VOLUME IX, ISSUE I

I JANUARY 2016

Technosoft Insider

Heading to the Future

Happy New Year!

Have you done the review on what has been achieved in 2015, what improvement needs to be made and what is your resolution for 2016?

As the beginning of our ninth volume of Technosoft Insider, please find the Top 10 prediction for ERP industry in 2016 that hopefully give you insights and better planning. Some tips on Marketing activity that better or better not be included for your marketing metrics, and considerations for organizations who would like to consider more mature system rather than mere spreadsheet to manage daily business.

This year we will be launching our new website with plan to provide more quality information together with the optimization of Technosoft Sales and Support Portal using Microsoft Dynamics CRM. We hope to serve our Customer better in all aspect and eventually increase customer satisfaction. We would also welcome any inputs or opportunity given in working together with our customers to make some improvement in implementing the business solution and share the experience thorough technosoft customer's community world wide using any media available (article contribution, customer experience video, customer visitation and benchmark, etc). Please do not hesitate to contact us for further discussion

Jenny Elvina G.
jenny.elvina@technosoft.co.id

Top 10 Predictions for the ERP Industry in 2016

The last year in the ERP industry has been an exciting one, with plenty of advances, changes and opportunities for improvement. As another year winds down and we prepare for the holidays, it is helpful to look ahead at what we think will be in store for future year.

We may not be able to predict the future with 100% certainty, but there are a number of existing and emerging industry trends that will affect potential ERP buyers and implementers in the next year. Below are our top 10 predictions for the ERP industry in 2016:

1. **Classification of Tier I ERP system will become obsolete.** Although the systems themselves may not become obsolete, the definition of and difference between Tier I, Tier II and Tier III ERP systems certainly will. There are simply too many options and sophisticated technologies in the market to think that the big 3 incumbents (SAP, Oracle and Microsoft Dynamics) are the only packages capable of addressing the needs of large, upper mid-market and high-growth organizations. Even the biggest and most complex organizations have a multitude of options at their disposal. Our classification of Infor as the new Tier I system earlier this year was the first domino to fall in the demise of this dated and arbitrary classification scheme.
2. **Increasing adoption of ERP systems among small and mid-size organizations**. Up until recently, larger enterprises had a big technological advantage over their small and mid-size rivals. However, new SaaS ERP software and mobile

Inside this issue:

"The successful one will do all the right things—effective project management, business process reengineering…"

technologies are becoming more cost-effective and easier to deploy, which is causing the smaller and mid-market to catch up to their Fortune 500 counterparts. Gone are the days where a company needs millions of dollars to deploy new enterprise technologies, which will make ERP systems, CRM software and other business technologies accessible to most.

3. **Cloud ERP becomes a non-issue**. The buzz behind cloud ERP systems is finally starting to die down – largely because most ERP vendors and third-party hosting providers have provided plenty of affordable options for companies wanting to migrate to the cloud. Research and data outlined in our 2015 ERP Report suggests that this trend will continue for the foreseeable future, but the big difference is that it will become a normal and accepted part of most ERP systems rather than a trendy buzzword hyped by industry analysts. The question is no longer about whether or not the cloud trend will continue, but it is instead about which organizations will move in this direction and which ones won't.

4. **High-profile ERP lawsuits expose the causes of ERP failures**. Our ERP expert witness practice is growing like gangbusters, which is a reflection of the state of ERP implementations. Too many are failing and getting mired in lawsuits, many of which are very high profile and will expose the industry's shortcomings. The parties and issues involved in these lawsuits are likely to underscore the reasons why ERP implementations fail, and more importantly, what can and should be done to avoid them.

5. **Increasing gap between ERP implementation success and failure**. ERP failures do not appear to be dissipating anytime soon. On the other hand, there are still plenty of success stories out there. The difference between the two extremes, however, will continue to become more apparent. The successful ones will do all the right things – effective project management, business process reengineering and effective organizational change management for example – while the failures will continue to ignore or underinvest in those areas. The differing results between these two groups will be even more extreme.

6. **ERP project recovery becomes a hot skill set**. As ERP failures continue to accelerate, those that can recover troubled ERP implementations to get them back on track will be in high demand – perhaps even more so than traditional project managers. It requires a unique skill set that can get to the root cause of what is causing the failure, which is why our project recovery services are in such high demand at the moment. Add to the fact that ERP failures are not likely to slow anytime soon, and it's easy to see why these skills and toolsets are so hot right now.

7. **Best of breed makes a comeback**. For the last several years, single ERP systems with very little integration to other third-party systems have been the name of the game for most organizations. However, the increasing ubiquity of Salesforce, Workday and other functionally-focused enterprise systems has provided viable alternatives for companies looking for solutions that aren't trying to be everything to everyone. Look for these best of breed solutions to take an increasing share of the market from incumbent ERP vendors.

8. **SOA and technology integration becomes cool again**. I'm not sure how cool it ever was – and there are certainly plenty of organizations that have been burned by trying to integrate a hodgepodge of ERP systems – but there are plenty of tools that are making this a feasible option for many. Given the rise of best of breed systems (see prediction #7), integration-related skillsets and toolsets are becoming important to a growing number of organizations and IT departments.

9. **Customization becomes more accepted by the mainstream**. For as long as I've been in ERP industry,

the word "customization" has terrified CFOs, CIOs and other executives. As outlined in our 2015 ERP Report, 9 out of 10 ERP implementations require some sort of customization in order to meet business needs, suggesting that this is a hard risk to hide from. Current ERP systems are making this concern a more acceptable and less risky form of implementation. It's a slippery slope for certain, but one that can be managed in small doses.

10. **Techies begin regaining control of ERP implementations**. The previous three predictions are in many ways shifting the balance of power back toward the technical types and away from business stakeholders. Technical complexity typically increases dependence on IT and creates the risk of underemphasizing the business transformation aspect of ERP implementations and other enterprise software initiatives. This is not a welcome trend by any means since it escalates the risk of failure and runs counter to the fact that ERP implementations are more successful when treated as business transformations, but it is the reality of the current technological landscape outlined above.

The ERP industry is constantly changing, so understanding the dynamics at play are important in helping navigate and prepare for success. The above trends are the 10 biggest things to keep in mind as you prepare for your ERP implementation in the new year.

Eric Kimberling
Panorama Consulting

"You can fail many times,
but you're not a failure until you begin to blame somebody else ."
John Burroughs quote (Essayist, 3 April 1837 – 29 March 1921)

Five Marketing Metrics to Stop Tracking and Other Five to Start Tracking

In the realm of marketing, there are very few definites. While sales can easily drum up numbers like revenue over time—by customer or by sale—equally informative marketing metrics can prove more ethereal. Nevertheless, when quarterly reviews come around, marketing managers often find themselves pressed to accurately demonstrate their impact.

The problem is, many of the readily available marketing metrics out there are what we like to call "vanity metrics." They're easy to come by and look great in a report, but do they really matter? If you're measuring numbers that don't directly relate to the health of your Demand Waterfall, you're doing yourself a disservice and you might not even know it. Working with the analytics pros at SiriusDecisions, we've come up with a list of chief offenders, as well as a guide to improving how you measure your impact. Here are five of the metrics we'd like marketers to stop tracking:

1. **Number of social media followers**. Not all the attention you garner has the potential to translate to sales. Let's say you're running a social media campaign for an auto dealership. The campaign does well and you see a large uptick in online followers. But on closer inspection you discover that the vast majority of your attention is coming from 12-year-old kids. They like your cars just fine, but unfortunately their attention can't translate to improved sales.

   Instead, try tracking the number of marketing qualified leads (MQLs) and/or sales qualified leads (SQLs) that are moving through your waterfall.

2. **Number of social media posts and comments**. Unless you're tracking the sentiment and relevance of your online comments, you're not really tracking the sort of attention that mat-

ters. Your commenters could be chatting about where they want to go to dinner, squabbling over unrelated issues, or simply spamming your pages to gain visibility for themselves.

Dive deeper into your data to discover numbers that demonstrate how much of your social media attention has gone on to contribute to both your waterfall and total revenue.

3. **(and 4) Number of email subscribers and email open rate.** Getting prospects to add their name to a list or open an email is just the beginning of the lead qualifying process. You don't know much about these customers yet, and unless you keep them engaged many of them won't end up as MQLs or SQLs.

   A better way to diagnose both your reach and the health of your campaign is to measure your cost per lead. Not only will you have a more accurate picture of the leads moving down your Demand Waterfall, you'll be that much closer to demonstrating your return on marketing investment (ROMI).

5. **Page views**. This one can truly be deceptive. You can have tons of page views, but unless they're translating to actionable leads they're dust in the wind. Some of the folks contributing to your page views could have already decided to give their business to the competition. Unless you know who's actually interested and has the capacity to buy, a high page-view count doesn't mean a whole lot. What you want to be tracking here is your conversion rate.

On the other side of the coin: Here are the relevant metrics that give you real insight into your contribution to the demand waterfall, and the framework you'll need to put in place to accurately track them.

1. **Conversion rate**: The percentage of your site's visitors who actually took enough action to become a customer or lead.Number of marketing qualified leads (MQLs) and/or sales qualified leads (SQLs): These are the folks moving their way through your demand waterfall. At each stage, your understanding of their needs deepens and the opportunity for sales to close a deal increases.
2. **Marketing contribution to pipeline and/or total revenue**: This is your bread and butter metric. It's your department's impact on both sales and overall business goals.
3. **Cost per lead**: How much you're spending to get each MQL into the pipeline.
4. **Readiness**: a suite of metrics that combine to demonstrate just how prepared your department is to perform well. Depending on your organization, these can include marketing skills, quantity and quality of content created, and contact database size—all of which help inform you about what types of campaign your department can launch in a given timeframe.

Combining these numbers can give you a great picture of your ROMI, and that's a huge accomplishment. But the thing is, simply showing how well your department is performing isn't enough. You also need to use that information to improve your results. By diving deeper into the metrics listed above, you'll detect the areas that need improving.

Let's say your cost per lead is too high, resulting from a slow response to inquiries (or "velocity"). By making it easier for your site's visitors to convert to leads, you can help solve both problems. Once your metrics tell you that your cost per lead is decreasing, you can reallocate funds from conversion-based campaigns to one that drives attention to your landing page, further increasing your effect on the demand waterfall.

Once the right system is in place, you should have an at-a-glance understanding of your demand waterfall, actionable metrics, and a clear picture of your ROMI. Not only will you be tracking the metrics that matter, you'll be doing it from the helm of a more agile marketing department.

Patric Timmermans
Microsoft , Redmond

Top 3 Risks of Using Spreadsheets to Manage Your Business

You've likely built your business using QuickBooks or spreadsheets, but as your company grows and processes become more complex, you need systems that uncover new opportunities and help you act on them quickly.

As accounting standards and regulations change, businesses need to be able to adapt quickly. Outdated financial management tools such as spreadsheets and QuickBooks can lead to errors and inefficiencies that will trickle down to stakeholders and investors, causing significant impact on a company's value.

Here are the top 3 risks that you face when you manage your business with spreadsheets:

1. **Lack of integration limits its true business intelligence** – It is not uncommon for companies to still use spreadsheets, QuickBooks, or a combination of the two, to keep track of their finances. However, the major problem with this is the lack of integration, which in turn lacks the ability to provide true business intelligence.
2. **Dueling spreadsheets create data face-offs** – Having two or more versions of a spreadsheet with inconsistent data is a common danger of relying on spreadsheets in your business. This problem occurs because spreadsheets aren't bound to a single, unified source. Additions or deletions made to some versions but not others can cause variances and let errors slip past unnoticed.
3. **Spreadsheets are a time suck for your company and your staff** – Spreadsheets may be fast and easy to set up, but when they're used in collaborative, repetitive enterprise processes, time is wasted in consolidating, modifying and correcting spreadsheets.

To understand better alternative solutions by making the most of your Microsoft Dynamics investment with business intelligence solutions to take your business to the next level, contact us.

Unique Human Flaws

An elderly asian woman had two large pots, each hung on the end of a pole, which she carried across her neck.

One of the pots had a crack in it while the other pot was perfect and always delivered a full portion of water. At the end of the long walk from the stream to the house, the cracked pot arrived only half full.

For two years, this went on daily with the woman bringing home only one and a half pots of water. The perfect pot was proud of its accomplishments. The poor cracked pot was ashamed of its own imperfection and miserable that it could only do half of what it had been made to do.

After 2 years of what it perceived to be bitter failure, it spoke to the woman: "*I am ashamed of myself because this crack in my side causes water to leak out all the way to your house*."

The old woman smiled, "*Did you notice that there are flowers on your side of the path, but not on the other pot's side?*"

"*That's because I have always known about your flaw so I planted flower seeds on your side of the path, and every day while we walk back, you water them. For two years I have been able to pick these beautiful flowers to decorate the table. Without you being just the way you are, there would not be this beauty to grace the house*."

Moral: Like the pots, we all have our own unique flaws. But it's the cracks and flaws we each have that make our lives together so very interesting and rewarding.

TECHNOSOFT

Graha Elok Mas
Jalan Panjang 83 F-G
Jakarta, 11510
Indonesia

Phone: 62-21-565-8566
Fax: 62-21-563-2078
E-mail: info@technosoft.co.id
Web : www.technosoft.co.id

Your Partner in Providing Strategic Capabilities

Founded in Jakarta 1996, PT Graha TechnoSoft Informatika (TechnoSoft Consulting) is the leading Cloud Business Solution provider for SME (Small Medium Enterprise). Our solutions extend from the back to the front office and include the leading Microsoft-based Enterprise Resource Planning (ERP) and Customer Relationship Management (CRM).

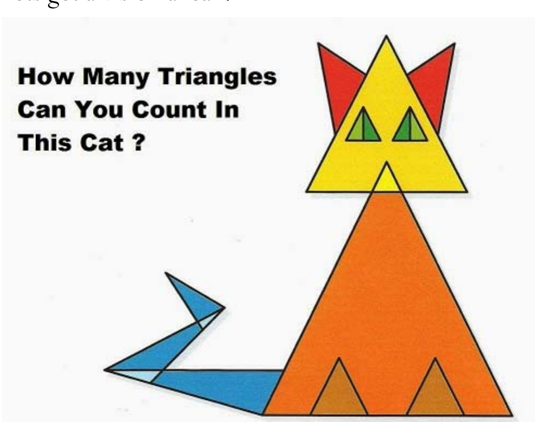
We have delivered over 100 clients in more than 20 industries and 10+ countries, by designing, implementing, managing and supporting technology solutions that power and empower your business.

Our commitment has always been to establish long term partnership with customers, to assist in increasing their efficiency and profitability. Only Technosoft arms you with comprehensive IT solutions and services and critical business applications that will accelerate your strategies.

In order to add value for customers satisfaction, we are open for any advice or article request according to our customer needs. Your request can be sent to our fax or email directly.

Mind Bender : Vision ahead

Lets get a vision ahead.



December 2015 Quiz Answer : 14 Triangles

- Submit the answer, your name and company to Technosoft fax at +62-21-563-2078 or email to insider@technosoft.com.sg
- Answer will need to be submitted by January 30th, 2016
- A Lucky participant who submits the correct answer will be granted either shopping voucher. Winner will be announced on the following month of Technosoft Insider Edition.
- Only Technosoft Customers will be count on the participation

Congratulations to Mr. Surya Hartantu from PT. MAP-I for winning the shopping voucher, solving the Mind Bender in Dec 2015