Amear Mitchell:

Good afternoon everyone. Welcome to our program for today, ensuring your cloud ERP provides the platform for the future. My name is Amear Mitchell and I'm an account manager here at GovExec and I'll be your host for this discussion. As advances in cloud technology move miles a minute, it is essential that public sector technology leaders remain on pace and continue to deliver robust quality services to residents across the country. Key to this success is developing and implementing the right ERP built on a modern cloud architecture. Considerations for the ERP of the 21st century must include a robust composable ERP strategy to ensure all aspects of the IT ecosystem deliver foundational, administrative and operational digital capabilities, and do so without sacrificing the necessary speed or reliability citizen services require. Joining me today to chat all about this, I have Bill Boudreaux, Chief Technology Officer for the city of Rochester, New York, and Mike Guay, Vice President at enfore. Thanks for being here, gentlemen.

Bill Boudreaux:

Thank you.

Mike Guay:

Pleasure.

Amear Mitchell:

Well, to get us started, I'd love to hear from each of you about your roles and how your work ties into today's conversation. Bill, let's start with you.

Bill Boudreaux:

Hello, Amear, I'm Bill Boudreaux, city of Rochester. We have faced many new challenges moving to the cloud for a city government. Every RFP we put out nowadays, the situations we get back are cloud-based, it's SaaS, it's all vendors want to pretty much control the environment, their upgrades and things like that. You've had to shift the mindset of on-prem data center has kind of gone away. Right now, being an enfore customer and having these challenges and I welcome the cloud. In the past that was not so, but that's where we fit today.

Amear Mitchell:

Thank you Bill, and Mike?

Mike Guay:

Hi, I'm, my name is ... Thanks, Amear. My name is Mike Guay and I've been an enfore here about three years. I'm a 35-plus year ERP guy. I can't believe when I say that, but essentially I've been at enfore ... Before coming to enfore, I was at Gartner for seven or eight years and I was part of the ERP Magic Quadrant team. I retired the last on-premise ERP Magic Quadrant and built the first cloud ERP Magic quadrant and over here at enfore, I came here three years ago to help enfore and enfore customers make the transition from on-premise ERP systems to the multi-tenant SaaS E R P systems of today.

Amear Mitchell:

Thank you, Mike. Again, thank you Bill. Moving forward, what are some of the challenges IT leaders may face as they look to craft and execute strategic plans for bettering their cloud usage and selecting a SaaS vendor?

Bill Boudreaux:

Mike, you want me to take it first or you?

Mike Guay:

Yeah, why don't you take it first and I'll kind of give the enfore perspective on it, Bill.

Bill Boudreaux:

Okay, so the big challenge for as I stated before, was number one, the thought of the cloud. It was something that we people shied away from, especially system admins and people who have grew up with data center around the corner from them. Once you do go into the cloud, some of the challenges are making sure it's from a security standpoint and integration standpoint and everything like that, you're going to get everything you need out of the system. You need to have the proper project management and integrators and people to make sure it works. You got to make sure there's great requirements gathering that you're telling that vendor everything you really need to do and not hoping they discover things and hiding things that, "Oh, I had this in the closet," but I think transparency, a great working relationship, a great third party working with different vendors. I know there's different providers that have provided great integration and implementation services to the city and some that have not done so well. Let's stop there. and Mike, you go ahead.

Mike Guay:

Thanks Bill, and so my take on this is very similar to Bills, which is coming from Gartner where I was talking to customers of every vendor in the space. Since I've been here at enfore dealing specifically within enfore customers, it is a different, it's a transition. It's not just a new technology upgrade like Windows-wise or the client server was years ago. It's actually a change in the relationship between a vendor and their customer and the service delivery branches, whether it's the vendor service delivery or an SI partner for our customer.

The roles and responsibilities change, the capabilities change, and I think we're going to be talking a lot about the capabilities today because to take advantage of everything that's being offered out there, you really have to have an understanding of who's responsible for what. Six, seven years ago when cloud first started rolling out, it was a real big learning curve for both customers and vendors and service delivery organizations like SIs and partners. I think the biggest thing that an organ organization can really do is educate themselves on what's going to be different in the relationship with their vendor going to the cloud. Whether it's the same vendor or a different vendor because all vendors have had to make a transition and all customers have to make a transition.

I'll stop there, 'cause I could talk forever, Amear, so I'll kind of pause there.

Amear Mitchell:

Thank you, Mike, and I'll stay with you here. As governments look to modernize systems and provide a better user experience, whether that's for employees or constituents, it's clear that cloud adoption and the evolution is critical to that effort. Now, when it comes to public, private, or hybrid, how would you recommend leaders go about identifying the right approach for their organization? Again, I'm going to start with you and then Bill will follow.

Mike Guay:

Thanks, so in terms of public, private or hybrid, I think what you're going to find is that even like let's say four or five years ago, somebody's in the cloud, they're going to have multiple cloud providers normally, because you're not going to have everything from one vendor on the same cloud platform. Amazon, Microsoft, Google, whoever it is. That's one piece. The other piece is the public versus private. When we were doing an analysis at Gartner of cloud ERP, there was a lot of discussion about, well is single tenant cloud is on-premise hosted cloud? I think what we really need to focus on is that there's a transition where some companies or customers go through where they go from and they go to host it or they go to single tenant, 'cause that's a smaller step. I have control of the upgrades in single tenant, I have control of customizations in single tenant, but you're going to be going to multi-tenant sooner or later because that's where every vendor's going.

Whether you're there when ready for it today or not, you need to have a plan that says within the next three to five years, we need to prepare for being in a multi-tenant SaaS environment, and making sure that we understand what that means to us in our organization and all the applications we use. To go to the first part of your question about how you actually leverage this, the big difference here, and this is something that everybody needs to hear clearly, it's not just an upgrade of the ERP system, it's a change in the capabilities vendors are delivering through the ERP system and through the platform. The better experiences are going to come not just from the user interface capabilities of the ERP system itself, but the platform that allows you to do low-code, no code development, low-code, no code integration, you're going to be able to adapt and assimilate new capabilities and new applications much, much faster than ever before. I think that's where the biggest short-term experience improvement for stakeholders in any public sector organization's going to come from. Bill, I'll hand it over to you.

Bill Boudreaux:

Okay. I couldn't agree with you more, Mike, on just about everything that you said. Early on it was okay, cloud, very scary, we're going to be on our own tenant, right? Because we can't possibly have somebody else looking at our data. We would not want that. There's this mindset that because it's in the same tenant, all the data's going to be mixed up with each other and everything. As you've said, Mike, that's shifted. That's great, multi-tenant, you're right. Everybody has multi-tenant because they can carve out a space for you and if they do the configuration everything correct, as I said, with the right implementation and vendors, your data doesn't co-mingle. The last thing a vendor these days wants is to find out that the city of Rochester's data was available to Citibank and vice versa. We all know what would happen in those cases. Not good.

To your point, that's fantastic. The mindset shift to what Mike, you're so right, is we're not just taking this 1995 gooey interface and putting it in the cloud and having a great day. So much more capability is the name of the game. I think people not recognizing that and trying to shoehorn what they have today into a platform such as enfore with all its capability and possibilities, you have to have an open mind. You have to get the return on investment. You have to be willing to change processes that are antiquated and old to adapt to the new. You have to realize, to Mike's point, you're going into something completely different, which hopefully is way better.

Amear Mitchell:

Now, so if-

Mike Guay:

I'm sorry, but if you want to go, I think that's important what Bill just said, I can't reinforce enough, which is vendors just spent a tremendous amount of money, billions of dollars on moving these systems from an on-premise environment to multi-tenant SaaS. They've kept, in most cases, the deep functionality that you would expect if you're a public sector vendor, fund accounting, grants, projects, the normal accounting stuff, the normal procurement stuff, contract management, all the rest of it is there, but what's really different is, for example, if you look at any vendor, I'll use enfore 'cause I'm very familiar with enfore, but partnered enfore with Amazon when they went to the cloud, which was a genius move because they're not a platform vendor. Microsoft is, and Microsoft's a little kind of a weird player in this space. Oracle, for example, they thought originally they were going to build their own platform, but they're partnering with Microsoft also for a cloud enterprise application platform.

The reason for that is, is that some of the things you get out of the platform are artificial intelligence and machine learning, process intelligence, process management, all those tools are basically part of the platform that the ERP sits on. If you think about it in that context, you have tools available to you you did not have in the on-premise environment, which means you need to have people that understand those tools and how to use those tools and leverage those tools. You need to have governance that says, "Hey, it used to take us six or eight months to write code and then deploy it and test it and maintain it." That can now be done in six to eight days if you're doing the right sort of thing with low-code, no code. So the whole process internally for how I go about using the system and tweaking the system, because nobody's going to take ERP and install it like QuickBooks, right?

You're not going to take it out of the box and drop it in. You're going to have to do a lot of stuff to it. It's one of the challenges that I still face here when I'm talking to people like, "Oh yeah, well, you just drop in, deliver it out of the box." No, you don't deliver it out of the box. I think from the perspective of what organizations are faced with, and I'll stop here and we can go to the next topic, but it's really when you're talking about investment, you have to invest in as much in your people as you do in the technology, because to get what you're going to be able to get out of the technology, people have to understand the capabilities, the tools, how do I actually use machine learning? What should I use it for? What should I not use it for?

What process intelligence should I use? What kind of capabilities are being delivered by the vendor multiple times per year now that I have to basically look at and say, "Is this something we can and should use or not?" There's a lot of different skills required when you go to multi-tenant SaaS. The good news is I think everybody's starting to realize it and make the transition. It's a slow process, but when you take a look at what systems are going to be capable of three to four years from now versus what they were doing three to four years ago, it's going to be night and day.

Bill Boudreaux:

Agree with everything Mike just said.

Amear Mitchell:

No, Mike, let's tackle ERP specifically here.

Mike Guay:

Okay.

Amear Mitchell:

How can the right composable ERP strategy keep government offices functioning harmoniously? What do leaders need to consider about their setup when looking at ERPs?

Mike Guay:

That's a great question and I could probably talk for three or four hours on that question. I was actually part of the team that invented what the concept of composable ERP is. It's what Gartner's calling it these days. When we first named it, we didn't call it composable ERP, we called it enterprise business capabilities. There's just too much inertia around the ERP name for it to go away completely, but the reason I bring it up is because there's some concepts that people may not understand about this. Back in the old days, way back when I started, systems were best of breed, right? Finance had their own system, procurement had their own system, and it was a mess. That's why ERP suites emerged in the first place, and then ERP suites went through a transition over the last 30 years from really ghastly green screen, difficult to use, ugly systems to really nicer interface systems.

I mean, the modern ERP system, when you look at it looks actually nice to use. It's very nice to use, but the underlying functionality and capability of the ERP system really has not changed. Procure to pay, order to cash, hired to retire, all those systems still exist. The difference is, and where composable comes into play is if I took a look at an ERP system from any vendor 10 years ago, an on-premise system, I was going to have to make changes to it to make it work for my organization. Public sector organization was going to have to do certain things that like Chase Bank didn't, Chase Bank was going to do things that a public sector agency didn't customizations, all right, so they did customizations.

The mindset of a customization to an ERP system 10 or 15 years ago was the vendor didn't deliver this. I don't see it on a roadmap. We're not going to do another upgrade for three to four years, which means if I write code today, that code's going to be there for six to eight years, right? Because I'm going to have it, I'm going to use it. I do an upgrade in three or four years, maybe I replace my customizations, maybe I don't, blah, blah, blah. Why is that important? Because composable means that I now have the tools and the capability to write something and then basically replace it with something six months from now. Taking something out and putting something back in is far more easy than it was even five or six years ago. The platform does that. The integration capabilities are the ERP system.

I'll give you a good example of what I mean. Let's suppose for example, that you were talking to somebody eight or 10 years ago with an ERP system and they said, "We bought enfore's ERP, but we use Salesforce CRM." Well, enfore integrate with Salesforce CRM. If you ask enfore, they say, "Sure, we integrate with every CRM.: If you ask Salesforce, they say, "Sure, we integrate with every ERP," but does either one of those vendors provide you the map that just you just plug it in? No. Somebody in your organization's going to have to say, "What are we using in the ERP?" Somebody in the CRM side's going to have to say, "What parts of the CRM are we using?" Those two vendors are going to, you have to figure out, okay, how do the connections work? The integration technology has advanced, and this is part of the platform technology that we're talking about here. The integration technology has advanced to the point where if you, Amear, are a power user saying in finance, right, and you want to basically integrate with something, it's drag and drop.

You don't have to write a stitch of code to make that API work with that API to do what you want to do in the end. Now, what that does is that gives you the flexibility to say, "Oh, well we were using Salesforce CRM, now we're going to use Microsoft CRM." The amount of effort that took eight years ago versus the amount of effort that takes today in a composable ERP environment is night and day. You can switch applications much, much faster, much, much easier. Now, I spent 20 years as an integrator, so I'm very sensitive to sales guys saying, "Yeah, you just plug it in and play. It's no problem." Well, plug it in, play around with it forever is what really, man.

Today, what I'm saying is that it's actually much, much simpler and the technology behind that is what drives it. Let's take a look at this. If you were doing this Bill's in C T O for Rochester, right? 10 years ago, he would've had to have two or three integrations specialists on his staff that just knew how to make those applications talk to each other. Now, what he needs is somebody that can train the power users in the organization. If you want to integrate this with that, this is a tool set we have available to you and this is how you use it. Then his people become advisors and coaches and they look at what the new technology being released by the vendor is and how the organization should be adapting that. I warned you, I could talk for four hours on this subject, but the big issue of composable ERP isn't that I break out a procure to pay process and put in a fancier one because there's really no value added to me as an organization in that, right?

The procure to pay process works. What I really want to do is make the front and the back end of that process, the people that need to use the information, I want to give them a better experience. The people that actually figure out what applications I need to have bolted onto my ERP or extensions to my ERP, that wants to be easier and a better experience for my user community also. That's the true advantage of these systems. We could talk about this more later, but I'll say this, one of the things that I talked, I did a broadcast a couple of months ago about ERP selection. One of the things that we talked to people about is if you're a vertical industry, like public sector or utilities or whatever, you need to have certain things. You don't want to have to write your own utility building module. You don't want to have to write a grants management module or a fund accounting system that should come from your ERP vendor. What you want to be able to do is say, where do I get value out of this new system? That comes from the capability of this platform and the ability for me to actually deploy new stuff much, much faster. I'll just pause there and let Bill chime in on some of this stuff. Maybe he can give us some examples of what they've done at Rochester.

Bill Boudreaux:

Sure. Thanks Mike. As you're talking, Mike, and many things come through to my mind. To your point, yes, integrations. I replaced a person who thought, "Ph, just get with the simplest thing, whatever, and we'll just write all these APIs and integrations and make heaven and earth move and whatever." Well, without expertise in that, without two or three experts, you're right, it's not easy to do. You need people that know how to do it. To your point, Mike, we are actually thinking about right now even, just keeping an integration specialist on staff because of the fact the future is, hey, teach this person how to do this API. They're good to go now teach this one. Meanwhile, track them all. Because from a security standpoint, I don't want to lose visibility to the 100, 200, 800 of them that I have going on.

Then somebody finds a backdoor in, and now we're in the cybersecurity world where uh-oh, something just happened. Also to your point, I'm trying to remember, you said something that made me think was yes, what do you get ... What was before and what is now? Before, it was monumental. You were buying a product and to your point, you sat tight and sat in your hands and gnashed your teeth and thought, "When's the next upgrade?" You get it and you're like, "Wow, this isn't what I thought. It took three years to roll this out, and now I got three more years to wait for the next thing? Yeah, this isn't really working for me."

Even worse, lately, to your point, you're hearing about moving to the cloud vendors, and Mike, you brought this up, all they're really doing is a forklift off on-prem to the cloud in every respect. By the way, it's going to cost me a quarter of a mil more. No, that's going to work for me either because I need the value Mike's talking about, the composable. I want to be able to hire two young RIT graduates to come in, find out what's happening in the system, be able to write these integrations, change things on the fly, in six months, that issue that's been around the city for five years is gone.

There was one other piece that I just had in my head in it went away, but okay, I'm going to leave right there.

Mike Guay:

Okay, that's a good point. Let me go back to what I was talking about and maybe, Bill, you feel free to interrupt me if something pops in your head. We were talking about selecting systems. In the old days, you would select the system and you'd want to make sure you had the right level of functionality in the core ERP, like the stuff I've been mentioning. Okay? What you need to evaluate as much today is what does a platform look like? What does a platform give me for capabilities? I'll give you a good example here. I saw a demo a few years ago and demos are demos, so let's all just get that straight. The point is, this is actually starting to roll out. You're going to see this over the next two or three years. It goes with the whole process intelligence and process analysis and process management.

The applications themselves, based on the fact that they're sitting on a state-of-the-art platform, are going to start getting smarter and smarter. What do I mean by that? Let's suppose that I'm an accounts payable clerk and I'm doing collections and I'm sitting here and I'm looking at my invoices that I've got to try to track. Well, I come in and I sit down at my desk and I pull up my dashboard and I look at a bunch of invoices on my and okay, everything 45 days old, I got to look at it and I do something with it. What's happening now that everything's running on SaaS? Remember the vendor's collecting telemetry on the transactions, you're using the collecting telemetry of how often do you use this part of the software. The system is also observing that. The process management piece of that layer cake, the platform is looking at what you do.

Pretty soon it's going to start like, "Hey Bill, you know what? When you come in the morning and you have these invoices over 45 days old based on the profile of the vendor, you do this with certain vendors and this with other vendors. Do you want me to just automate that process for you?" You're going to start having the system actually recommend, "Do you want me to automate this process?" Every time you look at a transaction that fits this profile, you do it the same way and you'll just start clicking those boxes and pretty soon you won't even have to see them. What happens is, and this is the big picture, what's the value of SaaS? What's the value of all the new technology? The value of the new technology is that over time, what one person can do, what it takes five or six people to do today, you get one person do it.

That doesn't mean you're going to get rid of headcount, all right? If you're a private sector entity, you're looking at profit maximization. If you're a public sector entity, that means that whole laundry list of things you haven't been able to do for your stakeholders over the last five years is now actually within reach. Bill just mentioned it, it used to take somebody six or nine months or whatever to do this. Now, the stuff that was backlogged for years is disappearing. That's the value that you get from these systems. To get that value, you have to make sure that when you're evaluating an ERP vendor, you look at the quality and the capabilities of their underlying platform. There's only a few of them in the market. Let's say your vendor's a Microsoft platform or an Amazon platform or a Google platform, or we'll leave Oracle out 'cause they're kind of a different animal amongst themselves.

What you want to find out is how well are you Mr. ERP vendor leveraging the capabilities of your platform to deliver a better experience for your ERP customers? It's a question everybody should ask during the selection process. It's a question everybody should ask during a demo, which is how well am I going to be able to capitalize on the billions of dollars Amazon or Microsoft are investing in their technology platform through my ERP system? They should be able to answer that right off the bat for you. This is what you're going to get, this is what you're going to get. Then they should be able to give you some customer references like Bill that say, "Yeah, you know what? Actually, this stuff does work for me that way," so I'll throw it back at you, Bill.

Bill Boudreaux:

Yeah, and I did remember what it was. To your point, we are to the point now where if we introduce something new, we introduced land management into enfore, congratulations enfore, but before we did that, we hired an expert into the department because they're going to need to manage all these capabilities that enfore brings. They needed an expert. They had nobody that could be an application administrator or owner for NBD over there. We realized, to your point, Mike, somebody has to, because otherwise I need the headcount. I can't just add this new work and level onto another person here. We need it there and we need to support back here. We have that. Yeah, that was the piece that made me think of it.

Also, to your point, it's funny how in a way, evaluation of the ERP person, we got very lucky, enfore won our bid land management, we start getting rid of our mainframe and oh, enfore says, "Yeah, we can do your tax billing," and sure enough, we did our search, and yeah, you can do other things too. It's very important that we're going to get a lot of bang out of our buck in this one. Whereas, to Mike's point, before we have four ERP systems here at the city.

Mike Guay:

Wow. Wow. One of the things that you mentioned, let me just kind of go to this because big picture, when you look at the whole industry of ERP, and this used to be my job, and I kind of still keep one finger in that pie every now and then, is the role of within the organization, one of the things I said earlier was the roles within the organization. If you're talking about this whole transition from on-premise or even single-tenant ERP to multi-tenant SaaS ERP, there's some major shift in roles in responsibility. The big one is in IT, and then there's a big one in the functional areas. Generally speaking, I'll kind of cut this down to five or 10 minutes if I can. In the case of the functional areas, what you really need to do is find your power users, the people that you, Amear, would go to and say, "Can you write me a query and tell me how much business we did with vendor ABC last year? Can you tell me how much we paid employees for X number of benefits last year? We want to do it in benefits analysis."

The users that understand the underlying data and the system to that level are now going to be able to actually develop and deploy or select their own applications to help them do things faster and better. I'll come back to a commercial example of this in a minute, but the other piece of that is the IT organization. What Bill just said is, historically, when you said IT and ERP, it was like, okay, most of the ERP maintenance and functions of what number exist in IT. Well, I don't have to do database management anymore. I don't have to do network administration anymore. I have some security roles like Bill said. Like, but they're shifting, right?

It's not within the application now it's out to the cloud. I need to understand how security works in the cloud. Then the analysis of data. You heard me talk about AI and machine learning. The analysis of data is going to be enhanced significantly, but I need to have people understand, well, what is a data fabric? What is a data link? How do I actually get information out of there? How do I assimilate information from multiple sources, not just my ERP system? How should I be managing all that? Those roles, those what I'll call the meta roles, the big picture roles, those still need to have an IT involvement 'cause they need to see the entire picture of the whole organization. Within each functional area though, you're going to have people with enhanced capabilities and enhanced responsibilities. That went to my governance statement a little while ago, which is you can't have everything centrally controlled by IT.

They should have a seat at the table. They should be providing advice, but you're going to have to have people that say, "Okay, if I want to do this within this construct, this is going to be my responsibility." There's a very crude analogy here that might help us understand this. I'm old enough to remember when laptops first hit the scene. Okay, laptops hit the scene like 20, 25 years. Yeah, Bill points to himself. When laptops first hit the scene, there were like 30 laptop vendors. You could go out there and get a laptop from companies that don't even exist anymore. All right? It was a maintenance nightmare for IT, 'cause I would've an Acer, you would have a Lenovo, somebody would have an IBM, somebody have a Dell, somebody have an HP.

What IT organizations had to do was say, "Look, if you want an Intel-based machine, you buy this Dell or this IBM. If you want an Apple, then you buy an Apple, but those are the three laptops you're going to get." Now basically, what they did is they just said, "You can make your choice. You can be an Apple person or an Intel person. Just we're going to put a fence around it and say, 'operate within this playground please.' It's just going to help us help you better." The same thing applies to how you're going to manage applications and technology and all these other things that we've been talking about for the last half hour. IT needs to help the organization say, "Okay, if you're going to do API within this construct, you can do it yourself, Mike, but if it gets outside of here and you're doing something that complex, I've got an API expert in IT that can help you figure out whether he needs to do it or whether I can teach you how to do something you don't know how to do today."

The roles shift, and if you don't shift those roles, then what happens is you end up overburdening IT and they won't be able to do anything because there's so much more that needs to be done that that is capable of being done in these composable ERP and SaaS ERP environments that if you don't take advantage of it, you're really missing the boat. Now, I've done a lot of writing recently on digital transformation and you almost can't talk about digital transformation without talking about the things we've been talking about for the last 30 or 40 minutes. When you talk about digital transformation, the technology's a tool. It's not how you get a digital transformation. A digital transformation comes from educating your people into how they have to think differently, and that takes time.

Bill Boudreaux:

[inaudible 00:29:48]. There you go.

Mike Guay:

It's not going to be something I check off on a box in six months from now I've transformed my organization, Uh-uh, uh-uh. It's a process, not a project, right? I'm never going to stop. Now, I gave you, I've been talking theoretically about a bunch of things here. Let me give you a couple of examples. We've been talking about capabilities. We've been talking about adopting applications quickly. We've been talking about this, that and the other thing. Just think back to 10 or 15 years ago how you paid your property taxes. I would get a bill in the mail and I would write a check and mail it to somebody. Now, I go online and do it. Now, if you'd have told me, and I did, I was actually giving a presentation 15, 16 years ago, and I said, "Pretty soon everybody will be paying all their bills ..." "Nobody's going to put their credit cards online. What are you crazy? I don't want everybody getting my credit card number."

All right, anybody not shop online right now with a credit card? Then now you take a look at things like Uber, right? Uber and Lyft. Uber and Lyft didn't exist 10 years ago, all right? It's completely destroyed the or changed, transformed the personal transportation industry. Taxi cab drivers are, they're a rarity now. I mean, because you can get an Uber ride or Lyft ride as easy as you can get a taxi, even more even than you can get a taxi. It was just an app. Now that app had some capabilities behind it from paying things and the GPS stuff, but it was an app. Hotels, banks, think about the apps you have on your smartphone to manage your bank account. I can take a picture of a check anywhere I am in the world and click boom, it's in my bank account the next day.

I don't have to go to an ATM, I don't have to go to a bank. I don't have to have anything. I can just do it. That's a capability driven by the app. Let's take that back to the stuff we've been talking about here in terms of public sector agencies. What do stakeholders expect from their city government, their state government, their regional government, the county government? Think about this for a minute. I give a presentation on the future of applications a lot, and one of the things that I reinforces this, I have my daughter got married in 2003 and she married a guy who was a helicopter pilot in the army and he got out of the army and he now works for the FAA. Part of what he does for the FAA is he evaluates pilot licenses.

She texted me the other day and she said, "You're going to get a kick out of this. Matt's in" ... Matt's her husband, "Matt's in the other room of reviewing a pilot's license application. He yelled out, 'Oh my god, this guy was born in 2004.'" The pilot was 18 years old, had been born in 2004 a year after they got married. Why does that matter? Because 2023, when you think about the people who are going to be stakeholders and taxpayers in a city for the next five or 10 years have never done anything that wasn't on their smartphone. Every interaction they're going to want to have, they're want do it through a smartphone. When a new application emerges in the market that they can use on their smartphone, they're going to want to use it and you better be prepared to help them use it or you're going to have dissatisfied stakeholders, all right? Now, that's internal and external to the organization.

Amear Mitchell:

Mike, I'm going to stop you there just so that we can hit all of these points we have listed out today, but I appreciate all that insight and I know our viewers will as well. Now, there is an unprecedented amount of federal funding headed for state and local governments right now with a decent amount of it targeted for technology modernization and improved cybersecurity. Investing in that tech infrastructure isn't always seen as the sexiest use of dollars, but it is imperative for improving government functions for employees and residents alike. How do you get buy-in from leaders who might want to invest funds in more exciting ways? You and Bill, please.

Bill Boudreaux:

Mike, I'll go first on that one. With the funding, IT was lucky enough to get about $3.3 million for what was allocated. To your point, Amear, it really didn't matter to me what they wanted to do with the rest of the $202 million that we got. That's great. That's your world. You gave me this money. I am using that all day to modernize, get rid of our mainframe, our data center's been modernized, new core switches, new switches, new wireless, new cabling, all new data center items, new storage, across the board, professional services, VLANs, segregation, cybersecurity, managed stock, you name it.

I have taken that money and went, it's a gift. It's a once in a lifetime kind of holy crap gift. The city had kind of been, as everybody's aware and happens in a lot of organizations kind of back, we were waiting too long on things. We found some network things that boggled my mind that I won't bring up here that we've addressed and fixed. Yeah, we took that money, Amear, to your point, to do the non-sexy things that needed to be done here to secure the city from security and other aspects. Mike?

Mike Guay:

Thanks, Bill. Let me just talk, it's kind of funny because I had a laugh when you said that, Amear, because I tell people what I do and what's ERP, and I'm like, "It's not sexy, but it's where most people spend most of their IT dollars, okay?" To answer the question about the effective use of the funds and gaining executive support for the use of the funds, here's what I would say. If you take a look at basic process improvement principles, so let's say we want to make things better for our stakeholders, our citizens, whatever, okay? One of the principles of that is I don't spend time doing things that don't add value. Does maintaining my database add value? No. It's something I have to do because it's something I have to do. Does network administration add value? No. It's something I do.

When you move to multi-tenant SaaS, what essentially you're doing is you're offloading a bunch of maintenance non-value added activities to the vendor, and you're paying that through a subscription license, right? Now, I can take my IT dollars and my IT resources and spend them on the sexy stuff, spend them on stuff that makes more. If I'm running an on-premise or single tenant environment, a good use of those funds is saying, for the rest of our life from an IT ERP perspective, we're going to offload all these non-value added activities to the vendor. Let the vendor create a situation where, as Bill said earlier, I'm going to be getting a constant stream of updates and new feature functions. I'm going to be getting a constant stream of new capabilities and to take advantage of it, the people that used to do all those non valued activities, I'm going to take them and retrain them using some of this money to be security experts, to be AI machine learning experts, to be data analysis experts, to be people that understand how I basically use APIs and low-code, no code to create a much better experience for everybody.

Essentially, when you look at ERP and it's kind of funny. We used to have a presentation that said, what's the first word you think of when you talk about ERP? Sexy wasn't on the list. Easy to use wasn't on the list. Highly capable technology wasn't on the list. Those are all things that the systems and the platform bring to end users today. A good use of the money, and by the way, every ERP vendor's aware of this, and every ERP vendor has a pitch for this, which is, and I'll be fair, I mean, it's not just an enfore thing, it's a true thing for every ERP vendor. Getting customers onto multi-tenant SaaS really helps those customers get more money on the long run and have a better experience for their stakeholders.

There's stuff in, for the ... Vendors are not doing this to be altruistic. The vendors make more money in the long run also, but in the short-term, which what it's really you need to know is to really take advantage of these funds coming from the federal government and Bill's right, it's a once in a lifetime gift, use it well. Use it so that the impact it delivers will be an impact felt by everybody for the next 10 or 15 years, not just the next couple of years if I basically kick off a prep project. Because by putting these things in place, you're going to get a constant stream. If you just look at any vendor like what the software did three, four years ago and what their multi-tenant SaaS does today and what it's going to be capable of a few years from now, I just gave you a couple of them with the process automation stuff. That's where you're going to see the bang for the buck, and that's where you should spend your money.

Bill Boudreaux:

Yep. Thank you.

Mike Guay:

Bill, did you want to add something there?

Bill Boudreaux:

No, it's interesting though that what Mike did say in that whole thing was by doing it and having that money, he's exactly right. The big key thing though, that's occurring, Mike, and maybe you're seeing this at other people, you're taking my data center away when I was like, hold on. All you could do is complain about the fact of patching, upgrading, new storage, boom, boom. Now, you're complaining to me that I'm putting stuff in the cloud. Oh, no, no. We can't have both. Anyway.

Mike Guay:

Yeah, and that's one of those education security blanket things, right? I can see the data center, I can go down to the data center and I can touch those servers and I can see those flashy lights and it's like, yeah, okay, I'll tell you what, we'll put a closet down there. I'll put a bunch of flashy lights on the wall for you so you can say, you can have your ... You'd mentioned security earlier, and this was a big issue, the whole database security thing and who's data is where. If you take a look at this, and there was some people at Gartner that their whole job was security and cloud security. My brother, by the way, is a cybersecurity expert. The issue here is that when you look at what a vendor like Amazon or Microsoft can spend on security, it's more than any one entity can spend on security.

That applies to AI and machine learning and all the rest of the stuff we've been talking about. The money that Amazon spends gets spread across their entire customer base, like enfore. What enfore is able to capitalize on billions of dollars spent by Amazon, we don't have to spend, we just use it just like you use the stuff that we provide to you. There's a really great benefit to be had from putting everything into this environment where I don't have to manage the maintenance piece of it, I just manage what I really want to get for value out of it.

Amear Mitchell:

Now, that said, what do leaders either in IT offices or in business divisions need to consider in order to continue to drive state and local governments into the future?

Bill Boudreaux:

Let me start, Mike.

Mike Guay:

Want to go first, Bill?

Bill Boudreaux:

Yeah, yeah, so it's interesting because we're faced with a couple of inflection points right now. As people either choose to move or move out of an area, revenue decreases, whatever. If you are in a situation where the municipality's money's always been tight, things continue to age, the world continues to move on, and Mike, we didn't talk about this much, but you made it, you alluded to the fact that world of, "Hey, here's an upgrade for three years." Any technology, if you go a year, it's obsolete. That's the world we live in. To that point, and I lost my train of thought there real quick, but Mike, go ahead. Take from there and I'm going to think for a minute.

Mike Guay:

Sure, so what Bill was saying is what they actually need to start focusing on leaders and constituencies and executives in the public sector is my mindset needs to change about what these systems are. I'll just kind of use it this way. When we were talking about these SaaS ERP systems, people just expect to be able to use them. I just expect to be able to go in. It just works. Everything works. I don't have to worry about a patch. This was the great, you heard me joke earlier about the fact that people say you put these things in and feature functionality just pops up magically. Well, for new feature functionality and capabilities, you still have to evaluate them and figure out how you're going to be using them. Nobody who's implemented multi-tenant SaaS from an ERP vendor has had to worry about a bug fix.

They just show up and they're in there. You don't have to install any patches, you don't have to install any bug fixes. You don't have to install any performance enhancing code that the vendor delivers, that does just show up like your iPhone. When's the last time? How often do you get an iPhone upgrade once every three or four or five months that pops up and says, "I'm going to do an upgrade to your system." The same sort of things happening in the background with these systems that you get from your vendor. The need to have stuff, the maintenance stuff is just done. It just happens. It's there. You can focus on things that add value to your organization, and that's the true value of these systems because what Bill needs to do, versus what Chicago needs to do, versus what the utilities company of the Northeast needs to do might be different, but the system that they're running on all is just bulletproof and runs. I'll turn it back to you, Bill.

Bill Boudreaux:

Yeah, the only other thing, Amear, I was going to say, when you said all that, some of the challenges and whatever, the biggest thing we're facing is full remote work. If you can't entertain it, my ability to start getting more and more people to work for me is getting less and less.

Mike Guay:

That's an important point. I think, Amear, going back to what you said, the reason this money's coming from the federal government or one of the big reasons is because a lot of organizations were caught with on-premise systems that they could not manage and could not maintain and people could not use when they had to try to use them from their house. It's driven a huge drive to the cloud, and that's a big reason for these funds being available. It's unfortunate that we had the pandemic, and it's one of these things that's coming out of it that's going to be a benefit for everybody for years to come, is the flexibility and workforce, Bill is talking about this, it's now to the point where hybrid going into the office and working remotely is going to become the norm. It's going to be where the days of everybody going into an office 40 hours a week, that's going to be difficult for organizations to enforce, just because it gives the users and the constituents and the stakeholders a lot more flexibility when they don't have to.

Bill Boudreaux:

100% agree. Go ahead, Amear.

Amear Mitchell:

Thank you, gentlemen. We are coming up on at the end of our session right now, so I just want to ensure we get to our last question, Mike, what can industry partners like enfore provide to support these efforts or those efforts?

Mike Guay:

Yeah, we've been talking about the technology piece of it, which is a big piece, which is the platform, the systems, the rest of it. enfore took a strategy years ago to be vertically industry aligned. The product we sell to Bill and somebody in the public sector is actually a different product than we might sell to a food and beverage or a manufacturing company. The core functionality of finance, purchasing, whatnot, those are standard ERP systems. Things like utility building, grants management projects, fund accounting, those are not commercial. Those are mostly public sector capabilities. You want a vendor that supports your vertical industry some way. The way some vendors do it is they partner with organizations that have a specific functional capability in that area, so they know how to set up your system for public sector and whatnot. The other thing that vendors are still kind of learning to do, and one of the reasons I came here and we're still working on it in for, is they need to help the soft skills piece of it.

How do vendors provide a capability for somebody like Bill to say, "Here's what you need to know about how enfore manages APIs. Here's what you need to know, and here's the training for how enfore is actually leveraging Amazon's AI and machine learning and process intelligence and process mapping." It's the soft skills piece of it and providing training capabilities. The good news is there's much better technology for that even than there was a few years ago. I would say they need to look at the platform, they need to look at how the vendor's leveraging the platform technology, and they need to look at what the vendor delivers for service capabilities and soft skills help.

Amear Mitchell:

Thank you, Mike. Bill, what do you look for in an industry partner?

Bill Boudreaux:

Mike touched on a lot of it. Anytime now we put out an RFP for any new system. We have a software as a service security checklist. Here's all the things the Citi needs at a very basic level. If you can't do these, we're probably not going to be partners. There's that, and that just starts the whole, can you do single sign on, integrations? Can you talk to this system? Oh, we use this for security. Do you have logs when you to that? What about our data? Can we get it back? All of that security side, and then it becomes a, what else? What is the fit? Then what else? To Mike's point, we have now shifted our entire thought process with what's occurred within enfore, Workday and others. How much can I get out of this system that should be an all-encompassing one-stop shop? I don't want four ERPs anymore. I want to get down to two at the most. That's it.

Amear Mitchell:

Wow. Well, that was really an excellent discussion with some exceptional leaders. Thank you both, but unfortunately that was all the time we had for today. Again, thank you, Mike and Bill for sharing your thoughts with us today.

Bill Boudreaux:

Thank you very much for having me.

Mike Guay:

My pleasure.

Bill Boudreaux:

Yep.

Mike Guay:

My pleasure.

Amear Mitchell:

Of course, thank you to our sponsor, enfore, making this event possible. We'll see you next time. Thanks for tuning in. For GovExec, I'm Amear Mitchell.