SELECTING ERP FOR ENTERPRISE 2.0 AND SOCIAL MEDIA FUNCTIONALITY
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There is a movement taking place in the IT industry that is really driven by major consumer technology vendors including Apple, Google and Facebook. What these three companies do is really starting to set the tone for what people expect from a software application. The expectations of a software application may have historically centered around its ability to solve business problems or to enable specific types of transactions or management processes. Today, the software application will increasingly be expected to let users communicate and interact with each other the way that they can on Facebook. Organic and guided search as found on Google will also be expected, as will the intuitive usability of the iPad.

Business executives are not immune from the influence of these consumer technologies. They are well aware that wikis, instant messaging, IP telephony are now proven tools for interpersonal and organizational communication that ought to be deployed within their enterprises. In fact, employees and managers of most any business are already communicating with each other through various Web 2.0 technologies—the problem being that all of this communication is taking place outside the bounds of formal and secure IT systems.

While some business software companies work to integrate their offerings directly with online tools like Twitter or Facebook, we feel the real business benefits will come from enterprise resources planning (ERP) and other enterprise software that mimics the functionality of these popular online tools. This serves to improve internal communication and pull company business currently taking place outside of ERP systems back into the enterprise.

In this whitepaper, we will discuss how this social media – or enterprise 2.0 technologies—can benefit complex industry including manufacturing, utilities and asset—and engineering-intensive companies. We will also discuss key criteria in evaluating ERP offerings with enterprise 2.0 features.
There are several reasons that enterprise 2.0 is of critical importance, including:

- A good deal of company business is already being done through social media tools, and these communications are taking place outside of the ERP system and are therefore not recorded in the system of record and are not secure.

- Furthermore, as the industrial workforce shrinks due to retirement of the baby boom generation, capturing their knowledge of your company’s processes and equipment will become a vital concern. Social media tools embedded in ERP offer proven technology to pull information out of those with expertise and preserve it for use by others throughout the organization.

- Structuring company information in a dynamic format like a wiki is one way to drive lean improvements in complex front office processes like engineering, supply chain management, project management and even on the shop floor. In the wiki format, a company can document not only their current processes, but how those processes have changed over time—an important requirement for lean.

THE CRITICAL ROLE OF SECURITY

One primary deliverable of an ERP solution is the enhanced data and organizational security that result from access to company data being strictly controlled. Security is also provided by the ERP’s ability to control which individuals within a company can complete various business tasks and processes and by the ability to track, after the fact, transactions that have taken place.

When technologies or individuals circumvent ERP, these security measures are rendered ineffective. Building social media-type enterprise 2.0 functionality into ERP will not only leverage the inherent security benefits of the ERP system. Furthermore, the security of publically-available social media channels like Facebook, Twitter and various instant messaging services is not as robust as that of a 21st Century ERP system. If executives are using these public tools to discuss mission-critical matters, this increases the risk profile of the organization on a number of levels. The ability to ensure that critical and potentially damaging information is not accessed by unauthorized people or preserve the content of conversations for legal and regulatory purposes and can both become compromised by social media. Free public social media on its face presents a challenge because the technology and your enterprise data are housed on servers through a license that may be poorly understood or subject to change without notice.

STAY FOCUSED ON BUSINESS

Building social media functionality into an ERP platform will also help ensure that in using web 2.0 tools like instant messaging or wikis that employees are not leaving
their working context and are likely to remain more productive. Harder to quantify but also important is the degree to which the workforce enjoys the tool they are using. Intuitive communication tools like enterprise 2.0 can cause workers to more closely follow updates about what is going on within the company—even when they are not at the office or at work.

This dynamic can cut the other way as well. Intuitive enterprise 2.0 tools can make it more likely that workers will share information with others, increasing the degree of intellectual capital entering an ERP solution.

Within much of the developed world, the number of people of working age is actually decreasing. This trend is hitting some industries—including utilities, process manufacturing and other complex engineering-intensive fields—harder than others. Enterprise 2.0 ERP may be one of the best tools to capture and retain the knowledge of senior, expert, professionals and technicians—intellectual capital that would otherwise have been lost.

### WIKIS FOR LEAN

One consistent principle of lean initiatives is documentation of change over time. As processes and practices within the organization change, it is necessary to record how things are done, why they are done that way and the resulting outcome.

By structuring the software documentation as a wiki, it becomes possible to document not only how the ERP software is being used, but the processes it is used to execute. The wiki format automates the lean mandate to document process change. As processes are altered, the wiki is updated, leaving a full history of when and how the process was changed and the results that ensued.

Wikis can also reduce the amount of value added work spent looking for information or trying to determine the proper process to follow in a particular situation. They can have an immediate and understandable impact on the amount of training required to use an ERP solution and to learn the processes within a company, speeding the time to value following a new hire.

### SELECTING ERP WITH ENTERPRISE 2.0

Once you have determined that enterprise 2.0 holds real value for your business, there are a few factors to take into consideration.

Without question, the most important consideration is integration. Social media functionality that stands apart from ERP or lacks very tight integration with the platform as a whole will not deliver true enterprise 2.0 benefits. This integration needs to work both ways. You need to be able to search conversations and other social media data quickly so you can determine who said what to who and when they said it. You also need to be able to link any object in the application freely with
Social media conversations. This allows discussions regarding customer orders, for instance, to be tied in with the relevant functionality in the application, or a question about a particular customer invoice can be linked directly to the correct document.

Integration with the application at large is also important when it comes to ensuring that wikis and other organic data structures that are a part of enterprise 2.0 allow you to truly see how your company operates and how things get done. When unstructured data like conversations and wikis are embedded directly in the working environment, your company can become a learning organization that absorbs and retains the wisdom and collective decisions of executives, managers and employees in a comprehensible and actionable format.

It is also important to ensure that an ERP product with embedded enterprise 2.0 features addresses both types of social media communication—synchronous communication and asynchronous communication. Synchronous communication includes things that happen in real time like instant messaging, chat, IP telephony and the like. Asynchronous communication includes tools that allow users to “time lag,” including wikis, blogs and message boards. Each is useful under different circum-

The IFS Communicator is aimed at making collaboration within IFS Applications, between users and external agents such as customers, easier and more user-friendly. When working within a system with several hundred other users, you want to be able to communicate and collaborate with them without having to exit your work to source data or contact details. IFS Communicator draws on tools from existing familiar networking tools such as Skype or MSN. Screen captures reflect functionality that may or may not be included in a particular version of IFS Applications.
stances. Oftentimes, someone will first use synchronous communication to an individual or two to get an answer immediately and then, if questions still exist or clarity is lacking, they will broadcast their question using asynchronous communication to solicit feedback or thoughts from a group.

Particularly valuable synchronous communication tools would include things like the IFS Communicator, which allows a user to instantly communicate with any individual in the system including people within the company as well as those without the company like a customer. This is driven by a customizable contact card for each user within IFS Applications, and benefits flow to the organization as each conversation or contact is documented. This organizational memory can, for instance, improve customer service as a discussion about a customer order is clearly visible to others that might interact with that customer, allowing for exponentially greater responsiveness and a more satisfied customer.

Asynchronous communication in IFS Applications is handled through features like IFS Talk and the IFS Wiki, and these tools are ideal for those situations where you have a question but are not expecting a real-time answer. They scale particularly
well to a group, and a number of people can contribute thoughts on a topic or collaborate on documentation over an indefinite period of time. Asynchronous communication tools of this type are very similar to Facebook, where you can post an update about a new smart phone that you have purchased along with questions about how to configure it. Your tech-savvy friends, wanting to show their knowledge as well as be of service, readily chime in with specific and detailed directions.

In a business setting, you may encounter a problem with a particular object in IFS Applications, post a question with an autocapture of the screen you are looking at, and others logged onto IFS Applications can see your post and respond.

An additional asynchronous communication deliverable within IFS Applications is the IFS Wikihelp, which structures all help text throughout the applications as a wiki. This allows users to change the help text and augment it with documentation of the business process flow they are automating with IFS Applications. This lets you become a learning organization and, in a more immediate and practical sense, gives you the organizational memory to avoid making the same mistakes twice. As stated earlier, using the wiki to record your processes can also support lean process change documentation requirements.

CONCLUSION

Most of us have found that social media tools are extremely effective tools when it comes to facilitating communication. They are so powerful that many of us block access to sites like Facebook from our offices.

The time has come to stop fighting the tide towards social media and instead harnessing its power within the enterprise. As the system of record within a company, ERP is the natural place for social media tools to enter. Enterprise 2.0 features will result in increased utilization of ERP, increasing the amount and quality of information available to managers and executives. It will also eliminate potential security risks and productivity drains that result when employees use public social media sites to facilitate business discussions.

As Director of IFS Labs, David Andersson is responsible for the strategic direction of research and development of IFS Applications to increase its business value to its customers. Prior to his role as Director of IFS Labs, David was Program Manager at IFS where he was in charge of several research & development projects and has been a Principal Research Engineer and Project Manager in charge of innovation of platforms and infrastructure. Andersson holds a masters degree in corporate finance from Lund University.
ABOUT IFS

IFS is a public company (OMX STO: IFS) founded in 1983 that develops, supplies, and implements IFS Applications™, a component-based extended ERP suite built on SOA technology. IFS focuses on agile businesses where any of four core processes are strategic: service & asset management, manufacturing, supply chain and projects. The company has more than 2,000 customers and is present in 50+ countries with 2,700 employees in total.

More details can be found at www.IFSWorld.com.

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