

## UNIT4 ERPX: RIGHT FOR YOUR PEOPLE BUSINESS?

### THE UNIT4 PEOPLE PLATFORM PREPS FOR THE FUTURE

#### About Unit4

Unit4 is a global enterprise application solution provider headquartered in the Netherlands, operating in more than 20 countries.

- ✓ Founded in 1980
- ✓ 2,500+ employees
- ✓ Revenue: €400m
- ✓ Serving over 5,000 clients in over 100 countries

Unit4's solutions primarily support organizations in the following industries:

- ✓ Professional Services
- ✓ Public Services
- ✓ Higher Education
- ✓ Not for Profit

*Like many enterprise application solution providers today, in 2020 Unit4's annual customer event went virtual. In years past North America and Europe held separate events, but this year they joined forces on a single global stage. Of course, apart from balancing different time zones, the virtual world makes that much easier to do.*

*This year's event was very appropriately called Unit4 Experience 4U (X4U). "Experience" has been a common theme in the enterprise world these past few years. But while other vendors (including CEO Mike Ettling's former employer, SAP) seem obsessed with collecting and managing experience or "X" data, Unit4's approach is more people-oriented. This makes perfect sense because of its focus on building Enterprise Resource Planning (ERP) for people-based businesses. In a world where we are constantly (intrusively?) asked to give feedback on every interaction with a company and every purchase we make, Mint Jutras finds this refreshing.*

*Unit4's focus is not only about providing its customers with a good experience, but also the "right" experience:*

- ✓ Making things right, acknowledging it hasn't always been perfect
- ✓ Fostering the right culture, based on the premise that if you take care of your employees, they will take care of your customers and partners
- ✓ Being right for your business and...
- ✓ Being right for your future, helping you adapt and thrive

*While Unit4 puts "People First," it is first and foremost a software company. In order to make this focus more than just "feel good" messaging, it needs to develop solutions that actually deliver on these promises. That is what makes its announcement of [Unit4 ERPx](#), its next-generation cloud ERP solution for mid-market services organizations, the real news. With the first release expected in March 2021, ERPx will deliver fully integrated ERP, Human Capital Management (HCM) and Financial Planning and Analysis (FP&A), on a unified architecture, with rapid deployment and industry-specific innovations right out-of-the-box.*

*The functionality in the applications themselves will be based on the industry-specific solutions Unit4 has been developing for more than 40 years. What makes this new and exciting is the new architecture, the underlying, modern and flexible cloud platform...hence our focus here on Unit4's People Platform.*

Figure 1: The Unit4 Business Strategy



Source: Unit4

*"We are not widgets. We are humans."*

Mike Ettling, Chief  
Executive Officer, Unit4

## THE IMPORTANCE OF ARCHITECTURE AND PLATFORM

Most ERP solutions grew from one of two pedigrees. Many evolved out of Material Requirements Planning (MRP) systems in the world of manufacturing and product-based businesses. But this wasn't a good match for people-driven businesses. In the words of Unit4 Chief Executive Officer (CEO), Mike Ettling, "We are not widgets. We are humans."

The alternative was to have evolved from an accounting system. But finance touches so much of your organization, in some way at least. As vendors included more functions across the enterprise, they began to assume the moniker of ERP. But all too often they fell short of providing the full operational and transactional system of record of the business, which is how Mint Jutras qualifies solutions as real ERP.

Either way, as solution footprints grew, competing for an ERP deal used to be a features war. Today, while features and functions are indeed important, there is danger in making a decision solely based on what you need now, because it might not be what or all that you need in the future. Last year our Mint Jutras Enterprise Solution Study found 90% of companies believed they faced some level of risk in their businesses and/or industries being disrupted by new innovative products, new ways of selling or pricing existing products or services, entirely new business models, or some combination of all of the above. And don't forget all the traditional forms of disruption like expansion, reorganizations and regulatory issues. And then came a global pandemic. All this disruption has had a cascading impact on business application requirements, making agility - the ability to easily innovate, evolve and change - even more important than current functionality. For that you need the right approach to innovation and the right architecture and platform to support it, now more than ever before.

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Modern architectures and strong platforms are what make today's ERP solutions agile and resilient. And advanced technology is the key to making architectures modern and platforms strong. Table 1 lists several technologies that are embedded in enterprise applications. While other types of digital technologies like Blockchain, virtual assistants (chatbots), 3D printing, predictive and cognitive analytics, beacons and drones supplement the features and functions of applications like ERP, those listed in Table 1 are more foundational. It is through these kinds of embedded technologies that today's ERP systems respond to change and provide additional value.

**Table 1: Perceived Value of Embedded (or Foundational) Technologies**

|  | Strong Perceived Value | Unsure of Value (Show me) | Little of No Value | Don't Know |
|--|------------------------|---------------------------|--------------------|------------|
| Microservices architectures / platforms                      | 35%                    | 28%                       | 23%                | 14%        |
| Move to cloud/SaaS   | 50%                    | 27%                       | 16%                | 7%         |
| IoT technologies that facilitate autonomous exchange of data | 42%                    | 30%                       | 19%                | 9%         |
| Support for big data (e.g. in-memory data bases)             | 45%                    | 31%                       | 14%                | 10%        |
| Natural Language Processing (voice-based) user interface     | 27%                    | 36%                       | 27%                | 10%        |
| Social collaboration tools                                   | 29%                    | 34%                       | 26%                | 11%        |
| Machine Learning   | 36%                    | 33%                       | 22%                | 9%         |
| Artificial Intelligence                                      | 35%                    | 30%                       | 23%                | 12%        |

Source: Mint Jutras 2019 Enterprise Solution Study

We asked our 2019 Enterprise Solution Study participants to describe their perceived value of these technologies. While a growing percentage of respondents perceive them as providing strong value, on average almost one in three (30%) are unsure of the value. Essentially, they are saying, "Show me." And another 10% (the average across all) simply don't know. And therefore, it falls to the vendors themselves to not only deliver this value, but also educate their customers and prospects in order to prove the usefulness. Unit4 takes a huge step forward in this journey by introducing ERPx and the People Platform.

### **ERP<sub>x</sub>, BUILT ON THE UNIT4 PEOPLE PLATFORM**

Right at the top of the list of Table 1, we find microservices architectures and platforms and the move to cloud and Software as a Service (SaaS). The Unit4 People Platform is built natively on the public cloud Microsoft Azure, taking advantage of billions of dollars invested by a software giant (Microsoft) in elasticity, scalability, and global locations all around the world. The People Platform is also built as a cloud native microservice-based architecture. Unit4

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then adds integration capabilities and extension kits to facilitate configurability, customization and extension using low code/no code tools.

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Think about how you build a structure from Legos. Each Lego block is made of the same kind of material and is attached (connected) to the other Lego blocks the same way. In many ways they are interchangeable. But by choosing different colors and sizes, and connecting them with a different design, you can make a structure that is very unique. And once constructed, if you want to change it, decoupling some of the blocks and replacing them doesn't destroy the parts that are not affected. There is far less disruption introduced than if you had constructed it with a hammer and nails.

These platforms and technologies provide a level of agility, configurability and extensibility to today's applications to help us respond to change. They also speed innovation by enabling developers to create software without the complexity of building and maintaining the infrastructure and services typically associated with developing an enterprise application. But not all platforms are created equal. We list some of the competitive platform capabilities we suggest you look for in Table 2.

**Table 2: Importance of Platform Capabilities**

|   | Critical/Must Have | Important | Not important | Don't Know |
|---|--------------------|-----------|---------------|------------|
| Ability to add new features/functions without touching the core   | 35%                | 54%       | 6%            | 5%         |
| Ability to tailor/personalize without needing programming skills  | 32%                | 50%       | 13%           | 5%         |
| Ability to add new features with low code or no code              | 28%                | 58%       | 10%           | 5%         |
| Easy integration through APIs                                     | 30%                | 47%       | 14%           | 8%         |
| A platform that attracts lots of experienced developers (popular) | 20%                | 49%       | 22%           | 8%         |

Source: Mint Jutras 2019 Enterprise Solution Study

We had participants in our 2019 Enterprise Solution Study also rank the importance of these platform capabilities. Since the question was asked prior to the appearance of the corona virus, the ranking is not influenced by the global pandemic. Yet the vast majority seemed to intuitively see the value and current circumstances only serve to increase the importance of all these capabilities. Unit4's People Platform is able to check each and every one of these boxes.

And yet, while technology is very important, Unit4 understands it is not sufficient. One of the three pillars on which it builds its solution is indeed a

modern cloud platform. But in addition, it has not lost sight of the need for two additional pillars:

- ✓ Industry-specific functionality for select people-based businesses
- ✓ The kind of user experience and automation that is right for your business

## INDUSTRY CAPABILITIES

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While ERP selection is no longer “just” about winning the features war, make no mistake, fit and functionality is still very important. In fact, it might even be more important today. While an 80% fit used to be acceptable, today’s flexible and technology-enabled solutions should get you much closer to 100% than ever before, without the need for invasive customization. It’s time to break the 80/20 rule.

How did this 80/20 rule of fit and function come about? With few exceptions, most early solution providers cast a wide net. Unwilling to turn any potential business away without a try, they came to market with very broad solutions. However, at the same time, ERP was always a monolithic structure. It was likely comprised of modules (e.g. general ledger, accounts payable, inventory management, purchasing, order management, etc.) and certainly some were optional, but they were nothing like Lego building blocks. All modules shared a common database, and all were developed using the same tools and technology. The good news: they all moved forward in lock step. The bad news: No single function in the organization could move ahead until all were prepped and ready. This eliminated data redundancy and any need for separate integration efforts, but it also made the monolithic structure very rigid.

Also, by trying to please everyone, and because the monolithic structure with the most features won, those early solution providers introduced a lot of unnecessary complexity into their solutions. Yet they never had a complete solution for anyone. The 80-20 rule prevailed. Nobody expected a solution to satisfy all their needs (an 80% fit was often the goal), resulting in invasive (and sometimes expensive) customizations that built barriers to further innovation. Today it is less about having the most features and more about having the **right** features.

Unit4 takes a very different approach. It has never offered a general purpose (horizontal) solution, but rather a range of solutions purpose-built for specific people-centric segments, like professional services organizations (PSOs), public services (think state and local governments), higher education and not-for-profits. It has developed very industry-specific capabilities through its own development efforts, as well as through acquisitions.

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*In today’s global, digital economy, where the pace of change is accelerating, rigid, monolithic structures are the dinosaurs of the enterprise software world. But unlike the dinosaur, they are far from extinct. They live on in legacy solutions.*

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solutions – those same solutions you are most likely (hopefully?) looking to replace with one built on a modern architecture and a strong platform. By refactoring its core ERP, Unit4 makes its solutions more agile, resilient and extensible.

And extensibility is the key to providing even more industry capabilities, faster and to making them more easily consumed. A microservices architecture allows you to build a strong core of common functions and layer in interchangeable features and functions.

With the Unit4 People Platform, enhancements, customizations and extensions can be built much more quickly. Unit4 will continue to focus on its four key verticals: Professional Services Organizations, Non-Profits, Public Services and Higher Education. But it will combine the needs across these segments with localizations because those needs may vary from country to country. And it will unify business processes, eliminating silos within the organization, even as they span different functional areas (think finance, project management, human resources).

### **INTEGRATION**

*Unit4 will deliver Application Programming Interfaces (APIs) as a convenient and easy way to connect applications.*

We encourage those in search of a new system to look for the most complete solution possible, but we also recognize how rare it is for any company to only run a single enterprise application. And therefore, integration capabilities should also be considered. Unit4 will deliver Application Programming Interfaces (APIs) as a convenient and easy way to connect applications. Think of them as gateways that minimize the code needed for integration.

### **CUSTOMIZATION**

*With the People Platform's low code/no code capabilities, it is possible for business users to make simple changes with little or no IT involvement.*

Mint Jutras strongly discourages customizations, but sometimes these are necessary in order to preserve your differentiation in your market. However, if you are considering customization simply to preserve the status quo (i.e. "We've always done it this way"), our advice is, don't do it. And if you do need to customize, do it through extensions and not invasive code. With the People Platform's low code/no code capabilities, it is possible for business users to make simple changes with little or no IT involvement. This puts the business users in control, without risking requirements being misinterpreted, misunderstood or lost in translation.

Most often these user-requested changes are less about changing logic or business processes and more about how the data is organized and presented visually. This leads us to Unit4's third pillar ...

### **USER EXPERIENCE AND AUTOMATION**

That said, by "user experience" Unit4 means more than just the user interface (UI) and how screens are designed. The user experience encompasses all the different ways users interact with the solutions. Unit4 describes its



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personalized user experience as “powerful for pros, lightweight for everyone and automated whenever possible.” Because sometimes the best user interface, is no user interface at all.

There is no single standard user interface across the application. Each is customized to the task at hand and the device on which it is presented. Instead of navigating through the typical hierarchy of menus, Unit4 envisions work being delivered to users in “10 second” interactions, self-composing instant apps that are delivered to users in several different ways, using a variety of different delivery mechanisms, including Slack, Microsoft Teams, Skype and Microsoft Outlook. These apps say to the user, “look into this,” “approve that,” “just thought you should know.” They will require a single, simple response that might be “spoken.” The same Natural Language Processing (Microsoft Luis) that is deployed in its digital assistant, Wanda, will be used in these “instant apps.”

This builds on the concept of self-driving ERP that Unit4 has prescribed over the past several years. During that time Unit4 has been developing “assistants” to automate some of the most common (and repetitive) tasks. In the vernacular of machine learning, these are “skills” that Wanda has acquired. For example:

- **HR Assistant** helps employees with human resource (HR) related tasks like requesting paid time off and enquiring about vacation balances and pay slips.
- **Purchasing Assistant** assists in finding products and suppliers, generating requisitions and managing approvals.
- **Time Assistant** automatically generates timesheets based on multiple data streams. It can use GPS and beacons to determine work location and track time.
- **Travel Assistant** generates travel requests and manages approvals based on travel patterns and preferences and can auto-populate expense claims using receipt recognition technology.
- **Approval Assistant** notifies and reminds managers to approve tasks and flags important tasks where deadlines are looming.

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An added benefit: The more you use Wanda, the smarter she gets. That’s the “self-learning” part. The travel assistant provides the perfect example. If you frequently travel to a particular location – corporate headquarters perhaps – Wanda will recognize this as a frequent destination and assist throughout the entire process, from requesting approval for travel to submitting expenses for reimbursement. She will know if you typically park your car at the airport, fly on Delta, rent a car or book a taxi or Uber. So, she can auto-populate those cost elements of the travel request based on past trips. And when you scan your receipts at the end of the trip, she can distinguish between the airport parking garage and the kiosk where you buy a sandwich close by the office.

*Unit4's "People First" strategy and emphasis on Experience is more than just "feel good" messaging and more than delivering a good experience and a pretty user interface. It is about delivering the right experience, specifically for your business, while also helping you future proof your business.*

These assistants provide fertile ground for further automation. Once you buy that plane ticket to corporate headquarters, and complete the flights, perhaps she will create your expense report for you and just have you take 10 seconds to review and submit, while reminding you to scan your receipts!

This is just one example of how Unit4 will be using machine learning (ML) to automate more and more common tasks.

## KEY TAKEAWAYS AND RECOMMENDATIONS

Unit4 has always focused on people and people-centric businesses. It has now formally announced its "People First" strategy and an emphasis on Experience. This is more than just "feel good" messaging and more than delivering a good experience and a pretty user interface. It is about delivering the right experience, specifically for your business, while also helping you future proof your business.

Fit and functionality are (still) important. In fact, an 80% fit should no longer be the goal. Look for that last mile of functionality to be delivered without costly and invasive customizations that build barriers to innovation and lead to stagnation. This is much more feasible with a purpose-built solution like Unit4's than with a general-purpose solution that evolved either from manufacturing or a generic accounting solution.

But there is also danger in making a decision based solely on what you need today. We live in disruptive times and the pace of change is truly accelerating beyond anyone's expectations, bringing us into uncharted waters, where you will either sink or swim. Change and disruption can have a cascading effect on your business applications requirements, making agility – the ability to innovate, evolve and change – equally, if not more important. The cloud native microservice architecture of ERPx will make Unit4 solutions more extensible, providing you with the ability to add or change functionality with less disruption to the core. The People Platform will provide the ability to configure, personalize and tailor your solution with little or no invasive code changes.

If you are a current Unit4 customer running ERP 6.x or ERP 7.x, Unit4 will continue to support these solutions for the foreseeable future, whether you have them deployed on-premise or in a managed cloud. But Mint Jutras would caution against continuing "as is." New capabilities will now be developed in ERPx in the cloud. This enables Unit4 to make effective use of the Microsoft Azure technology stack for building, testing, deploying and managing software in a way that will not affect its customers' core ERP installation. This not only relieves the customer of the burden of upgrading but makes new features and functions ultimately more consumable. This speeds innovation at a time when the future is fraught with uncertainty. Now is the time to start planning for a transition in the new year.



If you are not currently a Unit4 customer and if you are running a legacy solution based on old, outdated technology, you have a problem that is not going away all by itself. The COVID-19 global pandemic has brought more change and uncertainty to (already) disruptive times and an added level of urgency to fix that problem. Fortunately, today, technology-enabled cloud ERP systems can provide the level of adaptability needed to navigate this rapidly changing landscape. If you are beginning a search for a replacement, start the planning process now. Unit4 ERPx, built on the People Platform is definitely worth a look.

**About the author:** *Cindy Jutras is a widely recognized expert in analyzing the impact of enterprise applications on business performance. Utilizing over 45 years of corporate experience and specific expertise in manufacturing, supply chain, customer service and business performance management, Cindy has spent the past 14+ years benchmarking the performance of software solutions in the context of the business benefits of technology. In 2011 Cindy founded Mint Jutras ([www.mintjutras.com](http://www.mintjutras.com)), specializing in analyzing and communicating the business value enterprise applications bring to the enterprise.*