

THE COMPETITIVE EDGE

The upper hand

There are some management hotspots where effective software can make a difference to the bottom line. Darren Horrigan investigates

The increasing sophistication of today's software means it is difficult to know where investment dollars are best spent. *CFO* canvassed software analysts, independent IT research groups, CIOs and other users of enterprise software to discover what they deemed to be the management "hot spots" for 2003 and beyond. These are the areas where they believe a competitive business edge can be found.

Data warehousing

The importance of sound information management and the fact that it constitutes about 15 per cent of most IT budgets makes decisions regarding enterprise storage and warehousing among the most vital any organisation has to face. But it's an area that is moving fast.

"As vendors keep introducing new products and capabilities, organisations must balance their evaluation of strategic storage partners and technology considerations," says Phil Goodwin, a program director with META Group's Server Infrastructure Strategies service.

"We advise clients to consolidate their strategic storage vendors to one or two platforms to simplify operations, reduce training and improve organisational agility. An enterprise shortlist would normally be made up of leaders and challengers, but other products can be considered on a best-of-breed basis for a particular application."

EMC is widely regarded as the market leader in the highly competitive enterprise storage market. Leading vendors: BMC Software, Computer Associates, EMC, Legato, Network Appliance, StorageTek, Teradata, Tivoli, Veritas

Business intelligence

According to Gartner Research, IT buyers will spend \$US2 billion on business intelligence (BI) in 2003. Kevin Strange, a vice-president and research director at Gartner, says organisations are taking greater care when selecting vendors for their business intelligence (BI) and data warehousing infrastructures. "The economic realities facing enterprises are affecting BI and data warehousing vendors as well," he says. "New directions, technologies, specialties, market pressures and changing cultures have caught some vendors ill-prepared to compete. Others are ready for the fight. A vendor's financial position and stability are as important now as its products."

Business performance management (BPM) software includes applications such as planning, forecasting, budgeting, consolidation, scorecards/dashboards, reporting and analysis. META Group says many vendors have jumped on the BPM bandwagon, creating a confusing landscape. It believes that by 2006, most global organisations will have deployed a cohesive BPM solution consisting of financial reporting, consolidations and enterprise business planning platforms that will be linked to scorecard/dashboard and business modelling processes. It expects that the leading BI and enterprise resource planning (ERP) vendors will remain the major players in this market. The ERP vendors have a key advantage due to their lock-in of customers that have invested millions and reorganised operations around their ERP systems.

A recent AMR Research survey indicates that dashboards and scorecards traverse all levels of an organisation and run the full gamut of financial and operational measures. John Hagerty, a vice-president at AMR Research and leader of enterprise performance management (EPM) analysis team, says the survey shows that companies regard EPM as total company management, not just a financial snapshot of the firm. Leading vendors: AXS-One, Business Objects, Cognos, Crystal Decisions, Hyperion Solutions, Information Builders, Teradata, Oracle, Sagent, SAS Institute.

Concise reporting

Enterprise portfolio analysis

Enterprise portfolio analysis (EPfA) is designed to enable organisations to refine their decision-making. It provides the ability to identify the right things to do by determining the optimal mix of investments and initiatives needed to achieve a desired outcome. Yet it comes as a surprise to analysts that many organisations still do not have sound systems to track their assets, especially IT purchases.

The portfolio management market consists of EPfA, project portfolio management and asset portfolio management. "We believe 50 per cent of all enterprises will use EPfA tools to communicate the value of their decisions regarding investments, processes, etc.," says Doug Lynn, vice-president with META Group's executive directions service.

Leading Vendors: Business Engine Software, Oracle, Pacific Edge, PeopleSoft, ProSight, SAP, United Management Technologies (UMT).

Human capital management

Human capital management (HCM) applications play a critical role in organisations trying to optimise enterprise performance. A recent report from AMR Research predicts the HCM market will grow 13 per cent over the next five years. The report found that HCM applications are extending to line managers and executives outside the HR department who are looking for better tools to manage and motivate employees.

"Core HR applications are still important, but human capital management is a concern for every manager in the company – not just the HR department," says Monica Barron, senior research analyst, AMR Research.

"Applications including performance management, enterprise incentive management (EIM) and workforce optimisation are critical to help managers keep their employees focused on the right activities, and to steer the organisation towards its corporate goals."

Leading vendors: KnowledgePoint, Lawson, Microsoft Great Plains, PeopleSoft, SAP

Other areas nominated as crucial areas of software application for 2003 were the evergreens of security, web services, wireless, enterprise resource planning (ERP), supply chain management (SCM) and customer relationship management (CRM). ■



GABRIELE CHAROTTE

Having established the need for a corporate reporting tool to provide benchmarks, key

Glenn O'Sullivan:
we're extremely happy

performance indicators and other statistical analysis, Hobsons Bay City Council in Melbourne realised it needed a software solution that could combine information from its varied systems to provide the one view of the council. However, it did not want to build a data warehouse.

"We wanted a system that could be run by the user for the user from their own work station to produce quality, timely reporting on their desktop," says the council's finance manager, Glenn O'Sullivan.

"Moreover, it had to have the ability to link non-financial information with the more traditional financial 'debit-and-credit' reporting."

Hobsons Bay City Council examined three systems before choosing a business intelligence product called AXS OneView from AXS-One. It won the day because of its capability of bringing together and linking disparate information in a common portal. O'Sullivan says the system is used by senior staff managers and directors to provide information, such as cashflow analysis, actuals versus budget, forecasting, variance analysis, key performance indicators (KPIs) and customer requests tracking.

"What once required eight hours of our time – to generate a management report – now takes five minutes," he says.

"We're extremely happy with the flow-on effects of OneView and the measurable impact that it is having on our organisation's KPIs." ■



Melbourne: 03 8415 8315 | Sydney: 02 9499 3377

info@star.cd | www.StarAccountingSolutions.com