

## Vendor Profile

# Unit4: Putting Automation and Integration at the Heart of Enterprise Applications

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### IDC OPINION

Unit4 is still in the early stages of delivering its intelligent process automation (IPA) capabilities to customers. However, it is already clear that the company's motivation around automation and integration – as part of a strategy to deconstruct the traditional concept of packaged business applications and create modern systems of record that fit modern people-centric business needs and expectations – is profoundly different from that of other established ERP application vendors. As with other vendors, Unit4 is on a journey to encourage its customers to transition from their existing application investments to its new People Experience Suite. However, Unit4 is not currently positioning its automation and integration capabilities as tools for customers to use as part of the application migration process.

### IN THIS VENDOR PROFILE

This IDC Vendor Profile is part of a series of six profiles looking at the strategies and investments of major Europe-focused enterprise application vendors in the European intelligent process automation (IPA) market. This report focuses on software and solutions provider Unit4.

### SITUATION OVERVIEW

#### Company Overview

Founded in 1980, Unit4 built the foundations of its current People Experience Suite through several application vendor acquisitions, most notably Agresso (for ERP, in 2000) and CODA (for financials, in 2008). Following its acquisition by private equity firm Advent International in 2014, Unit4 shifted quickly to unify its suite of capabilities on a modern platform and chose to build a strategic partnership with Microsoft to use Azure (in 2015) to achieve that.

Aside from its cloud-based People Experience Suite, built afresh on top of the Microsoft Azure-based People Platform, Unit4 continues to offer customers a wide range of on-premises applications targeted at specific business functions and sold in specific countries and regions. Its strategy under CEO Mike Ettling is to push harder and faster to act like a cloud software provider. Although it is not forcing customers to move to the cloud, it is clear that the wave of new platform and technology innovations being built on the People Platform will only be available to customers that migrate to the newest versions of their applications.

#### Company Strategy

Unit4 differentiates itself from many other enterprise application vendors through its firm design focus on the needs of services-driven organizations (rather than manufacturing organizations). This people-first outlook flows very clearly through Unit4's product strategy and informs how it packages and presents its features and capabilities to its customers.

One of the most striking ways in which this strategy surfaces is in how Unit4 strives to make much of its application functionality invisible to users – to "go where the users are" – and create experiences primarily built around users' existing familiar collaboration and productivity tools rather than traditional app-specific user interfaces.

What this means from an IPA perspective is that rather than seeing IPA functionality as something that sits "outside" its core application proposition, Unit4 sees modern automation and integration functionality as central to its enterprise application propositions.

The Unit4 People Platform, which acts as the foundation of the People Experience Suite, provides a set of tools that can be leveraged to extend the Unit4 ecosystem with internal or external functionality, or to deliver new capabilities such as conversational user experiences, machine learning (ML), or new graphical UIs.

### *IPA Products Offered*

Although the Unit4 People Platform is not available as a standalone offering, it provides a discrete set of capabilities that customers can use to extend the core of their Unit4 applications. There are five capabilities that form the core here:

- **Wanda.** Built using Microsoft Bot Framework technology, Wanda is Unit4's digital assistant. It provides a wide range of prebuilt "skills" out of the box across modules, including timesheet management, travel and expense management, and workflow approvals. Authorized users can also use Wanda to get answers to general questions that are mapped and answered in an enterprise knowledge base. Wanda is available in Microsoft Teams, Skype, and Slack and understands six languages (English, Norwegian, Swedish, German, French, and Dutch).
- **Extension Kit.** The Unit4 Extension Kit provides a low-code, visual environment in which implementation consultants and developers can create simple automation connections between the Unit4 applications and third-party applications and services. A handful of Extension Kit samples are provided free of charge on GitHub.
- **Integration Kit.** This provides a platform for consultants, customers, and partners to implement Enterprise Integration Patterns, which support business-critical integration and message validation between two systems (typically a Unit4 application and an external party).
- **Next Gen UI/Instant apps.** Next Gen UI provides the foundation for what Unit4 calls Task Based Apps, which are simple, stripped down, and focused user interfaces dedicated to the execution of specific business tasks. Next Gen UIs use a variety of Microsoft Azure Platform services to deliver automated screens that are tuned based on the current context of the task at hand. "Instant apps" is a specific implementation of Next Gen UI that is made available to partners and customers through the Extension Kit. Based on user and work context, the screen can be designed to display only the information necessary to complete the task.
- **Smart Automation Services.** This is an easy-to-use platform responsible for the life-cycle management of Unit4 machine learning models. Built on top of different Microsoft Azure Platform services, Smart Automation Services combines historical analysis of previous cases with new data coming from internal and external sources to provide answers to problems that can be solved with machine learning. Combined with other People Platform services, Smart Automation Services open up a range of possibilities. For example, a Smart Automation Service could be built that would elect to send a particular invoice case to a manager for approval, based on the invoice amount and the supplier's history of invoicing, whereas it might elect to pass other invoices "straight through" without approval.

Unit4 has already delivered three of these Smart Automation Services out of the box:

- Receipt Recognition, which automatically submits an expense to the ERP based on text and amounts extracted from photos taken to tickets and receipts
- Smart Resource Planning, which automates the scheduling of service delivery work based on a portfolio of requests
- Smart Invoice Processing, which automates aspects of invoice checking, validation and so on

Customers, partners, and consultants can access Smart Automation Services functionality (activation, training, and prediction) through specific actions made available in the Unit4 Extension Kit, enabling them to integrate ML capabilities to their customized flows.

**FIGURE 1**

### The Unit4 People Platform in Context



Source: Unit4, 2020

### *European IPA customers*

Unit4's Extension Kit and Integration Kit are currently available under early adopter programs. Customers participating in these programs include the following:

- Innovasjon Norge, Cegeka, and St. James's Place are using Unit4 Extension Kits to synchronize ERP absences with the Outlook 365 calendar.
- Study Group connects to DocuSign to manage electronic signatures in contracts created within the ERP.
- The International Fund for Animal Welfare (IFAW) is supported by Unit4's partner In The Know Solutions Group (ITK) and uses the Extension Kit to manage inter-company budget transactions.
- Skills Development Scotland is supported by Unit4's partner Embridge and has created an integration between the ERP and its Applicant Tracking system (ATS).

## FUTURE OUTLOOK

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Although it has no separate IPA platform offering, Unit4 embraces IPA technologies and techniques in a way that other ERP vendors do not. Instead of looking at application integration and automation technologies as things that are external and additive to its core, Unit4 sees automation and integration as integral elements of its offering, powering and underpinning the ways that users interact with core Unit4 application functionality and data. Its strategic partnership with Microsoft provides it the platform it needs.

Unit4 has worked closely with Microsoft around its Azure platform to power its modern application portfolio. Putting integration and automation technologies at the heart of its own platform strategy is a smart move that clearly differentiates the company from competitors. However, as Microsoft moves quickly to evolve its own integration and automation platform story, Unit4 will have to take care to continue to align with Microsoft's focus and strategy.

## ESSENTIAL GUIDANCE

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### Advice for Unit4

- Carefully watch Microsoft's strategy and execution regarding its Power Platform. Maintain focus on the use of Microsoft technologies that align with Microsoft's own ecosystem and market development moves.
- Continue to build out your portfolio of Smart Automation Services. Consider working with implementation partners and consultants to create a "marketplace" for value-added components and intelligent application services.
- Demonstrate the value that intelligence brings to Smart Automation Services, and the People Experience Platform in general, by showcasing examples that highlight clear business returns (in terms of money or time spent, improved quality, increased utilization, and so on).

### Advice for Buyers

- The People Experience Platform that underpins Unit4's new cloud-based enterprise applications reflects the needs of modern people-centric organizations.
- Unit4 has created clear differentiation for itself by embedding application functionality into the applications and experiences that professionals already use – to "go where the people are" – rather than forcing users to spend time in dedicated back-office application user interfaces.

## LEARN MORE

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### Related Research

- *Intelligent Process Automation Provides Offensive and Defensive Value for Enterprise Application Vendors* (IDC #EUR146928420, October 2020)
- *Microsoft Makes Strategic Investments in Power Platform to Drive Intelligent Process Automation Ambitions* (IDC #EUR146937720, October 2020)
- *Unit4 Announces ERPx, a Modern and Modular ERP System* (IDC #IcUS46933720, October 2020)

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