

A photograph of two men standing in a server room. The man on the left is wearing a dark suit and is gesturing with his hands while talking to the man on the right, who is wearing a red shirt and dark trousers. They are standing in an aisle between rows of black server racks. The floor is made of white and blue square tiles. The background shows more server racks and a bright light source at the end of the aisle.

IT INNOVATION FOR Business Value



Innovation is always top-of-mind for CIOs. They must provide new technologies to their users while responding to business needs as they change over time. Because of long-standing relationships with their ERP vendors and the huge investments in existing IT infrastructures, CIOs have often turned to those same vendors when new business needs arise. For years ERP vendors have promised that carpeting the IT landscape wall-to-wall with their solutions is the best way to deliver on a wide variety of business requirements while minimizing IT risk.

But after years of costly implementations and difficulties—especially with integration and usability—companies have grown impatient with this approach.

Building new business processes and layering new innovations onto legacy systems has become a drag on business agility. Across the industry, CIOs are feeling pressure from business leaders who expect more from their IT organizations. Business leaders know that Cloud strategies can deliver more business value with less investment of time and money, and they are looking to their CIOs to bring in a successful Cloud strategy.

Experience is showing that CIOs can deliver more with less by incorporating Cloud solutions into their strategy. Cloud solutions outstrip ERP-centered IT strategies by providing best-in-class innovation, business agility, user experience, and user adoption. They do so without adding to overall risk for the CIO.

A DISAPPOINTING TRACK RECORD FOR ERP-CENTERED IT STRATEGIES

ERP-centered IT strategies have failed to deliver on their promises. The intention has been to support the business while reducing IT risk, but these strategies have not been able to keep up. They can't respond deftly to a company's brisk pace of change because adding and supporting new processes often require time-consuming and expensive customization. Extensive customization across the IT landscape creates barriers to the integration, data integrity, and agility that ERP-centered strategies were meant to deliver. In this context, IT is likely to be viewed as a drag on change and new business initiatives, rather than a partner in innovation.

TEACHING AN OLD DOG NEW TRICKS

With ERP-centered IT strategies, the approach to innovation is often to lacquer on the latest technology and usability constructs, such as mobility, rather than incorporating them into the core technology offerings. What was already too complex from the user's perspective becomes even more so.

Business needs that involve large user groups often go unmet because of problems with the user experience. Software adoption is spotty when an application doesn't conform to users' expectations. Those expectations are continually escalated by consumer websites. Users both inside and outside the company have limited patience with software that is hard to figure out. As the Millennial generation comes to represent an ever-greater share of the workforce, users' willingness to invest time learning

complex systems that require extensive training becomes a growing barrier to success. For example, if suppliers have trouble using a new electronic invoicing system—if the system is hard to understand and hard to learn—they will simply continue sending paper invoices. The IT investment is wasted because the company's need for more efficient processes is not resolved.

CHANGES IN IT RISKS

At the same time, the nature of IT risk itself is changing. Some kinds of risk have become more manageable as technologies have changed. Systems integration risks are reduced by innovation in integration technologies. Data integrity risk is mitigated by using new vendors with more flexible data models while keeping ERP master data sacrosanct. While these risks are becoming less difficult to manage, high costs and lack of agility to respond to business leaders' expectations represent real risks for the CIO.



"Throughout my career in IT, most recently as CIO of Veolia, I had never experienced a project that truly delivered 100% user adoption, measurable results, and fast time to value. At times, the business had felt that IT was an anchor rather than a strategic enabler. CIOs need to change their understanding of how to manage risk to include the risk of slowing down the business. Cloud solutions like Coupa can deliver stunning business results while also delivering security, ease of integration, and an ultra-low maintenance and support burden."



*- Kendra Von Esh,
Coupa*

SIMPLIFYING COMPLEX ERP LANDSCAPES WITH THE CLOUD

When a company's IT landscape becomes so complicated that users start to turn away, CIOs find themselves under pressure to navigate a way out of the chaos. Initiatives to consolidate all applications with a single ERP vendor don't work. Consolidation is impractical as M&A activity in today's dynamic businesses brings a variety of platforms that are not easily replaced. Global expansion is ongoing, opening up new markets but also new regulations. In this climate of constant change, the IT landscape endures constant upheaval. A much easier and much more elegant approach is to call on Cloud vendors who can integrate their systems into the existing ERP landscape, and add new integrations quickly and purposefully as that landscape changes. With this approach, IT gets the agility it needs to address the dynamic needs of the business in real time.

THE CLOUD MODEL ADDRESSES ERP CHALLENGES

Rather than trying to achieve usability, integration, and security by consolidating to a single vendor, CIOs are turning to Cloud providers to augment their ERP investments and minimize software customization. This strategy of bringing the highly customized projects of old to an end has been referred to by Gartner and others as the "post-modern ERP."

In a [press release](#) late last year, Gartner proclaimed, “By 2016, the impact of Cloud and emergence of postmodern ERP will relegate highly customized ERP systems to ‘legacy’ status.” CIOs, he continued, “must take action to address the fast-approaching reality of ‘legacy ERP.’”

For Cloud providers in areas like CRM, HCM, and Spend Management, the ability to easily plug into the company’s ERP system and broader IT landscape is fundamental to their existence. Cloud providers address customer requirements through a single technology platform and a set of configuration options. They bring extensive implementation experience with a variety of other systems, and they pass that benefit on to the customer. Cloud providers can deliver easy integration and data integrity for the companies they serve using their extensive investments in tools, process and expertise..

By cutting out the customization and operations performed by the customer under traditional models, Cloud vendors are able to shoulder more of the burden in achieving customer success. They can focus on creating a great user experience for a set of consistent business processes to maximize user adoption. Because software is delivered as a service, Cloud vendors can bring the ultimate focus to running and supporting a single solution, as well as working with industry leaders such as Amazon to provide the ultimate in security and availability.

CLOUD VENDORS’ CORE STRENGTHS LET YOU DELIVER TIME-TO-VALUE AND TECHNOLOGY INNOVATION TO THE BUSINESS

With Cloud providers, flexible workflows and data models are set up through configuration, rather than by developing software customizations. Integrating with the customer’s systems is supported by professional services teams with extensive experience. The customer’s IT team need not expand to run the Cloud technology. This arrangement lets IT deploy the system and get to payback quickly.

Cloud vendors let companies introduce technology innovation to users quickly, without making any changes to the core ERP landscape, whether it is simple or complex. Coupa’s adoption of responsive web design and support for the Apple watch, [announced](#) just four days after the watch was unveiled, illustrates that new innovations can be incorporated quickly into the Cloud vendor’s technology platform.



"We were previously a Coupa Procurement customer before we deployed Expenses. We were able to deploy Expenses in three weeks without outside help of any kind"



*- Hyrum Kirton,
VP of Alliances Services
and Procurement
Avalon Healthcare*

CLOUD BENEFITS IN A NUTSHELL

Cloud platforms offer the benefits that CIOs are seeking without adding to overall risk. They are quick to implement and quick to change. Implementing through configuration is faster and more reliable than developing customizations from scratch. Integration often involves replicating a well-proven process with standard connectors for SAP, NetSuite, and others. Quick implementation and integration speed time-to-value, with projects going live in as few as six weeks for mid-sized companies.

With Cloud configuration, changes are easy. Approval workflows and other essential company processes can be modified easily. If a new field is needed or an existing field is no longer needed, these changes can be made in minutes without custom coding. New modules can be deployed very quickly and painlessly. New functionality and technology innovation are made available in new software releases, which are routinely deployed several times per year. New releases do not require any re-implementation of business requirements or integrations. There is no need to manage data model and integrations across modules delivered by Cloud vendors such as Coupa: All modules are developed on a single technology platform. Add a field in Contracts and it's immediately available in Procurement.

Cloud platforms offer the company the agility and fast adoption it needs to change as business initiatives or structural changes demand. This is what company leaders and employees demand now and looking ahead. With Cloud vendors, CIOs can become enablers of company change, rather than inhibitors.

Want to learn more about IT Innovation for Your Business?

Contact Coupa...

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