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canias4.0 TECHNOLOGIES

ERP SYSTEMS

Openness and flexibility

Marco Volk,
Head of Marketing International

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Marco Volk, Head of Marketing International at Karlsruhe-based ERP provider Industrial Application Software GmbH (IAS), talks in an interview about how important it is to find out about the current possibilities of ERP systems and what significance they have in the age of digitalization and artificial intelligence.

Mr. Volk, what influence do digital transformation and artificial intelligence, as currently determining topics of IT, have on caniasERP? Marco Volk: At first sight they have only little influence, because an ERP system should always reflect the business logic. In the ERP system all company relevant information should be collected and processed. On the one hand, to offer the management a basis for alternative and optimal decisions and on the other hand, to use the collected data for optimal production planning and control.

But this is precisely why the technologies are indeed an important component for the further development of ERP systems. For example, due to the immense flood of data, the collection, analysis and processing of data is increasingly taking place in the cloud, and ERP software uses the results for optimal corporate management. AI technologies are important here because they can enable proactive planning or determine current production sequences through intelligent functionalities.

Are AI technologies already integrated in caniasERP? Yes. Our development focus is currently on Machine Learning, Neural Networks and Artificial Intelligence. For example, we have developed a special database that allows extremely fast processes through in-memory computing and which is an important basis for the future use of algorithms. For example, predictive maintenance of systems can be realized by using past values to determine the current state of the machine and the algorithms to determine the next maintenance date. In this way unplanned downtimes can be avoided. Some of our developers work exclusively on the topic of AI, so that we can offer perfectly functioning solutions at an early stage. For this reason, we are constantly looking for new employees, from classic computer scientists to mathematicians and statisticians.

Are there any innovations that are already in use in practice? There are - the mini-server realized by IAS, which is based on ARM processors and installed directly on machines or systems. It can be linked to ERP modules such as production planning or materials management and is equipped with various sensors. It can also be linked to our „Maintenance“ module, which maps machine maintenance at fixed times or as planned production cycles. And in the future this will also be possible predictively on the basis of the collected machine data.

Do you also feel that the cloud is becoming increasingly important due to the growth in data volumes resulting from digitalization and AI? We actually have very little demand for cloud solutions. On the one hand, this is still due to the supposed security aspect. On the other hand, many infrastructures in Germany are still not powerful enough to guarantee smooth cloud-based ERP processes. Of course, this is especially true in rural areas with weak infrastructures. However, if a cloud solution is desired, we advise our customers to operate a private cloud. This is because individual, company-specific processes can hardly be mapped in a public cloud ERP solution - after all, it should be suitable for very many companies. As soon as a customer makes individual adjustments at just one point, the only thing that makes sense is to operate the ERP system in-house in an on-premises or private cloud environment.

And it is precisely our main target group - medium-sized companies - that have precisely these individual processes. We always want to

give our customers the opportunity to adapt their ERP system dynamically and flexibly to their own processes without any major difficulties, because markets and requirements are constantly changing. From our point of view, it is the wrong way to simply put a standard ERP system over these customer-specific processes. Agility and flexibility are required and that is what caniasERP can offer.

How does it work? We offer a wide range of standard modules, in addition we enable users to customize their processes in such a way that the developments are retained with the next release upgrade. This works through the different software layers. We carry out our own developments on the standard layer, but our customers cannot change anything in it. In another layer, own programming can be carried out with relatively little IT knowledge. We have a development environment that runs with our own programming language TROIA and is easy to learn. This leads to quick first results.

"THE SYSTEM CAN GROW WITH INCREASING DEMANDS AND INTEGRATE NEW REQUIREMENTS MORE EASILY."

And how will your ERP functions be further developed? We have a close exchange with almost all our customers. We learn about how they use caniasERP and what they adapt. If the functions are useful and functional, we incorporate them into the standard. Via open interfaces the customers can quickly switch to the newly developed functions. Each customer also receives the complete data structure and source code of the ERP system, so that he is able to make independent adjustments. This is really unproblematic thanks to TROIA.

Are external programs such as CRM or DMS systems also connected?
All possibilities for setting up hybrid systems are available. For many of our customers, however, our standard functionalities are sufficient. But of course we also have customers who connect CRM systems, such as Salesforce. They determine the level of integration of third-party systems themselves. This works from on-premises ERP to cloud CRM and vice versa. For example, if a new order is stored in the cloud-based CRM, the information is automatically transferred to materials management, purchasing or production planning.

Is caniasERP particularly suitable for certain industries? Our software is industry-independent, because we have made the experience that in the end many work steps are similar. It does not matter for example whether fabric webs are rolled up in the textile industry or steel coils in the steel industry. Quality features and traceability must also be guaranteed almost everywhere. Since the flexibility and openness of our system allows for individualization in a convenient way, it can be adapted to specific industries. However, we have a particular focus on industrial customers.

How modern or up-to-date do you rate the ERP systems in German companies? And is the market not already saturated? There are even still companies that organize their business processes with Excel files. In this respect one cannot speak of saturation. Other companies use legacy systems that are already or soon will no longer be supported by the manufacturer or where a version change is not worthwhile. For example, because the effort would be higher than a new implementation.

And with our existing customers, I can say that they are generally well positioned in terms of ERP. They can completely customize or even redesign our system themselves and integrate numerous functions. And in the case of company acquisitions, caniasERP with its special consulting and corresponding migration tools is a very good consolidation platform.

Even though the market is not yet saturated, the requirements are becoming increasingly complex. An ERP system should be able to map considerably more processes today than ten years ago. Often, however, there are highly specialized subsystems that do not necessarily belong in an ERP system and that can be easily docked. Internationally, there are currently many inquiries from Asia. This was also the reason why we recently opened our location in South Korea. And South America and the Arab region are also becoming more relevant.

ERP systems such as SAP are strongly represented nationally and internationally. How do you stand up to this strong competition? When we are invited to a presentation, SAP is usually no longer on the shortlist. This is due to the rather rigid and inflexible processes. Customizing can quickly lead to longer implementation times and significantly higher costs in ERP projects. As a competitor, we often meet Abas or Asseco and sometimes Microsoft Dynamics AX or NAV. However, the latter will migrate completely into the cloud in the future, so that they will fall right through the cracks at companies with a strong on-premises relationship.

caniasERP has a big advantage, because today especially individually configurable ERP programs are in demand. Existing processes are not hindered because of the flexibility of the system and the system can grow with increasing demands and integrate new requirements more easily. In addition, we distinguish ourselves from competitors by stronger individuality.

What do you recommend to pay special attention to during an ERP implementation? It should always be carried out in a highly structured manner and sufficient time should be planned. It is important to deal intensively with the system to be introduced in advance and to carry out extensive test scenarios before going live. Above all, you have to take the employees with you, because they are the ones who will have to work with the system later. The management should explicitly and clearly stand behind the project and communicate very transparently to the employees what goals they want to achieve with the new system.

One should see an ERP implementation as an opportunity to put existing business processes to the test and try something new if necessary. This does not mean adapting to the new software, but rather analyzing one's own processes, possibly restructuring them, and above all optimizing one's own processes. Of course, traditional processes do not have to be bad from the start, but it is always important to check and improve them from time to time. And that's how a new ERP implementation can become a real success story.

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