



# Postmodern ERP Strategy: What It Is, and Why Your Business Needs One

# What is Postmodern ERP?

If the term “postmodern” conjures up bad memories from your days as an art history major, don’t worry, we’re referring to something else entirely. We’re talking about postmodern ERP.

Back in 2014, research giant **Gartner first defined postmodern ERP** as “a technology strategy that automates and links administrative and operational business capabilities (such as finance, HR, purchasing, manufacturing, and distribution) with appropriate levels of integration that balance the benefits of vendor-delivered integration against business flexibility and agility.”

In plain English, postmodern ERP is a strategy (not a particular application) with the intention to use the best application possible in each particular area (accounting, inventory management, etc.) while making sure each application fully integrates with the others.

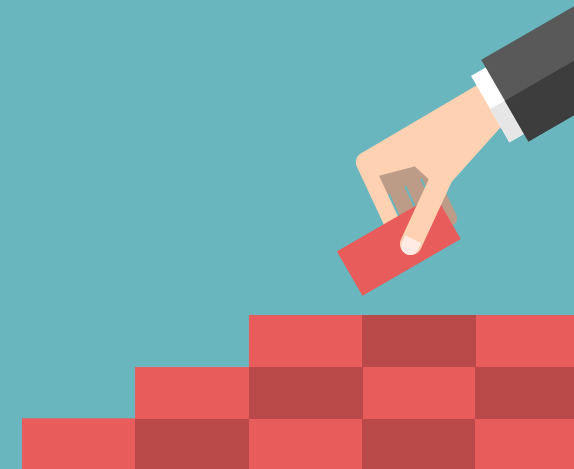


## Building Your Own ERP

Buying an ERP system is often likened to buying a car. Traditionally, you’d set your eye on a specific model or two, then pick the trim level. Fancier gadgets can make life a little easier, but they cost more, and under the hood, it’s the same engine.

With a postmodern ERP strategy, however, you’re the designer of the car. You pick everything. Instead of being shoehorned into an off-the-shelf solution, you’re able to pick the perfect pieces to do exactly what you need. This approach to ERP makes it much easier to tune your system to fit your needs.

With the rapid increase in popularity of cloud-based ERP, **creating a postmodern ERP strategy is becoming critical to a company’s overall success**. While the implementation process can be complex, and integrating all of the individual solutions into the ERP software may take more work up front than simply buying software that isn’t integrated, it will save your company time and money in the long run.



# Postmodern ERP vs the Competition

## Traditional (sometimes called monolithic) ERP

This is the ERP you're most likely familiar with. It's one application that covers every aspect of a business. It's huge, resource-intensive, and, because of its all-encompassing nature, difficult to learn.

These ERP titans can handle just about anything you throw at them, but they're often quite complicated, and they're rigid in their customization options. To make them work, there could be some compromises you have to make so you can fit their mold. They're often tailored to an industry instead of to the way your company operates.

Traditional ERP is the Model-T of the ERP world. You can get it in any color you like, as long as it's black. If you want to deviate, you've got a lot of work ahead of you.

These traditional ERP platforms do have their place, though. They're great for getting everything unified under one program and boast a powerful set of features, sometimes at the expense of being user-friendly. There's often functionality in excess of what a company might need, too, meaning there's a chance that you're paying for something that you're not actually using.

Monolithic ERP suites certainly still have their place, but with the surge in popularity of cloud-based systems, there's a clear shift in the landscape that was once made up of only traditional ERPs.



# Postmodern ERP vs the Competition (Cont'd)

## Best-of-Breed ERP

Don't get postmodern ERP confused with the best-of-breed approach, either. While going this route has more in common with postmodern ERP than a monolithic system does, there are some key differences that set it apart. A best-of-breed approach focuses on buying the best software for each category or operation, with no consideration for how IT would integrate the solutions together. Additionally, the best-of-breed approach doesn't establish the ERP as the foundation or the heartbeat of the company with all other solutions integrated to it.

Taking this approach, you'll be using some of the most powerful systems in isolation. They'll likely work great on their own, but when it comes time for the different applications to work together, you'll be in for a rough time.

If we're going to continue with the car analogy, best-of-breed ERP would be buying the best possible part for each function of the car. The best engine, the best transmission, the best headlights — you get the idea. But instead of making sure all these parts are compatible with each other, your primary concern would be the functionality of each individual part.

Sure, you'll have some really nice parts at the end of the day, but when you're putting monster truck tires on your Prius and wondering why your gas mileage is terrible, the obvious answer is that of course those two parts don't work well together.



# Back to Postmodernism

So what are the long-term benefits of going with a postmodern strategy, and what are some of the challenges it can introduce? Research is your best friend when it comes to making a decision as big as which ERP strategy you should use. To give you the low-down on the postmodern approach, we've put together a list of the highs and lows you can expect to run into when conducting business in this manner.

## Good: It provides flexibility

As you're probably starting to see, the postmodern route is going to grant more flexibility and agility than its competitors. This is primarily because of its ability to integrate with other applications. A postmodern ERP solution is able to handle mergers, acquisitions, expansions, or rapid growth with ease. With the convenience of having all solutions integrated with the ERP software and aligned with the business case, all solutions can be regularly evaluated and tweaked, depending on the business goals.

Additionally, postmodern software can be changed and/or upgraded much more easily than the other options mentioned on the previous pages. Flexibility is central in a world where business is always changing, especially for those seeking rapid growth.

## Bad: It's a big change

Software as a Service (SaaS) business applications are great because they automatically deliver new features on a regular basis — you're not waiting months or even years for upgrades that will help boost the performance of your business. However, adopting postmodern ERP means adopting ongoing change, which can be a tough hurdle for many organizations to jump over.

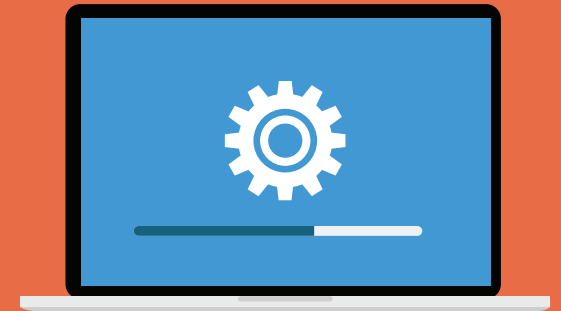
Businesses sometimes have a hard time accurately estimating the impact of this required change. Even though a company may have already adopted other applications that update frequently, many organizations still have the traditional ERP mindset and aren't quite ready (or equipped) to take on the postmodern approach.



## Good: Upgrades are easy (or easier)

As mentioned previously, one of the strengths of postmodern ERP software is that it allows for the regular release of updates without requiring the extensive upgrade protocol often associated with traditional ERPs. Upgrades to traditional ERP have a reputation for costing an arm and a leg, and they can take a long time, depending on your testing methods.

A postmodern ERP component can often be upgraded automatically, and only where needed. This is especially true of cloud-based software, where upgrades occur continuously and seamlessly without requiring a constant river of cash just to make it through the process.



## Bad: It forces you to address underlying issues

Going with the car analogy, these underlying problems could be akin to compromises in the integrity of the vehicle's frame. If there is damage to the critical piece that everything else is connected to, simply placing new parts on a bad frame won't take care of the problem.

Unfortunately, many companies choose to neglect addressing these major underlying issues. The hope is that by switching to a new ERP model, the scary cracks in the foundation will be fixed. However, just like putting new parts on a warped frame won't solve the problem of structural integrity, the change to a different platform won't automatically fix the big structural issues within an organization. It might look better, at least for a while, but in the end you'll still have to go back to the source of the problem and fix it. There's no better time to take care of these foundational issues than when changing ERP solutions.



# Good: Customization options abound

Using postmodern ERP software allows for a level of customization that traditional ERP software struggles to compete with. When going postmodern, you're not locked into making a one-size-fits-all ERP work for your unique business. You have the opportunity to create software and hardware solutions that are perfectly mated to the needs of your business and the constantly evolving requirements that come with it.

There's also a competitive edge — if your competitors are trying to use an off-the-shelf ERP and you're cruising along with your postmodern solution, they're going to be choking on your dust.



# Bad: New challenges crop up

It's easy for a business to fall into the trap of believing that SaaS will simply deliver innovation, as if by magic. The truth is, while SaaS provides a platform, innovation requires elbow grease. It's a process, not a software application. To achieve value and ROI through the flexibility that SaaS offers, you'll have to have a mindset of change. Companies need a well-defined strategy to identify where **SaaS applications can best provide an increase in value.**



# Good: Your business's IT resources are freed up

Traditional ERP solutions and IT departments are natural enemies. Time spent maintaining ERP-related hardware and software can eat up the day, and you'd better think twice before mentioning "database cleanup" to a member of your IT team. The good news is, with postmodern ERP, many of the applications are cloud-based. This lightens the load on your IT department, letting them focus more on innovation, or what they might call "the fun stuff."

# Bad: It requires more IT planning

Speaking of IT, postmodern ERP is the perfect catalyst for adopting a bimodal IT approach.

The difficulty here is that many organizations haven't thought about the agility required to support postmodern ERP. It's something that has to be planned for, and bimodal IT provides a great foundation to address that challenge. Operating two modes of IT delivery, one focused on predictability and the other on exploratory measures, is a great way to tackle some of the challenges encountered with postmodern ERP strategy.

While a bimodal IT approach is frequently used for smaller projects, it has yet to be fully leveraged in the ERP environment, primarily because ERP suites of the past were so inflexible and fragile.

## Bimodal IT: A Definition

***Bimodal IT is the practice of managing two separate but coherent styles of work.*** One is focused on predictability, the other on exploration.

Mode One is for areas that are more predictable and well-understood. This covers the everyday troubleshooting your IT department does, focusing on what is known while renovating the old environment so it can keep up with modern technology.

Mode Two is all about exploration. This includes helping businesses bridge the physical and virtual worlds, such as cloud, mobile, internet of things (IoT) and virtual reality (VR).

Both modes are necessary for creating substantial value and driving organizational change. Marrying a more predictable evolution of products and technologies (Mode One) with the new and innovative (Mode Two) is the essence of an enterprise bimodal capability. Both play an essential role in the age of digital transformation.





# Why should you opt for a postmodern ERP strategy?

Postmodern ERP is well-suited for companies experiencing or hoping to achieve rapid growth. And when the pros and cons listed previously are considered, it's clear to see that the benefits far outweigh the potential setbacks. Postmodern ERP will take some time and energy to get used to, but the bonuses it brings in added functionality and flexibility make the initial learning curve well worth the effort. There's a lot to consider when looking at moving to the postmodern mindset, but as the tech industry continues to move toward the cloud, traditional ERP is slowly going the way of the horse and buggy.



## With postmodern ERP, the game has changed.

Postmodern ERP requires an approach that is much more cooperative, all-inclusive, and agile than in the past, as well as less time- and resource-intensive.

Since ERP has evolved from the monolithic platform to a more loosely gathered approach, there's a new set of rules to play by. The demise of monolithic ERP is happening quietly in many organizations as business users adopt SaaS solutions outside of their IT department's control. Leaving IT in the dark on such changes, though, is a good way to invite trouble in the future. When problems arise, your IT department won't be equipped to take care of the issues in a timely manner.

There are some very real benefits to choosing the postmodern route, but the complexities involved make this a decision you'll want to be sure of. Postmodern ERP requires a strategic approach that's intentional in ironing out any existing problems with your processes. Once that has been accomplished, you'll be free to experience the significant improvements postmodern ERP has to offer.





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If going postmodern sounds like the right approach for you, we'd love to help with the process. SalesPad offers ERP solutions that accommodate postmodern strategies, both in the cloud and on-premises. To learn more about how we can help facilitate your postmodern ERP goals, *contact one of our Client Account Managers* to set up a demo.

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