

# **An App Store for Enterprise-systems, a Reality?**

Looking at the ubiquity of smart-phones and the high level of functionality available through apps, we are exploring how enterprise-systems may evolve.

If an ideal framework exists whereby stand-alone features can be simply plugged in, this would replace customization. Just like installing an app to a phone. Imagine it on an enterprise-system. The process should be fast and fuss-free.

## **A Treasurer's Conundrum in Accommodating Changes**

In this business environment, companies are learning to manage their treasury and funding risks better than ever. Timeliness of insight is also important. Different regulations, languages and a gamut of reporting preferences may be required by the senior management to make strategic decisions based on accurate intelligence. This means a treasurer needs insight into local and international data and the confluence of all this business information needs to be reported in formats deemed appropriate, intuitive and adaptive for strategic needs. But hurdles remain:-

A recent (July-Sept 2014) Deloitte study of senior Finance executives reveals: only 8% of respondents view Finance as the primary source of insight in strategic decision-making. 32% consider the lack of appropriate analytical skills and behavior in the talent pool a significant challenge. 52% consider decision-support teams to have 'mediocre' analytical maturity. 41% perceive their business-partners to spend 30-50% of their time on lower-value tasks such as spreadsheet data-gathering, as opposed to providing insight. Troubling numbers, given that business-partners are a valuable resource. Finance is uniquely positioned to provide insight in strategic

decision-making. How then will treasurers articulate their insight? Will spreadsheets do? This insight is a comparative advantage to driving business-performance in difficult markets. In light of this, are there also limitations to what a traditional enterprise-system can do?

In today's blog-post, we are exploring difficulties faced by treasurers in accommodating changes using conventional software, customization, spreadsheets and configuration. We will then suggest our viewpoint on handling such changes, going forward.

## **A) Two Common Solutions That Come Encumbered with Hidden Complexities**

**1)Procurement:-** To cope with changes, a business may choose to procure a feature-rich enterprise-system with many different built-in modules addressing as many as possible of the unforeseeable circumstances. If all modules are heavily used, there is no inefficiency. But that's rarely the case. This procurement approach sometimes results in purchasing of functionality that is unused or seldom used. The software is bloated for features that may never be required, contributing to ongoing costs and posing maintainablity issues. Therefore procuring a feature-rich enterprise-system can be inefficient.

**2)Customization:-** Another option is for companies to purchase an enterprise-system that can later be customized to meet growing needs. But there lies a slippery slope: With customization comes the intrinsically drawn-out process of testing and checking that incorporated changes work, and other parts of the enterprise-system are not affected. The irony? Businesses that insist on what they want will receive higher levels of customization and quicker turnaround times – even if the output is eventually not used in their decision-making.

**The thinking here is:** Wouldn't it be better if the enterprise-system is designed in such a way that new features and precise

functionalities can simply be bolted on, skipping customization or expensive procurement altogether?

## **B) How Companies Avoid Customization To Meet Changes on-demand**

**1)Spreadsheets:-** Regulatory scrutiny may require companies to perform analysis such as stress-testing and back-testing its liquidity position. While spreadsheets remain popular for calculating simpler analytics, when it comes to more complex reporting needs, spreadsheets are inadequate because disparate data needs to be obtained, consolidated and categorized to identify trends and anticipate problems. This is not easily achieved with a spreadsheet. Besides manual entry-errors, spreadsheets are not ideal tools for articulating insight, a function better served by analytical or visualization tools.

**2)Standard Reports:-** Standard report formats either contain more information than necessary, or spreads the information out instead of presenting the vitals on a single page, or in a dashboard. Reporting tools and Business Intelligence (B.I.) tools can alleviate this problem. But a high degree of proficiency is required to use the tools well. External consultants are usually engaged for more complicated reporting.

**3)Configuration:-** Some companies with a large Enterprise Resource Planning system will attest that configuration is as painful, if not more so, than an outright customization. And the result? Not always intuitive. (You can further explore the relationship of configuration and customization [here](#).)

From what we've discussed, customization is the only, sub-optimal solution.

## **C) Why not Apps?**

If precise functionality can be met with an app, will the solution be more elegant?

Suppose new accounting standard requires certain position to use a different basis of valuation. Treasury accountant should be able to go to the equivalent of an “app store” where he can find the appropriate app for this purpose. Once he finds something that suits him, he can download it and “fire it up”. And if this app is not appropriate, he can simply delete it and look for something else that fits better.

Translate this same convenience to reports, dashboards, alerts, e-banking, third-party integration etc... In fact what can be downloaded and installed is only limited by how open the enterprise system has been designed to receive new apps.

### **Using Apps to Upgrade and Enrich**

Presently there are 240,000 apps in Amazon App Store, 1m apps in Apple, 1.3m apps in Google Play. Who will build these apps if not the enterprise-system vendor?

We envisage two groups: Partners or consultants who specialize in specific areas, for example the accountants and treasurers. Commercially, their apps could involve licensing, resulting a win-win relationship for all ecosystem users. The others are users who develop reports or apps, publishing them for free. The app-store therefore functions as an infrastructure that enables all system-users to leverage the smart practices, innovation, insight and solutions refined by a community of professionals.