

# 8 ERP Trends for 2018

These eight ERP trends will significantly impact the ability of manufacturers and distributors to increase visibility & control of enterprise processes, improve decision making through better data collection, integrate core business functions, and automate processes to increase efficiencies and reduce costs.

## 1 Digital Transformation

Digital transformation is revolutionizing the way manufacturers and distributors capture, analyze and report key data, providing benefits such as:

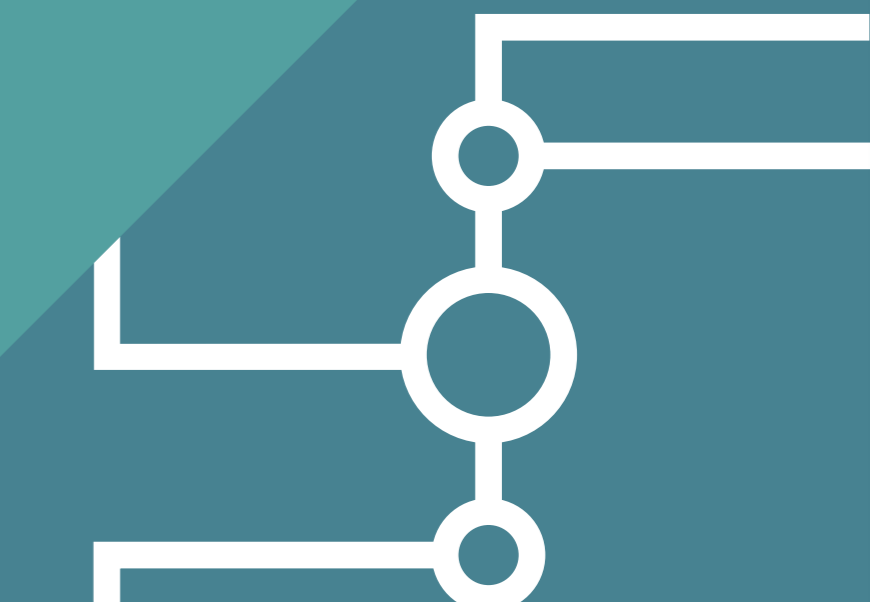
- Better resource optimization
- Reduced operating costs
- Real time analysis & decision making
- Enhanced user experience



*"Digital Transformation is changing every element of how enterprises conduct business, including how companies capture, process, and disseminate information...the pace is most pronounced in the ERP application suite."*<sup>1</sup>

## 2 Vibrant Ecosystem

Manufacturers and distributors are looking to their ERP to become the open-architected foundation that integrates best-of-breed solutions, creating a vibrant ecosystem.



*"By 2020, 60% of G2000 manufacturers will rely on digital platforms that enhance their investments in ecosystems and experiences and support as much as 30% overall revenue."*<sup>2</sup>

*"A primary differentiator among conversational platforms will be the robustness of their conversational models and the API and event models used to access, invoke and orchestrate third-party services to deliver complex outcomes."*<sup>3</sup>

## 3 Hybrid Cloud

With ERP as the foundation, businesses strategically combine both on-prem and cloud-based best-of-breed solutions to form an integrated Hybrid Cloud.



*"Organizations are now transitioning from an ad hoc approach to building a hybrid ERP system to a more strategic planning process. That process includes best practices for vetting, connecting, deploying, and testing solutions."*<sup>4</sup>

*"Often, you can work with your vendor...to build a mixed model, which gives you the flexibility to add new SaaS-based modules to your ERP tool without having to start from scratch."*<sup>5</sup>

## 4 IoT + Data = Competitive Advantage

By combining ERP with connected devices (IoT), businesses can leverage and act upon real-time data from any device in the world to gain a competitive advantage.



*"Potentially billions of dollars of savings in maintenance repair and operation (MRO) and optimized IoT asset performance are on the table."*<sup>3</sup>

*"The core goal of an ERP system is to provide actionable data and information to company leaders...The Internet of Things has the potential to massively expand data availability and improve accuracy. This has significant implications for customer service, forecasting, inventory management and business intelligence."*<sup>6</sup>

## 5 Intelligent Processes and AI

Next-gen ERP combines machine learning and AI to automate human processes—providing efficiency and real business value.



*"By 2020, driven by the human versus machine driver, 30% of back-office transactional processing will be automated within many functional applications."*<sup>7</sup>

*"The ability to use AI to enhance decision making, reinvent business models and ecosystems, and remake the customer experience will drive the payoff for digital initiatives through 2025."*<sup>3</sup>

## 6 A New Focus on Security

With the increase in cloud and mobile solutions, a new focus on ERP security is more important than ever.



*"ERP security isn't a brand-new topic; however, this concept has transformed significantly... Nowadays, leading analysts mention ERP security as a topic to watch, and critical vulnerabilities as well as even proven attacks on such systems hit the headlines on a regular basis."*<sup>8</sup>

## 7 A Thinking Supply Chain

Manufacturers are leveraging ERP to gain vision and agility across the supply chain by integrating collaboration, data analysis and security.



*"The supply chain plays an increasingly critical role in the evolution of manufacturing...digitally enabling the supply chain [is] an evolutionary way of enabling manufacturers to meet the speed and agility required of them in the marketplace."*<sup>9</sup>

## 8 Events Drive the Digital Business Strategy

Businesses are using ERP to create digital strategies that shift from a reactive series of individual tasks to event-based automated processes that simultaneously integrate multiple actions.



*"Business events reflect the discovery of notable states or state changes, such as completion of a purchase order...The most consequential business moments are those that have implications for multiple parties, such as separate applications, lines of business or partners."*<sup>3</sup>

1. IDC, Four Ways Intelligent ERP Applications Deliver Value to Your Organization

2. IDC, IDC FutureScape: Worldwide Manufacturing 2018 Predictions

3. Gartner, Gartner Top 10 Strategic Technology Trends for 2018

4. CIO, Hybrid ERP Matures as Companies Develop Better Strategies

5. PCMag, 5 Enterprise Resource Planning (ERP) Trends to Watch in 2018

6. IndustryWeek, How the Internet of Things Can Boost ERP

7. IDC, IDC FutureScape: Worldwide Intelligent ERP 2018 Predictions

8. Forbes, ERP Security Deserves Our Attention Now More Than Ever

9. IDC, IDC PlanScape: Digitally Enabled Thinking Supply Chain



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