of the business benefits of technology. In 2011 Cindy founded Mint Jutras LLC (<u>www.mintjutras.com</u>), specializing in analyzing and communicating the business value enterprise applications bring to the enterprise.

