You Have a Choice: Rethinking Your ERP Solution to Meet Today's Business Challenges

IFS

Your Chance to Improve Operations, Productivity and Profitability

Business processes must constantly evolve in response to external pressures. However, supporting new processes is a complex undertaking, and one that is only compounded by the current scale of change within certain industries.

Today, many organizations are held back by legacy ERP systems that cannot handle this complexity. These solutions offered a generous selection of features and capabilities when they were originally adopted – but in many cases, this was over 20 years ago.

As both technology and business have evolved, previously innovative ERP solutions are no longer fit for purpose. They struggle to support business processes, keep pace with industry trends, and drive profitability. Although businesses may be hesitant to replace legacy ERP systems now that they are a sunk cost, they are delivering diminishing returns – which, if they are not already, will become negative returns.

A system that can no longer be updated is vulnerable to cyber threats and can pose a security risk that is difficult to mitigate. Your organization must pay a third party for support – a significant financial commitment. And you may experience workforce attrition as your people, fearing their skills losing relevancy to employers, leave to work on more modern systems.

Another considerable risk is the opportunity cost. A product that is no longer being developed will be unable to meet the future needs of your business. As new functionality cannot be added to an unsupported ERP system, your business will lack the agility to adapt to new trends and demands. This can leave you vulnerable to unforeseen challenges and unable to compete in the market.

For businesses that manage complex assets, the problem is more acute. In a dynamic industry environment, you face increasing pressure to comply with the latest rules and regulations, control project finances, keep staff productive and engaged, accelerate project delivery times, sweat your assets and increase customer satisfaction and retention. All while facing the challenges of supply chain disruption, squeezed margins, and growing competition.

Let's say you are a manufacturer and one of your assets has developed a fault. A modern ERP system can quickly enable the correct resources to reactively fix it. Additionally, historical data can be used to chart potential problems so that predictive maintenance can be scheduled to avoid any future issues. But if your system lacks this functionality, you will receive no such alert. The chances your machine will unexpectedly break down are increased, as is the potential for reducing production capacity, disappointing your customers, and damaging your revenue.

The longer your organization delays upgrading your ERP system, the more complicated, expensive, and risky your eventual implementation will become. It will be harder to find a partner to work on your system migration, as most will have moved on to supporting new tools. Those who are willing to accept the contract will therefore charge a higher fee.

When vendors end their support for outdated systems, their customers are presented with a unique opportunity to embrace change and transform their businesses. A flexible, intelligent ERP system that is truly fit for purpose can underpin growth and resilience, safeguarding your organization's future success. With so much at stake, it's vital to look beyond your vendor to find the solution that best meets your needs.

You have a choice – and this choice could shape your business for many years to come.

Do More of What Matters Most

Orchestrate your customers, your people, and your assets with our leading composable enterprise solution, IFS Cloud.

Deliver Moments of Service that delight your customers and reward your bottom line. IFS Cloud embeds decades of expertise from our core industries and transformational technologies to provide best-of-breed capabilities.

Plan, manage and optimize critical asset availability, service delivery and workforce productivity – all in a single product, with a single data model. Streamline your business by connecting enterprise resource planning with asset management, field service management, and more.

Elevate Customer Service

Servitize your products, increase project delivery rates and enhance order fulfilment to deepen customer relationships and secure exceptional business outcomes.

Escalate Productivity

Gain a clear, unified view of your whole business that allows you to optimize processes, power automation, and drive operational efficiency.

Expand Cost Savings

Cut costs and complexity by replacing multiple systems with a single platform that delivers industry-tailored capabilities.

Meet the Challenges of Your Industry

Since 2020, the business world has been rocked by a raft of challenges, starting with the COVID-19 pandemic, and encompassing supply chain issues, rising inflation rates, and geopolitical unrest.

Although the same events have made waves across businesses of all geographies, sizes and sectors, their impacts have been felt differently. Many organizations are now looking to implement a business transformation strategy specific to their industry that can help them ride the waves of any future turbulence that is to come.

Modern Solutions to Modern Challenges

For organizations using legacy ERP systems, this presents a problem. Technology originally built 25 years ago was created against a very different backdrop. Concepts and modes of operation that are well-established today had not yet broken into the mainstream. As a result, additional features must be 'bolted on' to outdated ERP systems – if the system can handle them at all. These system modifications can only be made and maintained at a significant cost.

In contrast, a modern ERP system with embedded innovations can more easily manage the needs of a modern business. According to IDC, a modernized ERP can enhance five key areas: resilience, innovation and growth, agility, productivity, and cost reduction.[1]
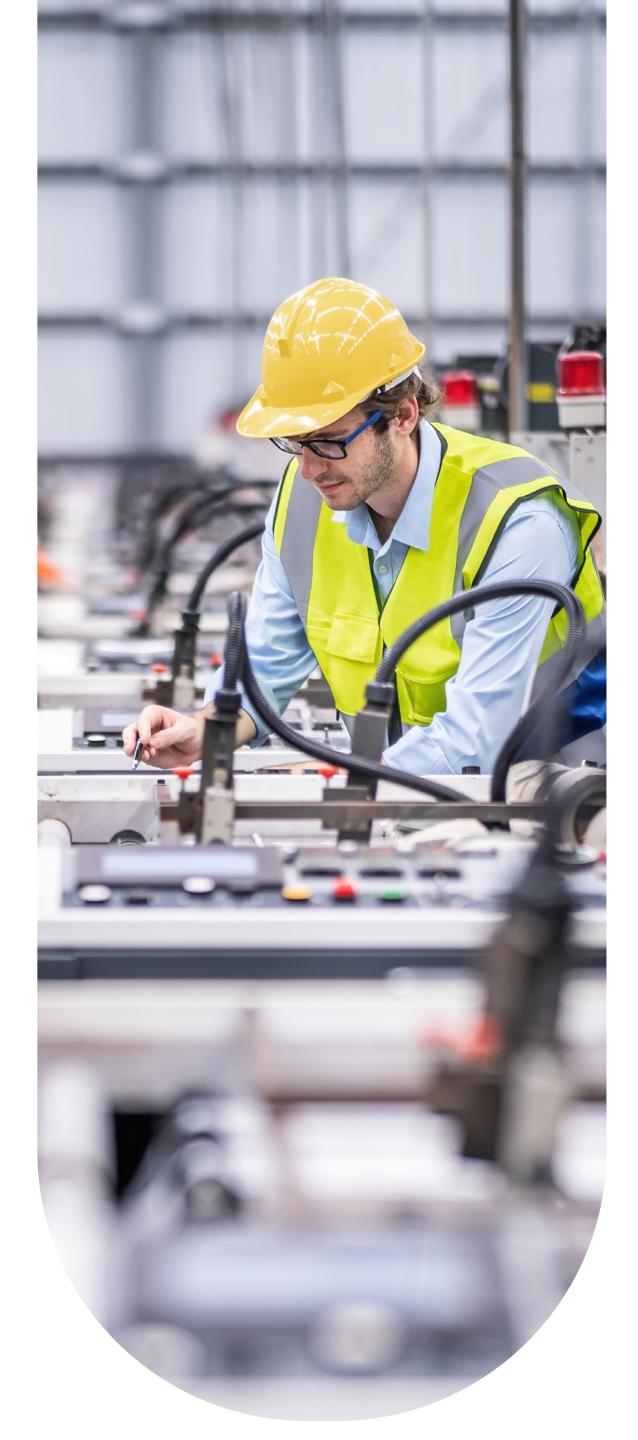
ERP Built Around Your Needs

IFS Cloud was launched in 2021 with the demands of your industry in mind. The solution comes with industry-specific functionality as standard, which has been built around our deep experience with six core industries, including their respective sub-industries:

- Aerospace and Defense
- Energy, Utilities and Resources
- Construction and Engineering
- Manufacturing
- Service Industries
- Telecommunications

IFS Cloud can offer a range of pre-defined industry-specific processes, Lobbies (dashboards), accelerators, services, and more for each of these industries. These out-of-the-box templates, tailored to your industry, allow you to address specific business challenges without the need for customization. This makes planning and managing your global business operations faster and more effective with reduced cost, risk, and complexity.
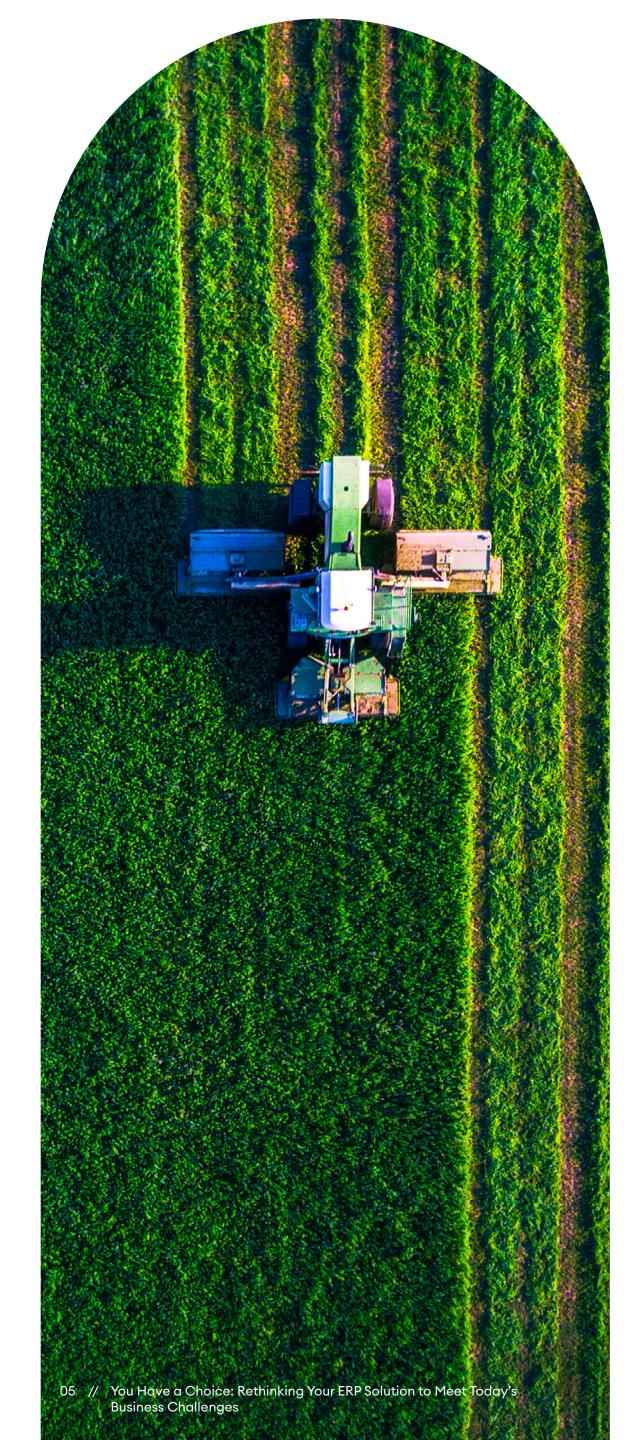
Moreover, unlike monolithic ERP architectures, IFS Cloud can give you the agility to respond to customer demands, competitor challenges, and business expansion. Compose the solution that suits your organization by adding or removing functional capabilities without the added complexity of individual product integration and deployment.

"The industry we operate in is highly competitive. We need enhanced visibility over all our processes, together with the ability to optimize processes to keep ahead of the pack and retain our leadership position in the industry. By upgrading to IFS Cloud, we will have an improved oversight into all company transactions and shipments as well as faster and easier access to our performance data – and all this is delivered via easy-to-use reporting dashboards. We are confident that this will, in turn, give us faster time to insight and better return on our capital employed."[2]

Gabriela Karlsson, Financial Director and Chief Information Officer, HEXPOL Engineered Products

[1] Building the Business Case for Migrating SAP to the Cloud, IDC, April 2023

[2] HEXPOL Engineered Products leave customization behind with IFS, IFS, 2022

How Can IFS Cloud Tackle Top Industry Challenges?

Challenge #1: Sustainability

In today's business landscape, the question around sustainability is no longer 'why' but 'how'. As regulations increase, stakeholder and customer expectations change, and technology develops, environmentally conscious operations will soon be the new standard.

IFS can help empower your business to embed and achieve your sustainability goals. With the IFS Cloud Emissions Tracker you can track and visualize your carbon emissions data – a capability that will soon be expanded to encompass scope 1, 2, and 3 emissions. You can also use the platform's supply chain traceability capabilities to evaluate your suppliers' green credentials. Upcoming environmental regulations, such as the Corporate Sustainability Reporting Directive (CSRD), influence the future of IFS Cloud.

IFS Cloud is up to 79% more energy efficient than compute and storage equivalents.[3]

Challenge #2: New Business Models

Changing demands and expectations require new ways of working. Many businesses are seeking to adopt new models, including:

Mixed Mode Manufacturing

In the past, manufacturers typically operated through a single mode of production such as Make-to-Stock or Make-to-Forecast. However, there is a growing need to operate using a combination of different production modes all under one roof, thereby gaining the flexibility to meet varied demand streams.

Mixed-mode manufacturing presents an increased level of complexity that legacy ERP systems, built for only one manufacturing operating model, cannot manage. Being unable to adapt your operations could cause a loss of production and revenue. In sub-industries with fine margins, such as food and beverage, this may make the difference between being profitable and going into the red.

IFS Cloud can provide a tailored cloud manufacturing software solution that encompasses all forms of production, including mixed-mode manufacturing.

Servitization

Many businesses are moving away from one-off sales and towards new revenue streams such as outcome-based services. For example, instead of selling printers or photocopiers, a hardware firm may provide the asset with banded service levels for uptime and availability.

Delivering agreed outcomes for customers means servicing and maintaining complex equipment. This requires a holistic view of assets through the value chain, including granular, real-time asset data and connected field service management, that legacy ERP systems may be unable to provide. Meanwhile, IFS Cloud can provide asset management and field service management on a single platform.

Challenge #3: Traceability

When legacy ERP systems cannot analyze data across a connected supply chain, it can have a serious impact on your bottom line. In the event of recalls, manufacturers who are unable to isolate affected components or shipments will be forced to withdraw a significant quantity of products from the market. IFS Cloud can give your business real-time, automated traceability and 360-degree supply chain visibility.

Challenge #4: Talent

The 'Great Resignation' saw millions of workers voluntarily leave their employers and sometimes also their industries – and the trend is ongoing. This is an especial concern for businesses managing complex assets, work that requires highly skilled technicians. Due to the cost of recruitment and training, staff retention has become a key priority.

IFS Cloud can contribute towards a positive employee experience that supports staff retention. The platform's user interfaces are consistent across mobile and desktop, meaning it's easy for your people to use whether they are in the office, at home or in the field. Furthermore, IFS Cloud supports new, innovative business models and tools that appeal to the modern workforce and the next generation of talent.

Get Up and Running Fast

Businesses with legacy ERP systems are experiencing a tug-of-war between risk and opportunity. With ERP systems so integral to operations, there is considerable internal pressure to mitigate the risk associated with any new implementation. At the same time, there is a constant need to protect and increase profits.
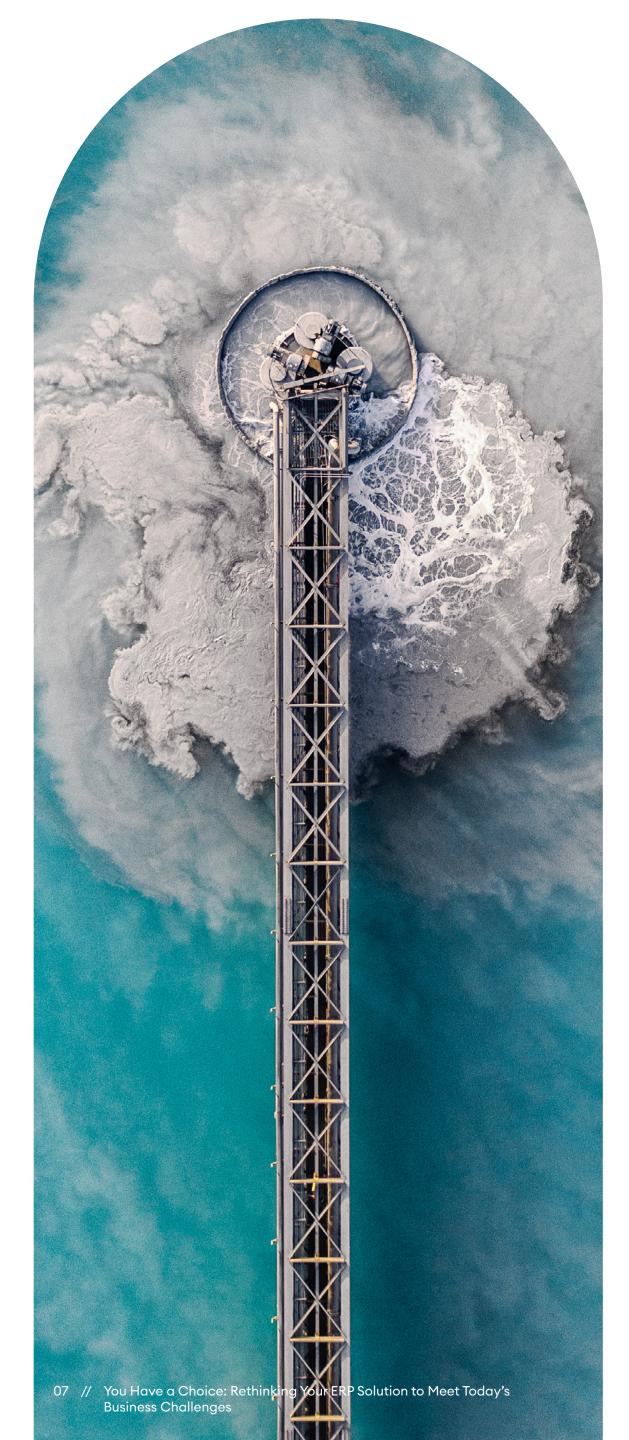
The Risks of Migration

Moving to a modern ERP system is not without its challenges. Once an implementation project begins, ensuring its completion is on time and on budget is essential to a healthy return on investment. Finding a vendor with a track record of successful delivery is therefore a priority.

ERP implementations that lead to overspend may result in CFOs and CIOs reconsidering resource allocation. If budget and staffing have been diverted from across your organization, other projects may have to be delayed or canned to prioritize your ERP implementation. Conversely, the system migration may be left half-finished if other projects are deemed more critical.

Any delays to the project timeline come with an indirect cost: for as long as you are unable to pivot to a new model, you will lose future business. Because your ERP system is the backbone of your operations, the potential damage of any setbacks cannot be overstated. The cost of complications could run into the millions, even hundreds of millions, and can be enough to sink an entire business.

How Can IFS Cloud Deliver Value Faster?

By year 3 after migrating to IFS, businesses see an average:[4]

- 6% increase in labor efficiency through automation
- 20% reduction in inventory carrying costs
- 80% decrease in reporting efforts

"We've seen that IFS Cloud simply works 'as is' for the business process we need. I see other companies paying for costly ERP modifications, only to remove most of them after two or three years because they weren't needed. With no need to modify the core, IFS Cloud gives us a cost-effective and evergreen platform."[5]

Pekka Nurmi, Director of Corporate IT, Cimcorp Group

Gain Better Lifetime Value

From operational efficiency to asset insights and worker productivity, IFS Cloud continues to provide value throughout the product lifecycle. Our engagement framework, IFS Success, makes it easy to understand and achieve the value and project goals defined in your business case. Thanks to pre-defined Lobbies in IFS Cloud, you can track your KPI performance in real-time, and compare it to industry benchmarks or your own targets.

Future-Proof Your Business

Enabling growth is no longer limited to optimizing your own operations and processes: it means embracing new business models and seamlessly incorporating your trading partners into one ecosystem. A composable solution such as IFS Cloud that can incorporate a broad set of ERP capabilities and the additional option of service management and asset management in one place can provide a comprehensive view of your organization.

"We selected IFS Cloud to harmonize our global business operations, an important step in supporting our vision to be a key player in the global energy market. Having a single view of our data across the entire business enables us to get better operational visibility and thereby optimize our processes and support our growth strategy, as we can deliver more projects more efficiently."[6]

Gilles Burckel, Director Business Unit Controlling EfW, Hitachi Zosen Inova

What's more, continuous software innovations and improved experiences, provided on a schedule you control, make IFS Cloud a truly evergreen solution.

Reach Your Business Objectives Sooner

IFS Cloud can provide a swift return on investment, with new customers going live within just six months. Our implementation process is designed to deliver faster time to value across your organization. IFS Cloud is built around open standards-based REST APIs, making integration with your systems and applications simpler. And customizable pre-configured templates offer the flexibility to meet your specific needs while cutting the time and cost of implementation.

"In the case of IFS, with only one customization, the standard release could deliver all the functionality we would need and remain up-to-date automatically."[7]

Svein Bjørnstad, Chief Information Officer, Dolphin Drilling AS

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[4] The Total Economic Impact™ Of IFS Solutions Deployed In The Cloud: Cost Savings And Business Benefits Enabled By IFS Solutions Deployed In The Cloud, Forrester Consulting, 2023

[5] IFS Cloud enables Cimcorp to work smarter, globally enhancing the moment of service for customers, IFS, November 2022

[6] Cleantech company Hitachi Zosen Inova selects IFS Cloud to support global transformation project, IFS, September 2022

[7] Dolphin Drilling rolls out best practice industry solutions with IFS Oil & Gas Drilling Accelerator, IFS, March 2023

Transforming Business

IFS Cloud is a modern ERP solution that gives your business the tools it needs to thrive in a fast-paced, digital, service-driven world. Built on a single platform, its flexible modern architecture combines deep industry and functional strength with intelligent and autonomous capabilities.

Reduce Complexity

With IFS Cloud, you'll get essential ERP capabilities like supply chain management, manufacturing, advanced project management, human capital management, and finance. You can also draw on a breadth of powerful enterprise asset management and service management capabilities from a single platform, breaking down conventional silos between systems, processes, departments, and the broader application environment.

"With IFS, we have one ERP system that covers all business streams, a technology partner with knowledge of the business and its processes, as well as a scalable solution that can expand in functionality and can be used in multiple countries, all contained within a well-managed and secure cloud environment. We are excited about our future potential."[8]

Vincent Heijmer, Program Manager, Demcon

Improve Workforce Productivity

Let your people focus on looking after their customers, teams, and assets instead of switching between applications. IFS Cloud brings together data from across all of your sites in real-time, so you can respond to change and resolve issues faster. Regardless of which capabilities you choose, you'll receive a common user experience, providing consistency and ease of use across your entire organization.

"IFS Cloud gives us the opportunity to link the data and analytics from different customers and different sites to the assets already existing in our ERP. We will have centralized, easy access to all data and analytics, enabling better tools for ourselves, and opportunities to create better services for our customers."[9]

Pekka Nurmi, Director of Corporate IT, Cimcorp

Benefit From Innovation

Easily leverage the latest technology to save time, lower costs and improve efficiency. IFS Cloud features innovation embedded as standard, ready to use out of the box. We only implement emerging technologies that can deliver tangible value against the use cases that matter to you – and that can support your business processes without the need for additional resources or training.

Build Business Agility

Effortlessly create the solution that meets your business requirements – and add or remove capabilities whenever they change.

This provides unprecedented flexibility and scalability as your business expands and evolves, helping you swiftly adapt to changing market conditions and customer demands. It can also help streamline any distinctive business processes to achieve optimal efficiency, freeing you from the constraints of monolithic ERP architecture.

Feel Confident in Your Choice

IFS Cloud has received external recognition for the depth of our expertise and the quality of our service.

91% of customers recommend IFS[10]

- Gartner® Peer Insights™ Customers' Choice 2023 for Cloud ERP for Product-Centric Enterprises
- Leader in the Nucleus Research 2023 Enterprise ERP Technology Value Matrix
- 7-Time Gartner® Magic Quadrant Leader for Field Service Management
- Gartner® Peer Insights™ Customers' Choice 2022 in Enterprise Asset Management Software

[8] Dutch high-tech manufacturer Demcon aims for high growth with IFS Cloud, IFS, May 2022

[9] IFS Cloud enables Cimcorp to work smarter, globally enhancing the moment of service for customers, IFS, November 2022

[10] Gartner Peer Insights Voice of the Customer: Cloud ERP for Product-Centric Enterprises, Gartner, 2023

Start Your Journey

If vendor support is ending for the legacy ERP system you're using, you may feel that your business is being forced down a certain path. Either you must hold on to your aging system, despite the heavy costs of doing so, or upgrade to your current software vendor's more modern solution – even if it is a monolithic structure that doesn't suit your business's needs. But you do have a choice.

You have the freedom to consider other ERP solutions and weigh up which is truly aligned with your challenges, strategy, and goals. In fact, at a time when you have to make a change to your ERP system, it makes good business sense to do so. Only then can you discover as-yet unrealized opportunities for your business to embrace innovation, delight customers and drive revenue.

A modern, composable ERP system can provide the answer to overcoming the challenges of a turbulent world. From global economic, geopolitical, and supply chain issues, to industry-specific demands such as achieving your sustainability commitments, improving traceability, embracing new business models, and securing top talent, IFS Cloud provides the breadth of capabilities and the industry knowledge you need to face problems head-on and feel confident about your future.

While your current system may be unable to contend with your unique situation, and monolithic ERP structures cannot offer the flexibility you need, IFS Cloud is built with complexity in mind. Our solution is tailored both to your industry and to your needs as a business that builds, services, and maintains complex assets, meaning it can meet your future roadmap.

Furthermore, IFS Cloud can reduce the total cost of ownership (TCO) of your ERP system thanks to swift implementation, increased lifetime value, and the flexibility of its composable architecture. A Forrester Consulting analysis found that three years after IFS implementation, businesses had, on average, reallocated $18.5 million in labor efficiencies to growth drivers.[11]

"Strategically, the business needs the agility to be able to adapt and develop new business effectively. We knew that a cloud-based ERP solution was the way forward. IFS Cloud was the only platform that could truly underpin 'OneShare' – the name of our ERP implementation – our far-reaching global business transformation and engagement initiative."[12]

Anders Jonsson, IT Manager, Suzuki Garphyttan

3 Ways to De-risk Your ERP Implementation

1. Conduct a Business Value Assessment
At IFS, business value engineering is part of our process. Together, we'll look at the business case for your implementation and identify opportunities to increase revenue, mitigate risks, boost customer satisfaction, and make operational cost savings.

2. Engage Your Stakeholders
A lack of stakeholder buy-in is one of the reasons why projects fail. Make sure all of your stakeholders are aligned on the key business drivers, enablers and KPIs for your ERP implementation.
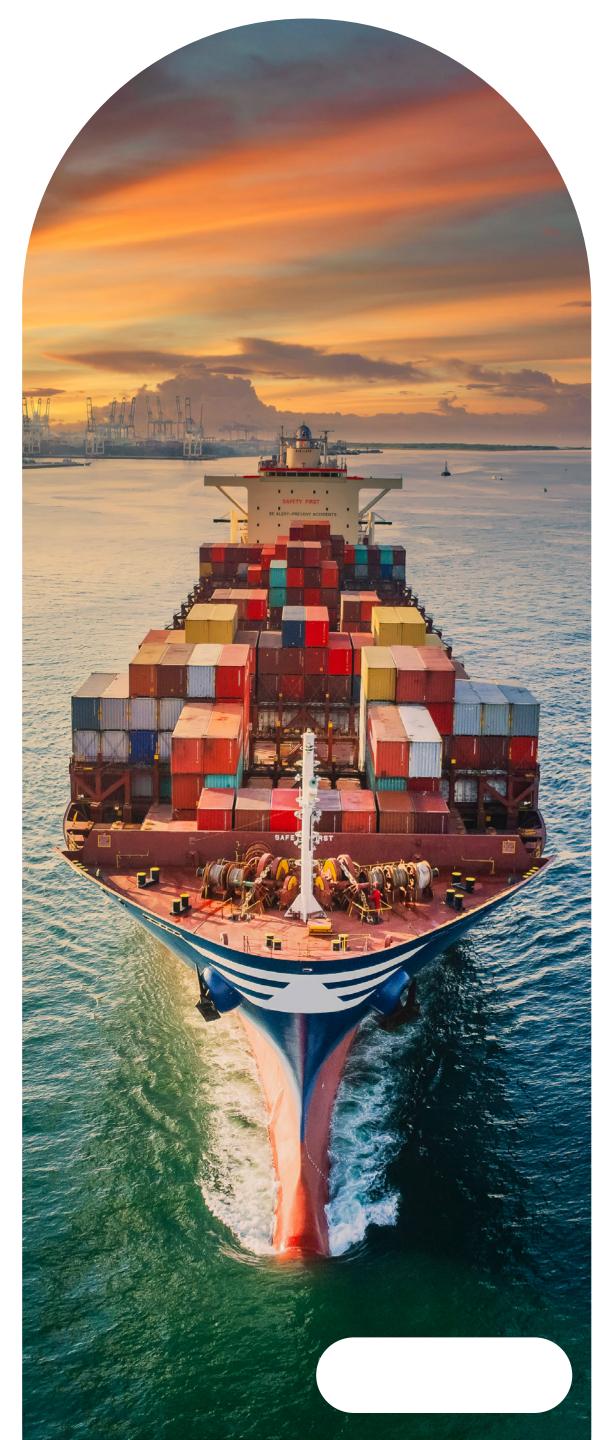
3. Scope the Project
IFS can work with you to decide on any process changes that may be necessary, and to incorporate the capabilities you need into your system. Once you've decided on your KPIs, we can integrate them into IFS Cloud, meaning you will be able to measure and track your progress.

Ready to Start With IFS Cloud?

Discover an ERP system that can power your business' future.

[11] The Total Economic Impact™ Of IFS Solutions Deployed In The Cloud: Cost Savings And Business Benefits Enabled By IFS Solutions Deployed In The Cloud, Forrester Consulting, 2023

[12] Suzuki Garphyttan embraces a single, evergreen ERP platform with IFS Cloud, IFS, April 2023

About IFS

IFS develops and delivers cloud enterprise software for companies around the world who manufacture and distribute goods, build and maintain assets, and manage service-focused operations. Within our single platform, our industry specific products are innately connected to a single data model and use embedded digital innovation so that our customers can be their best when it really matters to their customers – at the Moment of Service™.

The industry expertise of our people and of our growing ecosystem, together with a commitment to deliver value at every single step, has made IFS a recognized leader and the most recommended supplier in our sector. Our global team of over 5,500 employees every day live our values of agility, trustworthiness and collaboration in how we support thousands of customers.

Learn more about how our enterprise software solutions can help your business today at ifs.com.

#MomentOfService