LEWIS PUGH
IN INTERVIEW
ENDURANCE SWIMMER
AND OCEAN ADVOCATE

IFS SERVICE
AND SUPPORT
MAP IFS TO YOUR BUSINESS GOALS

CLOUD
PREDICTIONS AND PLANS

EMERGING TRENDS
IN GLOBAL BUSINESS

LINDA HILL
INTERVIEW WITH LEADERSHIP
EXPERT AND ECONOMIST
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As this magazine goes to press, I find myself rewriting this letter because the last one is already out of date. It is a telling metaphor for a business climate that I am sure you can all empathize with.

Being a business leader through uncertain social and economic times requires additional time, focus, planning and strategy. Over the next few weeks we will all, no doubt, continue to navigate our way through the immediate crisis while simultaneously planning for recovery through innovation, diversification and ongoing transformation.

Despite these numerous challenges, I’m pleased to observe that the ‘challenger mindset’ continues to thrive in my team here at IFS and in the customers I speak with every day. Projects are moving forward utilizing remote delivery, and digital business value assessments are increasingly replacing face to face sessions. IT workforce resources are also being supplemented by application management services, helping to overcome rapidly changing competency requirements and freeing up IT teams to focus on managing the challenges ahead.

In these exceptional times we are proud to take an active part in helping our customers cope with increasingly stringent restrictions on travel and work, while ensuring the health and safety of their people. For example, one field service customer is deploying the merged reality features of IFS Remote Assistance to share expertise from remote working locations, enabling them to continue to provide their service in a manner that is safe for customers and employees.

This is proof of the resilience of our customers and demonstrates what a difference technology can make when times are tough.

Know that with IFS, you can move quickly and keep pace with ever-changing market forces while remaining relevant in your industry. We will continue to honor our Challenger community through delivering solutions that are easy to use, fast to deploy and supported around the clock.

May the rest of 2020 keep you all safe and well.

Best regards,

Darren Roos
CHIEF EXECUTIVE OFFICER
Munter's Rolls Out IFS Remote Assistance in 2 Weeks

In a move to guarantee equipment uptime for its customers, Munter's has chosen to upgrade their existing IFS ERP solution to include IFS Remote Assistance, providing the ability for any of Munter's employees to be anywhere, instantly.

Gartner Customer Accolade for IFS Enterprise Asset Management

IFS has been named a Gartner Peer Insights Customers' Choice for its EAM solution, based on feedback and ratings from end-user professionals working with the software.
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**CHALLENGER CHAMPIONS 2020: NOMINATIONS CLOSING SHORTLY**

There is still time for you to nominate a colleague that is leading the way with their use of IFS for the Challenger Champions class of 2020. To make your nomination, reach out to rebecca.walker@ifs.com.

IFS.BIZ/P8RI

05

**IFS COMMUNITY REACHES 3000 MEMBERS**

The online forum launched at IFS’ World Conference (WoCo) last year now has over 3000 members and 1500+ topics in discussion. Join the conversation today!

COMMUNITY.IFS.COM

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**THE IFS CUSTOMER SURVEY—COMING SOON!**

IFS customers will soon receive an invitation to complete the customer survey via email. Don’t miss the perfect opportunity to have your say!

If you have any issues receiving the survey, please contact rebecca.walker@ifs.com.
OUR SEVEN-YEAR STUDY

Over the last seven years, IFS has conducted two cloud studies, which illustrate several trends we can extrapolate to the future.

In 2019, we conducted a study of 600 business decision makers from around the world, asking them how they currently provision their software and their attitudes regarding enterprise cloud. When we compared that data against a similar IFS study conducted in 2012, we found that the percentage of companies relying on cloud enterprise software almost doubled. In 2012, 61.6% of respondents housed their software on-premise—a figure that dropped to just 37.2% seven years later. And in 2019 alone, IFS saw a 56% increase in cloud and software as a service (SaaS) revenue from our established customer base and net new customers.

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In addition to uptake levels, we investigated prevailing attitudes toward cloud choice, and we asked our participants: how important is cloud choice? We define cloud choice as giving customers the freedom to buy their software how they want—on a perpetual license or through a subscription—and provision it wherever they want—on their own servers, on their software vendor’s servers, or with a third party. We believe customers should be able to run the same solution in the cloud or on-premise and pay for the software in the way that suits them best.

Our study participants bolstered this belief, with the results indicating their future software selections will take this important dynamic into consideration. In fact, 88.9% of respondents answered with “very important” or “somewhat important”.

RESPONDENTS HOUSING SOFTWARE ON-PREMISE

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>2012</td>
<td>62%</td>
</tr>
<tr>
<td>2019</td>
<td>56%</td>
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In 2019 alone, IFS saw a 56% increase in its cloud business.

GLOBAL TRENDS

OUR SEVEN-YEAR STUDY

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1 ifs.biz/2x1s
EMERGING TECHNOLOGY DEVELOPMENTS

At IFS, we continuously track new technologies and believe the following three areas will be key to the direction of cloud in the coming years.

ARTIFICIAL INTELLIGENCE (AI)

According to Statista, the global value of the AI software market will reach an expected US$126 billion by 2025, and much of this value will come from AI driving cloud computing. However, a significant amount will also result from cloud computing powering the influence AI can have in the larger market.

Cloud may well become self-managing, as AI automates repetitive tasks and is eventually used to monitor and even self-heal issues as they appear. Meanwhile, real-time data generation from AI will transform analytical insights in enterprise cloud software, as data pattern-recognition is taken to the next level.

DECENTRALIZED CLOUD COMPUTING

Various applications of blockchain technology have been available for some time, and the basic principles are starting to be used in cloud computing. By pooling idle resources such as excess storage and idle computing capacity, decentralized cloud computing (DCC) has the potential to lower costs for small-budget organizations, such as schools, small businesses, and charities.

In the current model, cloud vendors link to a centralized server architecture via the internet, but DCC uses the power of edge computing. By moving storage and processes to the device at the edge of the network, efficiencies are potentially increased. Security is also improved because files are stored locally behind a firewall in specific geographic locations and access is tightly controlled. Furthermore, data is not copied to secondary locations or third-party servers, which decreases exposure. And the nature of blockchain means that attackers can only access blocks of data rather than the entire file.

QUANTUM COMPUTING

In November 2019, Microsoft announced it would begin to provide access to quantum computers in its Azure cloud for select customers. Most other large cloud vendors have also begun the journey, which is currently in the experimental phase. Existing quantum hardware is not yet ready to perform useful tasks, but cloud vendors are encouraging users around the world to start experimenting with algorithms and hardware to illuminate how the technology might be best used.

The main vendor aspiration is that quantum mechanical processes eventually unleash unprecedented computational power. This will transform how cloud data can be organized, analyzed, and capitalized on.
The world of cloud enterprise software rarely stays still for long, and this year has so far shown just as much vibrancy as the last. Here is a selection of our customer announcements for 2020.

ENHANCED DISASTER RECOVERY CAPABILITY

Are disasters becoming more frequent, or are we just hearing more about them?

Either way, enhanced disaster recovery capability is often a key driver for enterprises considering the cloud, something we touched upon in the previous issue of the CHALLENGER.

At its most extreme, we’ve heard stories of enterprises who, in the midst of a hurricane bearing down on their premises, could still continue running their businesses. Their on-premise servers may have failed due to flooding or power outages, but employees were able to work remotely and keep operations afloat.

For many companies, part of the attraction of moving to the cloud is levels of resilience and robustness far exceeding what they could achieve on-premise. This means the likelihood of a disaster impacting their service is greatly reduced, especially when the cloud service already includes disaster recovery by default.

At IFS, our cloud service includes disaster recovery as standard, but for those customers that need extra levels of protection, we can now offer one-hour disaster recovery, with zero minutes data loss.

OUR NEW CUSTOMER PORTAL

We encourage our cloud customers to give ongoing feedback about their service, and we listened to their requests for increased service visibility and insight. Recently released, the portal allows you to access the cloud service through a dashboard, providing KPIs and metrics on service performance and system availability. And there’s much value still to be unlocked—as we develop the offering further through regular releases, our customers will continue to reap the rewards of their cloud service.

IFS CLOUD FOR ITAR

If your company is subject to International Traffic In Arms Regulations (ITAR) export controls, it’s also responsible for the operational compliance of any cloud-based services used.

Using a dedicated operations team based in the United States, and running on the Microsoft Azure Government Cloud platform, IFS Cloud for ITAR helps you support compliant business operations when they fall under ITAR export controls.

It enables you to:

- Minimize the risk and cost of enterprise resource planning, enterprise asset management, and service management
- Use IFS software as a cloud service, without compromising ITAR compliance
- Trust secure, compliant US data centers
- Prepare for new overseas markets

LEARN MORE:

IFS.BIZ/VDBL
INVESTMENTS IN TOOLS AND TALENT

Our heavy investment in the Azure cloud platform meant we achieved 99.93% cloud availability over the 2018-2019 planning period. To put that in perspective: our customers experienced less than six hours’ downtime for the year, on average. And since cloud customers receive a commitment of 99.5%, results such as these affirm the wider IFS intent: to under promise and over deliver.

The stability of our software, the way we architect and implement systems, and the way we monitor and manage them all contribute to this performance. These elements have progressed steadily over the years and are complemented by our investment in high levels of automation. Overseen by our cloud ops experts, automation not only increases service performance and efficiency; it also frees those experts up to further focus on the complex and unusual. With less time spent on routine activities, we can get more out of their expertise—as can our customers.

We’ve been investing heavily in the global team, recruiting for our offices in Sri Lanka, the UK, the US, and beyond. Our commitment to hire substantially more cloud staff springs from our dedication to bring our customers sensible enterprise solutions that add value in the ways that matter most to your business.

SHAPING THE FUTURE

If you’re a current IFS cloud customer, we’re excited to continue sharing the future with you—helping you run your business applications, your way. And if you’re considering a move to the cloud, please don’t hesitate to contact your local IFS representative.

IFS.BIZ/7F7L

VIEW CLOUD VIDEO
Leadership is a subject that spans a variety of thought-provoking conversations. We got the chance to sit down with an expert in the field—Linda Hill, the Wallace Brett Donham Professor of Business Administration at the Harvard Business School and Chair of the Leadership Initiative, among many other attributes.

Does everyone strive to be a leader?

Leadership to me is a function rather than a title; everybody, in their own way, should figure out how to make a difference. Depending on how you define leadership, I’d say everyone in an organization aspires to make a difference and have more authority, scope, and scale, so I’d say that yes, everyone strives to be a leader.

On the other hand, does everyone want to have leadership roles? Now that’s a choice that everyone needs to make. Some find happiness being an individual contributor, in which case I’d say no. Having impact and focus on the opportunity for the customer is the most important thing.

Is there a difference in leadership style between higher levels of management and lower levels of leadership?

One of the problems that I often see in organizations is that when people get more authority, it changes the way they behave, or people change the way they behave towards those in authority positions.

I was talking to a CEO recently who said he realized that when he became CEO, the people he considered as his peers stopped talking to him as they usually would and avoided telling him what they really thought. He said he was still very comfortable to continue hearing that dialog in his new position; however, he now felt they couldn’t talk to him in the same way. This tends to happen in organizations, and I’m not sure what the cause for that is, whether it’s the leader or the follower. In my opinion, I’d say it’s a leader’s responsibility to behave in ways that make people see that they can express what they want to say, because people are going to be following the example of that leader.
We all have a responsibility to speak up, but a leader needs to take the first step as a role model, to display the kind of behaviour that others are expecting.

How does culture affect leadership style and does it drive behaviour?

An observation I have made is that there are national differences in what people expect from their leaders and also the expectations of how people should work together.

Whenever we talk about national differences in leadership, we are talking about research that’s based on the averages of people in certain populations. For example, a common assumption is that people from the US are more individualistic compared with people from Japan, who are more collectivistic and collaborative. There is research to support that on average that is true, but of course you never know what an individual’s point of view is. An American could in fact be more collaborative in their leadership style and point of view, because you do not know what many factors have influenced that person’s behaviour in the past. One of my former students was hired to do a study on Asian leadership styles across 16 countries, and there were lots of differences in what people expected or wanted from a leader.

There are also differences in global teams working together. We’ve seen that what drives their behavior most are the tasks that they are given. This can sometimes be a problem because these types of peers can become too alike, when really what you want from a global team is more diversity. We tend to adapt to each other because that’s what humans do when they are interacting.
Demographic factors, life experiences, organizational experiences, and the tasks individuals are given tend to be the factors that drive people’s behavior the most. Differences in behavior matter, in order to establish an inclusive culture at work.

What about gender?

It’s actually very difficult to see the behavior difference between gender and power. It turns out from research that on average, those that are of low power tend to behave in ways that are more feminine, but not everybody agrees with this as power differences can’t be controlled.

Another study on gender and leadership comes to mind. It found that particularly the peers of women, as compared to the peers of men, saw that women were less likely to be visionary—and that’s a problem, as most people associate visionaries with leadership. Whether or not women really are less visionary, this was the perception that came from that study, which aroused a lot of questions. Do women care as much about being visionary? Do they only care about getting the work done? My colleague wrote a comparison article based on these questions, using Barack Obama as the visionary, and Hillary Clinton as the worker. She concluded that perhaps women do vision differently than men and that perhaps they do it in a more collaborative way, which doesn’t stand out as much as an individual visionary would. There is other research that suggests women executives are more empathic, too.

An interesting analysis conducted by Goldman Sachs in Japan found that unless Japan got more women into the workplace, the country’s GDP would not be able to support itself going forward. This subject became part of the political platform for the Prime Minister of Japan, who invited me to talk at Womenomics, a platform he is involved with.

It’s difficult to say whether gender effects leadership style, but we need diversity wherever it may be, and there is reason to believe that demographics do have an impact on diversity of thought, so you can’t afford to let that talent go to waste!

With a new generation emerging into the workplace, what should experienced leaders be on the lookout for? For example, Baby Boomers vs Millennials?

I must confess I’ve always liked Millennials. People say they are complicated, but as a professor I see them come through university all the time, and they are all wonderful in their own way! What we know from research is that the generations coming into the workforce today want to know they are going to be developed and that they are going to have an impact in organizations with a purpose they really care about. So, the purpose and the meaning of the work your organization is doing really matters if you want to retain young talent. Of course, you can attract this talent with money, but retaining that talent comes down to a company’s purpose.

I went to a meeting on Millennials, and I learned that a lot of companies have moved their performance management ranking scales, as Millennials are both competitive and collaborative. They actually want those rankings, whereas Baby Boomers dislike being ranked. So, if a company decides to redesign its management system, it needs to keep those factors in consideration.

Finally, at IFS we talk about being a challenger—how everyone can make a difference and lead by example through their novel way of thinking. Would you consider yourself to be a challenger?

I guess I am. I’m not all that strategic when I think about my own career. I have been very opportunistic, but only in the sense that I do things I think I can be passionate about. That’s always been my approach to life. The way that ties into me being a challenger is that I’m always thinking about what I could be doing, and what’s most important to who I’m working with, instead of what I should be doing! I was pleased recently when a colleague of mine said: “Linda and I may not always agree on things, but I believe she is always trying to do what’s best for Harvard Business School.” Now that’s the best thing for me to hear, that she knows we have a shared agenda and that it is what drives me the most. So yes, I would say that I am a challenger—if I feel something isn’t working out regardless of the differences in opinions, I’m probably going to point it out!

You can read more insights from Linda in her book:

**BECOMING A MANAGER:**

**HOW NEW MANAGERS MASTER THE CHALLENGES OF LEADERSHIP**

[IFS.BIZ/WU4W](#)
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People often ask me why I swim without any protection other than a cap, goggles, and a pair of Speedo swimming trunks—even when the water temperature drops below zero. I do it for the challenge. Not for myself, but to world leaders.

When I ask them to protect vulnerable seas and oceans, I am asking them to be courageous. I am asking them to step out of their comfort zone and take action. I am asking them to be leaders and pioneers. How can I do this if I am not prepared to risk something myself? Even if that risk is to my own life.

UNDER THE ICE SHEET
In 33 years of endurance swimming, I’ve swum in every ocean in the world. I’ve broken records for the northernmost and southernmost swims, and for the highest-ever swim, in the frozen Himalayas. But I have never experienced a swim like the one I did under the East Antarctic Ice Sheet. Swimming under the ice was as beautiful as it was terrifying. I swam between walls of ice, through an ice tunnel with needle-sharp stalactites dripping down above me. The blues were of every shade imaginable, from bright turquoise to deep indigo.

It was breath-taking, but the boom of the ice breaking above my head reminded me not to linger—that, and the fact that I could no longer feel my hands. The water temperature hovered around 0°C.

BREAKING RECORDS
I spent months preparing for this swim. Scientists have recorded over 65,000 supra-glacial lakes on the East Antarctic Ice Sheet. They are not only cold, but they are also unstable—they can suddenly crack and drain out in a terrifying rush.
So why did I want to swim here? Quite simply to demonstrate the rapid changes that are taking place in Antarctica, and because I have seen the oceans of the world change before my eyes.

I’ve seen coral reefs bleach, I’ve seen underwater Gardens of Eden turn to virtual deserts, I have watched glaciers retreat, at both poles, at an unprecedented rate. Record-breaking temperatures, industrial overfishing, and plastic pollution are just some of the challenges facing our oceans. I once swam for the challenge of pioneering new places. Now when I swim, I do so strategically, to focus attention on an area in trouble, and to highlight the need for Marine Protected Areas (MPAs) to keep them safe and help them recover.

THE POWER OF MPAS
Healthy oceans thrive with the kind of life I was accustomed to seeing when I started swimming all those years ago. Healthy oceans are also more robust at withstanding the challenges of climate change. To date, my foundation has been instrumental in protecting over 2 million km² of vulnerable ocean—an area larger than Western Europe. We are now working to fully protect at least 30% of the world’s oceans by 2030.

LOOKING FORWARD
I am writing this from Moscow, where I am participating in meetings that I trust will open the way for an East Antarctica MPA before the year is out. Russians are no strangers to challenge, and I believe that they will rise to this one. At the end of this year (event now postponed), world leaders will gather for the COP 26 Climate Change Summit in Glasgow. Frustration has been mounting at the lack of decisive action at the last few climate summits. My plan is to challenge world leaders to be brave and do the right thing.

We need urgent, decisive action, and we need it now. If we fail to act, the climatic challenges the future presents us with may prove insurmountable.

This was a guest blog post written for IFS by Lewis Pugh. Head over to the IFS BLOG to read further guest entries, thought leadership, opinions, and customer insights:

BLOG.IFS.COM
ROUTE TO TANGIBLE VALUE

- PRODUCTIVITY IMPROVEMENT:
  18% increase per impacted IFS user

Source: IDC White Paper, sponsored by IFS,
The Business Value of IFS Enterprise Solutions with Industry-Specific Use Cases, September 2019

BUSINESS OUTPUT IMPROVEMENTS

MORE WORK ORDERS COMPLETED
- 28%

FASTER DELIVERY OF ORDERS/PRODUCT
- 14%

FASTER BUDGETARY CYCLES
- 21%

MAP IFS TO YOUR BUSINESS GOALS

More relevant than the IFS, or even the software industry’s definition of ‘Success’, is a customer’s unique definition of what will make them successful. Success & Select are the engagement frameworks that allow us to focus on driving real business value as defined by you.

Whether implementing, upgrading or optimizing—I  FS Success and IFS Select have specific services that can meet your needs. For any solution to be embraced by the business, the requirement must be understood and teams mobilized.

MAKING CUSTOMER SUCCESS REAL

More relevant than the IFS, or even the software industry’s definition of ‘Success’, is a customer’s unique definition of what will make them successful. Success & Select are the engagement frameworks that allow us to focus on driving real business value as defined by you.

Whether implementing, upgrading or optimizing—IFS Success and IFS Select have specific services that can meet your needs. For any solution to be embraced by the business, the requirement must be understood and teams mobilized.
There are three prevailing factors that enhance greater business value:

- Early and continuous alignment of investment in IFS to business objectives
- Having experienced and skilled people committed to the delivery of the business objectives
- Utilising industry specific, tried and tested, best practices in the solution

Adherence to these three common-sense rules seems simple, but the majority of Customers will fall down on at least one of these points which adds time, cost and frustration to any IFS enabled transformation. We, as part of an ecosystem including our partners, have refined our approach and methodology to ensure these factors are observed in every Success & Select engagement. Collectively we:

- Aim to ensure the CEO and all levels of management are bought into and focused on the business case, which aligns investments and objectives.
- Extend the business case and link it to end-to-end workflows—we work toward a common understanding and visualise how the value will manifest itself in the business using IFS Scope Tool.
- We phase the changes. Full business improvement may be funded and agreed as part of the implementation or upgrade, but regularly the truest form of value realization will happen with live solutions. We help customers accept this reality and plan for it.
- Supplement your business/IT/project teams with functional and solution experts who can bring best practice guidance from other Customer cases to further reduce the time to value and maximize the business benefits.
- Track and visualize—without adequate reporting and cadence, business benefits can get lost, or worse, misinterpreted. Using the IFS Value Assurance framework, we help to build a robust long-term value strategy and support in the execution of it.
- Simplify your solution and go live faster and with fewer modifications—the IFS Industry Accelerators package the industry lessons learned from prior implementations and allows Customers to start from a best practice solution and better manage any necessary changes through the project.

Redefining Relationships

Historically a software discussion was about solving existing business challenges with software features and functionality. Today the conversation with CXO’s is instead centered around not only solving existing challenges, but more importantly how the vendor-customer partnership will consistently deliver value in the context of a customers’ evolving needs and aspirations. Feature and functionality discussions are bypassed in favor of a vision for how the investment can be continuously sweated to drive business objectives, and how the vendor helps drive maximum value realization. In achieving this so consistently, IFS is an industry leader.

Every IFS project starts with a business case and ends business users adopting and iterating. Projects initiated with a solid vision of what needs to be achieved and the right people engaged throughout the process, deliver outcomes truest to purpose.

IFS is a transformational business partner, where the application itself is an enabler. IFS can provide access to key solution and industry experts, but having the right people is also the responsibility of the Customer. Having the right mix of business, IT technical, functional, solution and change management expertise makes the vast difference between project execution and success.

“IFS tailored their approach to our needs rather than presenting a limited set of off-the-shelf options and then leaving us to make our own decisions. We know we can be demanding at times—we know what we need to achieve and we are intentionally very selective about who we partner with. IFS has consistently demonstrated the pragmatism, passion, domain expertise and commitment to execute, just what we need from a long-term partner. IFS continues to make this journey customer-orientated,” Stefaan Kinderkens says.

What stood out with IFS, was that it never felt like a sales journey. From day one we were talking to people who were really experts in their field. The IFS team, whether technology or business focused, were focused on trying to understand our challenges, opportunities in our market and how to create value for us.”

Stefaan Kinderkens
CDIO, MediQ

IFS Service and Support
IFS can engage in a number of ways. Increasingly we work with our partner network as a true enabler of broad expertise, customer choice and scale. We usually partner in the following ways:

- **THE PRIME CONTRACTOR**
The entity on the hook for the core structural work. Typically, a Partner.

- **THE SUB-CONTRACTOR**
Selected by prime contractor to carry out key specialist tasks. Typically a second Partner who may have unique skills or additional capacity.

- **THE SAFEGUARDING PARTNER**
Independent guidance and validation to ensure the project goes to plan and to specification. Most effective when delivered in combination with the Customer and Partners proactively during the project. Typically IFS.

**THE IFS ENGAGEMENT STACK**
We believe Challengers Deserve Choice. Each customer has very personal expectations of what they need from IFS—our portfolio caters for this. The engagement stack brings into alignment various touch points from across IFS Consulting and IFS Support to build a coherent and directed experience.

**SUPPORT**
IFS Gold caters to those who expect a dominantly reactive engagement, with a technical focus. Through IFS Gold a customer can keep their solution up to date. The service grants access to next releases, and resolutions to product related issues upon request.

IFS Platinum includes the deliverables of IFS Gold, but with increased proactivity and business focus. IFS Platinum is typically a good fit for customers where IFS is a business-critical solution or where there is increased demand for business continuity assistance. The service provides 24/7 case handling, guaranteed SLAs, Customer Care Advocacy and is the prime base for a Success engagement.

**COMMUNITY**
The IFS Community is a source of peer-to-peer support, open on a self-help and self-enable basis. The Community connects customers, partners and IFS experts. The value of the community comes from exchanging experiences, crowdsourcing knowledge and the opportunity to influence the product roadmap. The community is growing on a daily basis and right now we have over 2800 members and feature 1300 topics.

**SUCCESS**
IFS Success is centred around the delivery of defined business outcomes. With services dedicated to adoption, optimization and future-proofing the services can be deployed throughout the lifecycle to meet the evolving needs of the business.

IFS Select caters to those you want ultimate proactivity and business focus from IFS. With an emphasis on business transformation, IFS Select provides access to lifetime value management, tailored engagement architecture and executive sponsorship.

All IFS Select & Success Services are provided under a multi-year subscription which drives predictability of outcomes as well as costs for our Customers and truly underlines our promise to deliver excellence. All Services are provided under a single agreement and will automatically align with your chosen model of Product Support (Gold or Platinum) to give you the relationship with IFS that you need to grow and challenge in your industry. Far from replacing the existing Consulting or Support frameworks, Select & Success will encompass, evolve and elevate the good parts of what IFS does today whilst addressing valid Customer feedback in parallel to offer an industry leading level of Service.
IFS SUCCESS

- Outsourced IFS Operations through Application Management Service (AMS)
- Impactful Business Optimization through Value Assurance
- Embedded Expertise for Projects through Safeguarding

- Extensive IFS Expertise
- Application SLA's
- Business Architects
- KPI Tracking
- IFS Experience
- Project Success

IFS SELECT

- Industry Architects
- Strategic Partnership
- Bespoke Service

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Learn more about IFS Success and IFS Select
IFS.BIZ/WAS9
THE THREE KEY COMPONENTS OF IFS SUCCESS

What is the purpose of, and what differentiates, the three main components of IFS Success; AMS, Value Assurance and Safeguarding?

1. AMS

Business users expect a predictable response and resolution from their IT solutions, and IFS is no different. Getting access to subject matter expertise in a timely and cost-effective way has been a challenge in the past and IFS has invested heavily in its AMS offering to address this. IFS has always had a robust support model for bug fixes, updates and continued investment in its solution, and now Customers can also trust IFS to manage activities at the application level. Through feedback from our Customer base we have tailored our service to provide a fixed number of cases per month, with contractual response and resolution times across the IFS’ solution portfolio. By having deep experts responsible for both reactive and proactive solution tasks, we drive better outcomes with faster responses. This in turn allows us to serve more Customers and gain even more experience in a self-perpetuating cycle. AMS gives IFS the contractual responsibility for both the response to, and resolution of, tasks that would typically be the customers’ responsibility. Packaged for predictable quality and cost, Application Management Services (AMS) is available as part of IFS Success or IFS Select.

IFS AMS provides customers with access to operational excellence across the entire application under one service offering. The average tenure of the experts delivering this service is 6 to 8 years. This ensures timely and consistent access to a highly skilled, highly experienced resource pool not readily available in the wider market. The service provides flexibility and choice across multiple disciplines allowing a customer to tailor their engagement with IFS according to their specific and ongoing business requirements. IFS AMS can replace an entire IT department freeing up resource to focus on the core business or it can supplement existing skills and competence already being delivered in-house or via a 3rd party. A typical engagement is on a 3-year basis, providing a dedicated Service Delivery Manager as single point of contact and is delivered via a ticket-based service. We also have cases where IFS and certified partners collaborate on a multi-tier offering.

IFS AMS is scoped specifically according to the needs and requirements of the customer allowing IFS to feel the heart-beat of the customer’s business on a daily basis, enhancing our role as an integral partner to their ongoing success.
"Our business is growing at pace and we need an IT support infrastructure that grows and flexes as we do. Our business infrastructure relies on IFS to manage all of our key assets globally and we need to run in real-time. We partnered with IFS Success AMS primarily because of the global reach, technical/functional capability, the average tenure of the experts involved and the predictability of service level/response times that IFS were willing to commit to. We have found IFS to be open to feedback to improving the service and value the relationship we have built with key members of the AMS team, they are acting as an extension of our own internal capability."

Kjetil Gran
IT Director, Borr Drilling

2. VALUE ASSURANCE
It is one thing to create a data-based business case for our Customers, it is the next logical step to help our Customers achieve their desired outcomes. Value Assurance is the framework that allows IFS to work strategically with customers over a long-term period, offering thought leadership, a tested methodology, dedicated experts and the experience of helping many businesses achieve their goals again and again, using our software long-term.

Directly targeting two factors for greater business value:

- Early and continuous alignment of investment in IFS to business objectives
- Having experienced and skilled people committed to the delivery of the business objectives
At each and every point key skill sets from the IFS ecosystem are available to support the execution of agreed actions, to help steer stakeholder management and communication to ensure user adoption. The crux of Value Realization rests ultimately with business adoption—though Value Assurance, we strategical partner with customers to make that a reality.

### 3. SAFEGUARDING

Given IFS’ experience of priming and partnering on thousands of transformational projects, many lessons have been learned, some the hard way. Capturing these experiences and the best practices is key. We must trust our Customers and Partners to make the key decisions, but that does not mean IFS should not challenge and advise based on first-hand experience. IFS has developed a pragmatic model for Safeguarding based on 7 Standards:

- **PROJECT CONTROLS**
- **PROJECT STEERING**
- **SOLUTION INTEGRITY**
- **CODE MANAGEMENT**
- **TECHNICAL INFRASTRUCTURE**
- **CHANGE MANAGEMENT**
- **OPERATIONAL READINESS**

Ensuring a meaningful level of engagement requires an upfront investment by IFS to work with the Customer and Partner to understand the level of competency available and the key challenges that are likely to be faced. Based on this, IFS build a ‘Safeguarding Plan’ of anticipated activities that will require insight and involvement from IFS during the Project which is then refined with the Customer and Partner(s). The Safeguarding Plan can flex during the delivery as the project progresses and risk profiles change. IFS is then in a position to provide mitigations, recommendations, contributions and importantly, validated executive/management updates on the progress of key goals. In 2020, “skin in the game” is not one individual sat on a change board, which delivers little actionable value, IFS need to contribute in a measured and meaningful way to help secure project outcomes—Safeguarding is the service to achieve this. Additionally, IFS will not pursue the path many of our competitors have walked with end of phase reviews for Partner-led projects...this approach only leads to project delays and increased project spend. IFS instead will continue to invest in a value-based proactive model that helps our Customers and Partners be successful.
FIT FOR THE FUTURE

We are for the challengers. We are committed to not only delivering best in class implementation projects, timely and tangible return on investment and value management engagements, but also to continuously innovating and evolving how we help you succeed. The parameters of traditional frameworks didn’t allow our customers or ourselves the flexibility to adopt new ways of working, quickly—with IFS Success and IFS Select, this changes. They become the package that evolves for each and every customer with alignment to their specific business objectives, and to the strengths of the ecosystem each customer deploys—be that with IFS as the sole strategic partner, or with IFS as a part of a broad and talented network of trusted partners.

For Customers that have embraced the purple culture and extensively built IFS into their future roadmap, we are investing in more opportunities to collaborate, knowledge share and influence our product strategy.

IFS Select Customers gain access to exclusive IFS business and technology forums and events including a roundtable at the IFS World Conference.

We want you to be proud to be an IFS Customer and we will continue to partner with you and make your desired outcomes, our desired outcomes. Success & Select Services give us a fantastic platform to collaborate more closely moving forward. There has never been a better time to be an IFS Customer.

To find out how you can become an IFS Success or Select Customer, please contact us:

LIFECYLESERVICES@IFS.COM
IFS will continue to focus on joining forces with our partner ecosystem to support and bring the business objectives of our customers to life. One way in which we are executing on this is through investments in Technology Alliances—building an ecosystem of IFS technology partners—in place and ready to support our valued customers. We sat down with a new face at IFS, Sakari Jorma, SVP of Technology Alliances, to discuss this newly established branch of the IFS partner ecosystem.

So, Sakari, let’s start off by telling readers a bit about yourself.

Well, where do I begin? I have over 20 years’ experience in the IT/software arena, having started my career in IT support and progressing on to be Head of Master Data Management at Nokia. I then moved to Software AG as their Global Business Development Director of multiple solutions, and I was the Chief Technology & Information Officer at Talenom, before joining IFS.

Outside of work I’m studying for my PhD in Digital Strategies. I’m a father of two and a sports enthusiast. I take part in a lot of triathlete events in Finland, my home country. Those who attended the IFS Global Sales Kick Off in January and saw me participate in the “Challenger Band” also know that I’m a bit of a musician—I sing and play both the guitar and piano. When I first joined IFS, I dyed my hair purple—so you could say I’m truly #forthechallengers!

It sounds like you like to keep yourself very busy! What led you to IFS?

I had run into IFS a few times in my previous job, and customers always talked highly of our solutions. One day I got a phone call from IFS and was told of the definitive need for a Global Technology Alliances organization at IFS. One thing led to another, and now I’m here making this new business happen. I’m having a real blast. Every day there is something new happening, and it’s exciting!
So, what does Technology Alliances mean, and where does it fit into the IFS partner ecosystem?

Let me start by giving you an overview of the partner ecosystem at IFS. We have a structured approach to partnering, consisting of four categories:

- **SERVICES PARTNERS**
  Focused on the integration and implementation of IFS software, including our System Integration partners such as TCS, Accenture, ProV and Tech Mahindra, among others.

- **CHANNEL PARTNERS**
  These are partners that sell IFS software primarily.

- **REFERRAL PARTNERS**
  Companies that provide services or solutions into IFS target industries and may identify IFS sales opportunities.

- **SOLUTIONS PARTNERS**
  These partners provide us with often complex technological capabilities that makes IFS Applications even more robust and intuitive. This is where Global Technology Alliances falls in. Noteworthy Solutions Partners include Microsoft, Oracle, PTC, Help Lightning and dent & buckle.

So, what does Technology Alliances do? Well, from the start of my tenure at IFS (May 2019) we had a very clear vision. We could see that IFS had some gaps in the product stack that needed filling, so we looked to the market. There are many benefits that come from partnering with third-party technology vendors. They have the potential to accelerate our R&D efforts, and there is always the possibility of discovering something unique that we hadn’t thought about before—and that translates into more value delivered for our customers.

About a year ago we defined a portfolio management process that helps review our product stack and decide on actions for improving or adding to it.
When we have a new product idea, we look at three routes:

1. Are we going to build this ourselves? Does Christian Pedersen, IFS’s Chief Product Officer, and his team have the resources, time and investment to build this capability?

2. Could we acquire the technology? Fredrik vom Hofe’s team looks after Mergers and Acquisitions. Is there a company we could buy that has a brilliant niche technology we could utilize in order to bring something unique to the market?

3. Partnership. Partnering with a technology organization brings a lot of the same benefits as the other options, and at the same time strengthens the IFS brand. This is where my team fits in.

This leads into my next question regarding the recently established technological partnership with Boomi. Tell us, how did this partnership come about?

Behind every good partnership there is always a brilliant story, and our story with Boomi is an interesting one!

It all began when I heard of some challenging customer system integration stories. There seemed to be multiple different solutions on how to execute the integration, a story I have heard many times before in my career. When we truly started the Technology Alliances project, we conducted a series of internal interviews with employees from sales, R&D, and management, to establish what strategic extensions and capabilities were missing from our current product portfolio. One of the most important topics from that exercise was, not surprisingly, our integration capabilities—it was clear that we needed a harmonized integration platform.

Following these conversations, we then conducted an extensive evaluation of multiple integration platform providers. We held a lot of discussions, looked at the Gartner Magic Quadrant, and read customer reference cases. After a rigorous testing phase and multiple very intense negotiations, we decided on Boomi as the platform of choice—not only for our own products, but for use inside IFS as well.

What does this mean for IFS customers?

The partnership with Boomi means great things for IFS customers! For starters, it offers them more choice regarding data integration. They can choose how they want to bring their data into IFS Applications or how they choose to extract their data. The platform gives customers the choice to create a data-harmonization layer with real-time integration between their systems through the Boomi platform on top of IFS Applications. They can choose to do a batch integration, or have the option of a Microsoft Azure cloud integration. As the Boomi platform works in the cloud, any application from the customer side can integrate into it and, thus, integrate into IFS Applications seamlessly. The Boomi integration platform truly provides a huge business value extension to all IFS customers.

The agility factor is important too, as although we have existing APIs in place, this platform is incredibly time-saving. The speed of delivery for creating integrations between applications is much faster than programming them one by one. We are hoping that IFS customers will adopt this platform and develop their own integrations while using it.

So, what are the future goals for Technology Alliances at IFS?

We plan to continue our process in the same direction, as it has served us very well so far. We are quite “picky” when it comes to choosing the right technology partner and have only partnered with five out of 66 qualified partners that have approached us this past year. We must be smart about choosing the right technology partners for IFS, those that provide specific value to us, while keeping our customers’ needs front and center. It’s also important to build and expand the existing partnerships we have in this space. For IFS, partnerships are about quality.
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EMERGING TRENDS IN GLOBAL BUSINESS

NEW DECADE, NEW POSSIBILITIES:
Industry expertise and the ability to advise customers on emerging industry trends is one of IFS’s key differentiators in market. Our industry experts spend much of their time identifying and analyzing technological innovations, changing legislation, and other factors that may impact customers now and in the future. As a way to clarify our views on the current and future state of play in each of our target industries, from manufacturing to aerospace and defense, below is a summary of the most important trends our industry experts are watching for the foreseeable future.

INDUSTRIAL MANUFACTURING

CONNECTING MACHINES TO NETWORKS AND COMPANIES TO END-CONSUMERS

While change is buffeting industrial manufacturing from many directions, the most disruptive changes will be those which manufacturers can and should make for themselves. Many are already taking advantage of technologies like the internet of things (IoT) and, as we head into a new decade, will find themselves early adopters of things like artificial intelligence (AI), 5G, and 3D printing.

5G WILL HAVE MORE MACHINE THAN HUMAN CUSTOMERS
Looking past streaming music and video, IFS sees 5G making its greatest impact in industrial automation: Ultra-low-latency and ubiquitous connectivity will power sensors on industrial machines, enabling them to talk to each other and generate floods of data that, through machine learning, will unlock new vistas of cost savings and efficiency.

THE B-2-B-2-C MODEL WILL START TO COMPETE IN EARNEST WITH B-2-C
The movement of manufacturers, from their traditional perch at the far end of the value chain, toward the consumer is underpinned by the global trend of servitization—product-oriented companies either adding services to their products or selling their products as services on a subscription basis. Customer experience will improve as the business-to-business-to-consumer model takes hold because there will be more direct communication between the manufacturer and the end consumer of a product.

INCREASING AI INVESTMENTS WILL LEAD TO DOUBLE-DIGIT PRODUCTIVITY GAINS
An area that will continue to develop over the coming years is AI-powered demand planning and forecasting. As AIs are trained on the right data sets, manufacturers will be able to align their supply chain with demand projections to get insights that were previously unimaginable.
SUSTAINABILITY TRANSITIONS FROM BUZZWORD TO NECESSITY

Everybody is feeling the imperative to provide sustainable products, as retailers put pressure on manufacturers to deliver goods that satisfy consumers’ new preference for green and clean options. This means manufacturers need to implement technology to track where their products come from and what they are made of. They will also need to plan around shorter shelf lives that result from fewer additives and preservatives. The upside will be a revitalized industry with increased revenues and the opportunity for insurgent companies to challenge the huge consumer packaged goods (CPG) giants.

PRACTICAL SUSTAINABILITY

While, in the past, it may have been enough for food and beverage manufacturers to pay lip service to sustainability, consumers are now reading labels and considering environmental impact in their buying decisions. Based on this trend, clean labels, eco-friendly packaging, and proof of sustainability will be demanded by consumers and retailers alike, which will help insurgent manufacturers challenge CPG giants. Manufacturers will also need enterprise solutions that can support the tracking, tracing and mass-balance reporting that will be required for compliance.

PACKAGING AND SMART LABELS TAKE CENTER STAGE

There will be a near-term increase in the use of nanotechnology to inform consumers of the provenance of the product they buy. Simultaneously, the variety of pack sizes will continue to expand, allowing the consumer to buy in the quantity they want and thus reducing waste. We will also continue to see enhancements in smart labeling and technologies like antimicrobial packaging, and paper-based electrical gas sensors (sensors that can measure spoilage in fish and meat packaging) will see initial market adoption on retail shelves in the near future.

SERVITIZATION OF PROCESS MANUFACTURING

There are a large and growing number of process manufacturers interested in adopting a servitization model. Though servitizing products of process manufacturers may be more challenging than for discrete manufacturing, there are a couple of ways this can be achieved:

1. Literally add a service that complements the product. For example, a can of wall paint could be sold in combination with a visit from a consultant who makes house calls and advises on colors, textures, and techniques.

2. Charge outcome-based fees rather than per-unit prices: Pharma giant Novartis served as an example when, in addition to selling tablets by unit, it took its drug for congestive heart failure and offered hospitals a rebate on the cost of the drug if patients returned to hospital within a given time.
RAPID EVOLUTION OF TECHNOLOGY AND CUSTOMER EXPECTATIONS

Twenty years ago, field service may have been centered on break-fix repair, but the velocity now is towards long-term, contractual arrangements that are both more satisfying for the customer and more lucrative for the service provider. Transformational technologies can enable whole new revenue models that make field service organizations stickier and more intimate with their customer, even while generating greater value.

OUTCOMES-BASED SERVICE TAKES HOLD

Modern customers not only demand a better service experience, but a holistic outcome. They expect to be left feeling positive as well as have their specific issue remedied. As a result, we will see more service companies selling annual maintenance contracts. These contracts are attractive because they give a field service organization predictable revenue and the customer predictable outcomes.

DIGITAL TRANSFORMATION GETS HARDER BEFORE IT GETS EASIER

Looking beyond the hype, digital transformation is a complex journey for service organizations and one that can involve a painful departure from siloed operations, legacy tools, and outdated business processes. Despite this, we will see more field service providers adopt disruptive technologies like IoT and AI in customer and service-facing settings.

IOT GROWS UP AND WE’RE LEFT WITH ALL THE DATA

With more and more organizations saying they have some degree of remote connectivity for their assets, their drivers, and their parts, IoT is now mainstream. However, connected assets are only the beginning, not the destination—and customers are starting to realize the limitations of data collection for the sake of data collection. IFS forecasts that businesses will focus less attention on methods by which to collect data and more on making valuable use of the data they are already collecting.
The construction industry will continue to move towards radically more efficient construction operations. Some of this will be due to digitalization of business processes, but the real gains will have to do with the technology used to change the business processes themselves.

**INDUSTRY CHALLENGERS WHO EMBRACE DIGITAL CHANGE WILL ENJOY INCREASED PRODUCTIVITY**

Firstly, contractors must move away from spreadsheet-driven management and implement cohesive business systems to proactively monitor and manage the entire lifecycle of a construction project. With a central ERP system as a solid foundation, early adopters will be able to outperform competitors by leveraging complementary technology such as virtual reality, 3D printing, IoT, drones, and building information modeling (BIM) data.

**OFFSITE MANUFACTURING IS SET TO GROW BY 50% IN THE NEXT FOUR YEARS**

Offsite or “prefab” construction is a true game changer. It increases productivity because things can happen concurrently rather than sequentially and can be applied to any kind of project. Considering the rapid development of this methodology, IFS’s forecast is that in five years, 50% of all construction projects will use offsite and modular manufacturing or 3D printing, leading to a 40% drop in project delivery timescales and a 20% reduction in cost.

**THE CHALLENGERS ARE COMING TO SHAKE UP THE CONSTRUCTION MARKET**

With both IKEA and Amazon entering the construction game, we will see significant disruption in the sector as apparently secure incumbents are at risk of being ousted by providers of prefabricated “smart homes”. The question is whether established construction industry giants will lead the charge towards more effective enterprise technology that fixes these historical problems, or more progressive firms from outside the industry will play the role of the usurper.
TRACEABILITY, ACCOUNTABILITY, AND DIVERSIFICATION AT THE FORE

The world has never been more aware of the importance of conserving resources and reducing carbon emissions, and nowhere is this more keenly felt than in the energy sector. Besides the mounting social pressure, companies must also consider the business imperative and build long-term plans to insulate against macro-economic and geo-political volatility and the prospect of a skill shortage as younger generations are less inclined to enter a “dirty” industry.

RENEWABLE ENERGY WILL ATTRACT THE MAJORITY OF NEW INVESTMENT—BUT DEMAND FOR OIL AND GAS REMAINS HIGH

Figures from the International Energy Agency (IEA) suggest that by 2023, renewables will be in double figures as a percentage of fuels overall and that the size of the market will grow by one fifth until 2024. Even as wind and solar power are becoming more reliable and cheaper to install, IFS predicts that oil and gas will continue to meet around 50% of our near-term energy demand—before a sharp decline in around 2030—while renewables will continue to grow.

DEMANDS FOR INCREASED ACCOUNTABILITY AND VISIBILITY WILL BRING NEW TECH TO THE MINING INDUSTRY

Related to the above-mentioned factors around consumer demands, we will see a clear move along the entire mining value chain toward increased accountability. A blockchain provides an indisputable account of where, how, and under what circumstances a certain raw material was sourced, refined, shipped, and retailed. For companies in the precious metals and minerals value chain, blockchain will emerge as a powerful way to prove ethical and sustainable provenance.

TRADITIONAL BUSINESS MODELS EVOLVE AS ENERGY COMPANIES DIVERSIFY

Feeling the pressure to build a business that is sustainable in the long term, a number of traditional energy companies have started marketing themselves away from being purely oil and gas concerns. We will continue to see many household names diversifying and offering new or peripheral services. Moving beyond servitization, major players will expand to dominate an energy value chain end to end or react to an adjacent opportunity leveraging existing infrastructure that can be exploited relatively easily.
AI AND SWARMING DRONES
In an industry where gaining advantage can be the difference between mission success and failure, standing still has never been an option for military organizations and defense in-service support providers. Military organizations are at a crossroads: Budgets have to be balanced between keeping older, but still vital, assets in service and the attraction of shiny new investment in next-generation equipment all set against a backdrop of a real shortage of maintenance personnel.

AI GETS EMBEDDED FOR PREDICTIVE MAINTENANCE FOR MILITARY AIRCRAFT SYSTEMS
AI is rapidly maturing to help improve the readiness of military equipment. All of the U.S. military services have recently launched predictive maintenance projects to shrink the readiness gap. For the aircraft being developed into the new decade, it will be AI that will take center stage in sustainment software, from aircraft design, right through to manufacture and maintenance. Witness the British-led Tempest and the Franco-German-Spanish Future Combat Air System—AI is set to have a huge role in how those aircraft operate from both a maintenance and repair standpoint, but also operationally.

FROM A GAME OF DRONES TO A SWARM OF DRONES—UAV SWARM TECHNOLOGY AND AUTONOMOUS FLIGHT SYSTEMS
Many recent predictions have centered around unmanned equipment, but the advancement right now is the potential of grouping AI-controlled unmanned aerial vehicles (UAVs) together to provide a swarm—a format that is incredibly difficult to defend against from a military perspective. The key benefits of this new age of warfare are of course tactical, most air defenses are ill-prepared to deal with an aerial swarm, but simpler unmanned equipment can also be manufactured and maintained far more cost-effectively—reducing the logistics footprint of an aerial squadron and putting fewer servicemen at risk.

FURTHER READING
Our industry and subject-matter experts regularly share their thoughts about current and future trends on the IFS Blog. To learn more about what’s happening in your industry, check out: BLOG.IFS.COM
THE IFS COMMUNITY

A HOME FOR CHALLENGERS TO COLLABORATE

THE IFS COMMUNITY LAUNCHED IN 2019 WITH THE AIM OF BRINGING TOGETHER IFS CUSTOMERS, PARTNERS, AND EMPLOYEES ON ONE, SINGLE ONLINE PLATFORM.
The IFS Community is a platform that’s designed to let members gain knowledge and share expertise—by searching, asking questions, starting conversations, and suggesting ideas. Currently the IFS Community has representation from over 72 countries and has new members joining daily.

THE NEED FOR AN ONLINE COMMUNITY

One of the main reasons the IFS Community was launched was to handle general how-to questions. “There are many situations where someone has a simple question and they need a short answer. It’s not big enough to hire a consultant for but too small to ignore—that’s where the Community comes in,” notes Paul Helms, Senior Vice President, Customer Success, IFS.

Another driver for launching the Community was based on how fast IFS is growing, leading to a much greater need for a central source of IFS knowledge. The hope is that the Community is already vastly enhancing everyone’s experience and is a very fast way to get feedback from IFS experts. The Community saves customers time, providing answers quickly.

A PLATFORM FOR PEER-TO-PEER SUPPORT

Ultimately, the goal of the IFS Community is to disseminate knowledge, create advocates, and help IFS to build better products. The Community acts as a place for peer-to-peer support. Members can go there when they have questions; they’ll search to see if their question has been asked before and if it’s been answered. If it hasn’t, they can post a new topic and receive advice from fellow IFS customers, partners, and employees.

The Community provides the opportunity for members to showcase their knowledge—answering questions, suggesting solutions, offering advice—and then be recognized and rewarded for their expertise. Members of the Community come from all backgrounds—account managers, applications architects and analysts, business system advisors, the C-suite, IFS developers, IT directors, system engineers, software engineers, tech leads, and VPs. In addition, the IFS Partner Ecosystem can benefit from a platform that allows them to showcase their knowledge, solutions, and experience.

The Community gives members access to thousands of other IFS users, who are not only using the same product but also working in the same industry. They can connect with other members and go beyond those IFS how-to questions and start having “how-do-you?” discussions.

DEVELOPING IFS PRODUCTS TOGETHER

The Community will also help us build better products. In the upcoming months, ideas will be launching on to the Community. Members will be able to submit and vote on ideas, and the IFS product management team will be able to consider, respond, and prioritize suggestions and needs posted to the platform.

A PLACE FOR HEROES

There are various badges a Community member can obtain depending on their level of activity on the platform. One of those badges is “Hero”, and the name came about during a discussion with IFS CEO Darren Roos, who described IFS customers as “the real heroes of the story.” The name stuck and resonated with early adopter customers who tested out the Community.

By helping each other and being recognized by their peers for their contributions, customers, partners, and IFS employees can move up the leader board ranking system. Members start out as a Do Gooder, then go on to become a Side Kick, and then a Hero. Above Hero status is Super Hero, then Ultimate Hero, and finally Legend, which probably only a select few IFS experts will achieve.

Since the launch, the Community has had over 1500 topics raised with 85% of questions answered within the first 48 hours.

START COLLABORATING WITH YOUR PEERS—JOIN THE IFS COMMUNITY TODAY!

COMMUNITY.IFS.COM
GROW VALUE AND IMPROVE YOUR BUSINESS

MATT SMITH, GLOBAL CHIEF ARCHITECT, IFS
Today, businesses are facing disruption from competitors, new market entrants, and changing customer expectations. This disruption is common across all verticals, and business leaders are looking to technology to help address their challenges—from being more innovative to scaling the business to deliver new revenue streams, enhanced customer experiences, and more efficient business processes across the asset and customer lifecycle. In this increasingly competitive landscape, business leaders are rightly demanding more value from their technology projects, delivered faster. And this is where Business Value Engineering can help.

WHAT IS THE IFS APPROACH TO BUSINESS VALUE ENGINEERING?
Business Value Engineering is a common term in the industry, but here at IFS it’s a little different. Fundamentally, it’s a collaborative process that we use, working with our customers and our partners to make sure that what we do with those customers delivers financial value to their business.

Business Value Engineering facilitates a common vision and value system, both articulated in the same language, so it means the same thing to all parties, and enables you to achieve the goals of the project.

We’ve established a practice inside IFS, so that every country has the capability to deliver Business Value Engineering for customers. We’ve hired specialists to join these teams, and we are working with many customers now using this methodical, disciplined approach.

THE STUDY
We commissioned an independent study with IDC to understand exactly what our customers achieve using our software and measure the value it delivers to their business. This is a comprehensive retrospective study based on extensive interviews with 17 customers representing every industry vertical, product, and region that we serve. It is a truly global study that gives us provable, exact numbers we can use when working with customers on benchmarking activities.

THE FINDINGS
So, what did customers achieve with our software? Some of the findings might not be what you’d expect. Most people associate Enterprise Resource Planning (ERP), Enterprise Asset Management (EAM), and Service Management software with driving operational efficiencies. IDC found operational efficiencies accounted for just under half (47%) of the value derived. This value came from cost efficiencies such as reducing operational risk, optimizing supply chain and inventory, and improved maintenance of capital assets.

SO, WHERE DID THE OTHER HALF COME FROM?
TEAM PRODUCTIVITY GAINS...
Some of the business value (10%) came from productivity gains. The IDC study found IFS users benefit from an 18% productivity gain, as it enables them to work faster and more efficiently. That’s almost the equivalent of an extra day of productivity for every user, every working week.

Team productivity increases too as teams can work together seamlessly due to process improvements and more robust data that enables better collaboration. The increase in team productivity was seen throughout the business from field service (10%) to finance (24%), compliance (15%), supply chain (17%), and engineering (22%).

RESULTING IN FASTER, MORE ACCURATE WORK
The improved teamwork resulted in more accuracy and faster outputs. This was evidenced by field service teams especially, who benefited from faster scheduling of field service activities (57%) and more work orders completed (28%).

IDC found a significant reduction in errors in critical operations such as finance which resulted in faster business. The impact of IFS software of finance teams was also evidenced in key performance indicators. Finance cycles close 30% faster, errors occur 27% less frequently, and budgetary cycles complete 21% faster.

IFS HELPS US EXTEND THE LIFE SPAN OF CAPITAL ASSETS. I THINK IT’S AROUND 10-15% LONGER BECAUSE OF HIGHER MAINTENANCE QUALITY AND ASSESSMENTS

THE AVAILABILITY OF DATA OUR FINANCE TEAM RECEIVES, AND SEEING IT IN REAL TIME WITH IFS, IS BENEFICIAL. THERE IS LESS DATA ENTRY BUT MORE ANALYSIS. OUR FINANCE TEAM IS AROUND 50% MORE PRODUCTIVE... ALSO, WE HAVE 80% FEWER ERRORS BECAUSE THE IFS SYSTEM DOES NOT PERMIT USERS TO MAKE MISTAKES.”

LEADING TO HIGHER REVENUE
One of the most interesting findings of the study is that it demonstrates IFS customers increase revenue as a direct result of using our software. Almost half of the value (43%) the customer achieves from using the software is net new revenue—straight to the top line.

Interviewed IFS customers described how they captured tangible business value by utilizing their IFS platforms to help employees better meet industry—and customer-demand. They benefited from improved integration, visibility, and availability of data, which helped them better react to business opportunities. This increased visibility results in enhanced operational agility and the ability to customize products to enable business growth. As a result, sales efforts are seamless, require less time, and are more likely to win deals.

“The sales teams and customer service can respond to clients’ inquiries much faster. Because they have more data in hand, they can work out price and proposition better and faster than they could otherwise” says an IFS customer.

FASTER TIME TO VALUE
In addition to how much value IFS software delivers to customers and how, IDC also calculated how long it takes to realize this value. They found that the average payback for IFS customers is 15 months. Most legacy vendors quote 3-5 years, which gives IFS customers a 2-year advantage. That means instead of spending prolonged time and effort implementing complex software, the software is up and running and delivering value to the business.

INTERESTED IN USING OUR COMPLIMENTARY DIGITAL BVA SERVICE?
GET IN TOUCH: IFS.BIZ/C998

WHERE DOES IFS DELIVER VALUE:

- **REALIZE OPERATIONAL EFFICIENCIES**: 47%
- **CAPTURE HIGHER REVENUE**: 43%
- **IMPROVE USER PRODUCTIVITY**: 10%

ADDITIONAL PRODUCTIVITY GAINS REPORTED BY CUSTOMERS:

- **MORE WORK ORDERS COMPLETED**: 28%
- **FASTER DELIVERY OF PRODUCTS**: 14%
- **FASTER BUDGETARY CYCLES**: 21%

Our software pays back. Fast. Our average payback is just 15 months.

DOWNLOAD THE FULL REPORT HERE: IFS.BIZ/NKUY

CHALLENGER // 38
On December 11, 2019, IFS concluded the acquisition of 100% of the shares of global software company Astea International (USOTC: ATEA). The combined company strengthens its leadership position in field service management (FSM) by integrating two of the most established and well-recognized players in the market, collectively serving more than 10,000 customers worldwide.

Following the close of the transaction, Marne Martin, President of the IFS Service Management Business Unit, has assumed leadership of Astea and is managing the integration alongside Astea’s well-respected founder and former CEO, Zack Bergreen, who has taken on the role of Senior Advisor to IFS Group Management and member of the IFS Service Management Advisory Board. I recently sat down with Martin to discuss how the acquisition illustrates IFS’ commitment to service management, strengthens the company’s focus on its customers, and sets the stage for a bright future.

IFS SHARPENS ITS FOCUS ON SERVICE

Before discussing the specifics of the Astea acquisition and how it impacts the incumbent customer base of each company, along with prospective service customers at large, I think it’s important to discuss why IFS is choosing to double down in its focus on service management. “If you look at the growth in all of our economies and the most powerful businesses around
the world, customers’ demand for service is driving investment in the service-focused line of business applications and the brand differentiation that matters. This is true both for manufacturers that are looking to grow their aftermarket revenue in that sector as well as businesses in other verticals that see the opportunity to grow service revenue. Telco and utilities, as examples, are service businesses even if they also own or lease assets and equipment,” says Martin. “Across the variety of industries that are embracing servitization, they are being pushed by consumers to offer more in services. Customers are willing to pay for more or better service offerings, and corporate leaders are recognizing that either in these more mature businesses, or fast-growing emerging businesses, added service revenue is a great avenue for immense potential upside. Service in the core verticals that we focus on at IFS [which Astea fits very well with] are where our customers are going to be differentiating their brand, growing their top lines, and growing their profit.”

To meet the demands of today’s customers, service organizations rely on technology to effectively compete—solutions that were once a differentiator in and of themselves have become essential to compete and the foundation from which servitization is built. As such, leading service management providers such as IFS have become increasingly important to service organizations, and opportunity abounds. “It all adds up—in every economy around the world, every industry vertical, there’s more opportunity to grow service revenue in the next 10, 15, 20 years than any other type of revenue,” says Martin. “As this focus sharpens, IFS is well positioned to enable those businesses through the acquisitions we have made and our own R&D efforts. IFS’ commitment to this space isn’t new; it’s just expanding. IFS has been committed to manufacturers and specifically service businesses from its beginning in the 1980s and was one of the first to start making best-of-breed acquisitions. The acquisition of Astea is a continuation of IFS’ commitment to service that comes from its heritage, its long history, as well its vision of the future.”

I’ve spoken with many industry experts who have felt Astea has been ripe for acquisition for a very long time, but I was curious to ask Martin what made IFS the right fit and 2019 the right timing. “IFS has become known as a leader in the analyst rankings and has a track record of being interested in acquisitive growth. We’ve been able to have great success as a company in retaining the customers, the employees, and the domain expertise from acquisitions,” says Martin. “Under the leadership of CEO Darren Roos, we’ve added to the impressive organic growth of IFS by doing strategic M&A. Specifically with Astea, it was an opportunity for us to develop a relationship over time that enabled us to take Astea private. While many watchers of Astea over the years had expected Astea to have been sold prior to 2019, the right fit required the trust and confidence of the founder.”

**BUILDING ON IFS CUSTOMER CENTRICITY**

IFS has a long history of customer centricity, and combining forces with Astea will benefit customers across the board. There were some customers that were shared, and those customers will now have a single provider for their needs. “When you look at the IFS and Astea customer bases, there were some shared customers such as Instron, Stanley, Munters, Kyocera not only in service management but those using IFS Apps and Astea Alliance. Being able to give these customers a single provider to receive what they need and to streamline their ability to continue to differentiate and grow their businesses is very valuable to them.”

Incoming Astea customers will benefit from the impressive size, scale, and security IFS offers. “IFS offers Astea customers a much stronger, larger, more global company and an exciting technology roadmap. Chief Product Officer Christian Pedersen and the IFS team are focused on creating solution advancements that will enable IFS to maintain its leadership position, but even more importantly enable a smooth transition to the next-generation business platform. The breadth of IFS functionality and its continued significant investment in product development gives Astea customers a multitude of options for added functionality when they are ready to consider the migration path and upgrade opportunities. We look forward to supporting Astea customers in their business needs long into the future,” says Martin.

Historical IFS customers stand to gain from the cross-fertilization of knowledge, talent, and resources. “The combined domain expertise we’ve secured around service management is powerful,” says Martin. “As the companies come together, the depth of knowledge that exists in a variety of industries and geographies is impressive. There are different areas of strengths, and IFS customers can benefit from the cross-fertilization of knowledge Astea brings. We’ve gained a strong, talented team and that, alongside our continued investment in and deep commitment to service management, will enrich the customer experience, product management abilities, and support capabilities for IFS and Astea customers alike.”
A LOOK AHEAD

In 2018 and 2019, IFS experienced rapid growth and a lot of excitement around service management—what’s next in 2020 and beyond? “It’s such an exciting time in service management, and I don’t see that slowing down soon. We’ve witnessed other industry acquisitions recently, such as ClickSoftware being purchased by Salesforce, and I see the industry continuing to consolidate. IFS is primed to maintain and strengthen its leadership position in service management as the future unfolds. Our AI optimization and portfolio breadth are unmatched, and we are deeply committed to being the go-to service management platform for our customers and prospective customers,” says Martin. “As such, we are working proactively to become even closer to our service customers—to understand their transformation journeys and roadmaps so that we can best invest in our future in the ways that will benefit them most. In 2020, this will be apparent to our customers via activities such as greater key account outreach, increased customer success activities, support offerings such as IFS Select and IFS Success, and further extension of our service ecosystem.”

While a lot of exciting change is happening at IFS, customers as the company’s True North remains constant. “The company’s acquisition of Astea and deepened commitment to service overall is evidence that IFS recognizes how important service management is to our customer base and the industries we serve,” says Martin. “We continue to work diligently to find new and better ways to meet those needs with the passion and fortitude that our great talent here at IFS, now including Astea, delivers. In 2020 and beyond, IFS will be viewed as the go-to provider that consistently delivers for our customers, allowing them to differentiate themselves in their industries and take service management on to both greater revenue and profits.”
By implementing IFS Applications to respond to market demands, Shanghai Pepsi-Cola has gained a competitive advantage by becoming agile, achieving unprecedented growth and increasing market share. With more business intelligence at their disposal, Shanghai Pepsi-Cola have optimized its supply chain, increased visibility across the organization, improved the management and marketing of its promotional equipment, and gained valuable insights into managing its customer portfolio.

DISPARATE SYSTEMS HINDERED GROWTH

Established in 1989, Shanghai Pepsi-Cola covers China eastern market together with Pepsi Cola Nanjing, Hangzhou and Wuhan companies. With a booming Chinese economy, Shanghai Pepsi-Cola was using disparate systems no longer supported by the company to manage day-to-day operations. “Our systems could not adapt to our growing requirements. We were using multiple spreadsheets to manage activities that our system could not handle. With the rapid expansion of hypermarkets, supermarkets and retail stores, we did not have the functionality or processes in place to capture customer information, optimize the supply chain or maximize our marketing,” says Harvin Zang, Information Technology Director of China eastern region, Shanghai Pepsi-Cola Beverage Co., Ltd. “Furthermore, we only had thousands of customers, and we had ambitious growth plans. We needed an integrated system that could support and grow with us.”

There were three main business challenges that Shanghai Pepsi-Cola needed to address. The first was managing customer information to support the processes of supply chain, warehousing and transportation to customers. “We had no visibility into customer orders
or client history. There was no foresight into peak periods and we could not align the business in times of marketing promotions,” says Zang. “For example, some restaurants can only receive goods at 4-6pm, and we didn’t record that information. We couldn’t replenish inventory in a timely manner, accurately schedule drivers or optimize scheduling routes. We manually tracked transportation costs, which incurred discrepancies and errors that were very costly to us,” says Zang.

The next business issue was managing and servicing marketing equipment. “We had thousands of pieces of Pepsi equipment that required ongoing maintenance and servicing. We were very reactionary, with no previous records to track or schedule maintenance. We wouldn’t know if a vending machine was broken. This impacted our brand and sales,” says Zang.

The final issue impacted the business as a whole. Shanghai Pepsi-Cola had no visibility into operations, which region was performing, demand planning and customer orders, customer contracts, pricing management, accounts receivable, or whether a marketing campaign was successful. “We needed an integrated system to address our issues to improve back-end operations, customer management, scheduling and delivery, maintenance, marketing and finance,” says Zang.

IFS APPLICATIONS SUPPORT BUSINESS GROWTH
Shanghai Pepsi-Cola went to market for an integrated ERP system that would be flexible and could adapt to the company’s rapid growth. “We compared best of breed, local and global ERP vendors, but no vendor could meet our requirements. IFS was the only completely integrated vendor that could meet our requirements in ERP with integrated enterprise asset management (EAM) and mobile capability,” says Zang.

Implementing IFS Applications on time and to budget has enabled Shanghai Pepsi-Cola to rapidly expand. It has grown by tens of thousands of customers, increased marketing equipment, expanded its distribution reach within the provinces, and taken on new customer channels. “Implementing IFS Applications was a game changer for us; we captured market share to be competitive with our largest competitor. That is a massive achievement,” says Zang.

Shanghai Pepsi-Cola achieved this considerable feat by having a system that could capture information in real time to seamlessly integrate customer, product and asset lifecycles with its supply chain. “Knowledge from the status of client orders, consumption trends on which region is performing higher, enabled us to forecast demand and balance supply,” says Zang. With public holidays such as National Day, sales can forecast accurately according to historical data and trends in the system so they can meet production plans and ensure sufficient stock is in the warehouse to meet variations in demand. “We have reduced the number of errors with drivers and deliveries by having real-time customer information such as delivery times readily available anywhere, anytime,” says Zang. “Most importantly, we have optimized the scheduling of delivery routes and assigned vehicles and resources to rein in unnecessary costs and downtime to meet customer expectations. Customer feedback is at an all-time high.”

Marketing and promotional activities are a huge part of Pepsi-Cola’s global identity and return on investment. IFS Applications enables employees to record information about equipment, track and order spare parts, raise work
orders, and schedule calendar and preventative maintenance to ensure the marketing equipment lifecycle is completely optimized. “We are now proactive about optimizing the lifecycle of our promotional equipment, ensuring maximum sales and brand awareness and reducing unforeseen revenue loss,” says Zang. “We know when to schedule maintenance onsite and we are informed immediately if an error occurs so we can replace and repair equipment immediately.”

Marketing and sales now work in unity with other departments, providing more accurate forecasts to balance supply and demand. Tracking product and historical information such as price lists and previous campaigns is valuable to the team’s planning. “By having historical information and unique promotional codes, we can collect valuable market intelligence to continue forecasting demand, balance supply and track revenue. We can monitor the success of campaigns from unit sales to the cost of associated campaign marketing,” says Zang.

All employees from drivers and warehouse logistics to head office now have a single, integrated system that can be viewed in real time, anywhere from any device. With the nature of the business geared toward high product output and turnover, management now has visibility across the business; production staff know more about customer orders, promotions, and the manufacturing process; warehouse and logistics staff can manage supply and demand and optimize delivery schedules; sales know more about customers, contracts and the status of orders, and maintenance engineers have reduced the cost of maintenance by being proactive.

IFS APPLICATIONS HAS COMPREHENSIVE BUSINESS FUNCTIONS THAT CAN BE QUICKLY AND EASILY DEPLOYED. THE SYSTEM IS FLEXIBLE AND EASILY CUSTOMIZABLE, ALLOWING US TO CONTROL COMPLEX PROMOTIONS, REBATES AND PRICE PLANS WITH EASE. THE IFS SUPPORT TEAM WORKS VERY EFFICIENTLY AND WE ARE STILL SATISFIED AFTER YEARS OF COOPERATION. I LOOK FORWARD TO OUR PARTNERSHIP WITH IFS GETTING EVEN STRONGER IN THE YEARS TO COME.”

XIANGXIANG BAO
IT MANAGER, SHANGHAI PEPSI-COLA BEVERAGE CO., LTD.
ABOUT SHANGHAI PEPSI-COLA
Shanghai Pepsi-Cola Beverage Co., Ltd. was established in 1989 to service the Eastern China market. The company’s headquarters is based in Shanghai, and owns branches in Hefei. Together with Pepsi-Cola Nanjing, Hangzhou and Wuhan, it belongs to Pepsi-Cola China Eastern region.

VALUE GAINED
- Streamlined and increased visibility into operations
- Leaner distribution
- Accurate demand forecasts for higher productivity
- Agile, user-friendly interface

IFS APPLICATIONSTM: FIT FOR PURPOSE
IFS Applications underpins Pepsi-Cola’s unprecedented growth both financially and by market capitalization in Shanghai, Nanjing, Hangzhou and Wuhan market. “We have achieved lean distribution, our customer base and market reputation have grown tenfold, and customer satisfaction is at an all-time high,” says Zang. “I know that other divisions of Pepsi-Cola in China have implemented competitor ERP solutions at more than ten times the price at which we have implemented IFS Applications yet have less industry functionality and a smaller return on investment.”

“Furthermore, the IFS team is very professional and understands our business. Having the opportunity to heavily influence the direction of IFS Applications R&D by our leading industry expertise means that both parties can be at the forefront of our game,” says Zang.

“The business intelligence that IFS Applications captures means we are agile enough to make business decisions immediately, which has supported our rapid growth,” says Zang. “Every department is now accountable; we have complete visibility into cash flow and we have streamlined operations. IFS Applications is user-friendly; having the flexibility to add customized fields has reduced the need to customize IFS Applications as staff can easily add their own requirements.”
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