

Creating Amazing Moments of Service

IFS Unleashed 2022

CIMdata Commentary

Key takeaways:

- *IFS Unleashed 2022 brought together IFS and its customers in person for the first time since 2019.*
- *The company has transformed from a regional, mid-market ERP player to a global enterprise software dynamo that is winning larger and larger customers.*
- *Their customers cite their technology AND their corporate culture as key buying decision criteria.*
- *IFS' enhanced go-to-market capabilities will help drive continued strong growth.*

CIMdata had the pleasure of attending IFS Unleashed 2022, the IFS user conference, in Miami Beach, FL on October 10-13, 2022. For IFS, this was a return to an in-person event for the first time since 2019, and approximately 1,500 attendees filled the halls, exhibit space, and meeting rooms at the Miami Beach Convention Center.¹

During his keynote, Mr. Darren Roos, IFS' CEO, harkened back to the company's humble roots some 30 years before, with the founders camped in a tent outside a Swedish customer. When Mr. Roos arrived in April 2018, the company was primarily known as a European mid-market enterprise resource planning (ERP) solution provider. Fast forward to today, when the company will soon hit \$1 billion in annual revenues, and is a global leader in field service management (FSM), enterprise asset management (EAM), and in the top three in ERP. The company introduced the notion of the "moment of service" in 2021 and discussed their progress at a virtual analyst event in February 2022.² The sessions at IFS Unleashed provided more detail on their strategy, offerings, and progress to date. They also used a new infographic, shown in Figure 1, that lays out their support for the full product lifecycle.

During a media and analysts session on IFS' strategy and direction, Mr. Roos claimed that IFS continues to win larger customers, something evident in the IFS Unleashed sessions. As noted earlier, IFS is a leader in FSM and EAM, and some customers pick IFS because of those solutions. Mr. Roos emphasized that once customers get value from one IFS solution, they are more open to discuss expanding to other IFS offerings. Mr. Roos stated that IFS Cloud runs off a common database and data model, and offers the same user experience (UX), smoothing the path for customers. This "land and expand" approach can be very successful and benefits from IFS' cultural strengths that bond them with their customers.

Their legacy product, IFS Applications, was always "composable," with building block modules that could be readily combined to meet specific customer needs and use cases. In 2014, they announced the availability of IFS Applications on the Microsoft Azure cloud.³ Since then, the company has focused on rewriting their core applications and bringing their many acquisitions into the fold in their cloud-based offering, IFS Cloud, announced in 2021.⁴ Mr. Christian Pedersen, IFS' Chief Product Officer, claimed that IFS Cloud has grown to over 400,000 users in the 18 months since its launch.

¹ Travel and/or other expenses related to this commentary were provided by IFS.

² <https://www.cimdata.com/en/resources/complimentary-reports-research/commentaries/item/17961-optimizing-the-moment-of-service-2022-ifs-virtual-industry-analyst-forum-commentary>

³ <https://www.businesswire.com/news/home/20140930005471/en/IFS-Launches-Global-Cloud-Solution-on-Microsoft-Azure>

⁴ <https://www.ifs.com/news/product/ifs-launches-ifs-cloud>

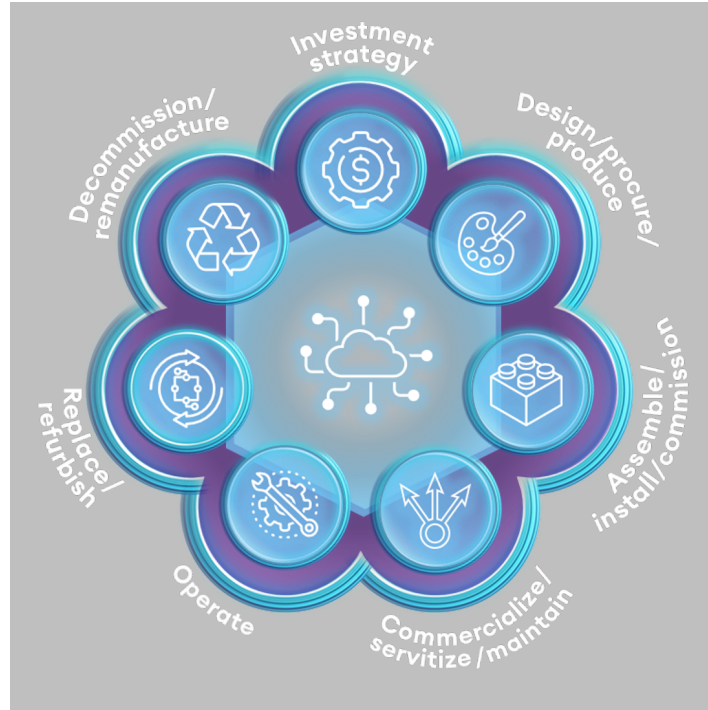


Figure 1—IFS Support for the Full Product and Asset Lifecycle
(Courtesy of IFS)

IFS focuses their offerings on a set of core industries: Aerospace & Defense (A&D); Service Industries; Energy, Utilities & Resources; Telecom; Manufacturing; and Construction & Engineering. Mr. Pedersen highlighted their advancements around digital twins, contextual intelligence, augmented reality/mixed reality (AR/MR), automation and robotics, and advanced simulation and optimization. According to Mr. Pedersen, everything in IFS Cloud is application programming interface (API) enabled and is how IFS itself communicates with their back-end software capabilities. Those APIs are available to customers, partners, and others who want to enhance their IFS Cloud implementation. This is a common approach that can offer significant benefits if those APIs are indeed open and span the complete application and its related data. Some PLM solution providers claim open APIs and offer something less than that in practice. Based on the information provided at the event, IFS seems to be practicing what they preach for the benefit of their customers. The company provides monthly service updates and 2 major functional releases each year. He said the company launched 503 new capabilities in 2021 and plans 684 more in 2022. They also announced new manufacturing execution system (MES) functionality, which is an important addition from the perspective of the digital thread and its continuity. ERP captures what was planned for manufacture while MES can document what was actually made, key inputs for users of their FSM, EAM, and MRO capabilities.

Mr. Pedersen listed their perceived differentiators: industry depth, one single product, embedded innovation, and the same solution available both on the cloud and on-premises. Their cloud-based offerings help their customers remain “evergreen,” making it easy to stay up to date with the latest innovations from IFS. This is a major selling point for many cloud providers and, based on the customer presentations at the event it is working for their many IFS customers.

Jotun, a Norwegian marine and industrial coatings company, spoke in several conference sessions. They have been with IFS since 2005 and, according to Mr. Trond Aune, the Jotun

Group ERP manager, chose them not for their technology but for their people. In our industrial consulting work, CIMdata often counsels our clients to consider cultural fit in their technology decisions and Jotun is a great example. Mr. Aune described their journey since 2005 and how his company always considered other solution providers when making decisions about staying with IFS. When using the on-premises version of IFS Applications, Jotun could not adopt new IFS capabilities because they, like many other industrial firms, were far behind the latest IFS Applications release. Jotun implemented one version in 2007 and did not update it until 2018 and Mr. Aune wondered aloud just how much opportunity they lost by delaying their upgrade. They recently decided to go evergreen with IFS Cloud. Mr. Aune anticipates the company will not upgrade twice a year, perhaps sticking to an annual upgrade cadence. He claimed that he always had executive sponsorship for his work with IFS, but now they are getting pull “from the ranks” who have seen how IFS can help deliver those “amazing moments of service” that Mr. Roos mentioned in his keynote. In CIMdata’s experience, support from above and below is always beneficial, but it speaks volumes that users can see the benefits from using IFS Cloud and are making their voices heard to support its implementation.

In a later session, Mr. Pedersen spoke about a topic arriving like a “freight train:” environment, social, and governance (ESG). CIMdata has written about the importance of PLM and other enterprise applications in supporting this crucial requirement. Mr. Pedersen emphasized that customers used to care about cost and recently added a focus on experience (both user and customer). Now the environment is on the list, with new European Union regulations leaving companies no option but compliance. Today, a lot of reporting is manual, with many often-competing standards. IFS plans to make it easy for other applications to consume IFS Cloud-managed information and Mr. Pedersen hopes that the reverse—ready support from other application providers—will also be true.

At their Virtual Analyst event in February 2022, IFS stated their intention to leverage 3D visualization more broadly as part of their application landscape. Their booth on the IFS Unleashed exhibit floor included a prototype, showing a 3D rendering as part of the item master. In a 1-on-1 meeting with Mr. Bas de Vos, Vice President of IFS Labs, their research arm, he spoke about using 3D as part of the user experience, overlaying enterprise data on the models, in effect using them as the user interface. This approach is used by other firms in the PLM space, most notably Dassault Systèmes in their **3DEXPERIENCE** platform, and CIMdata agrees that it can help provide the right context for users to understand the data being presented. They also plan to implement 3D work instructions, a great fit with their FSM and EAM offerings. Mr. de Vos said IFS was considering different visualization engines, all known to CIMdata, that could be integrated with their platform. The company expects to deliver commercial functionality in IFS Cloud in 2023.

IFS has also invested significantly in customer success during Mr. Roos’ tenure. Ms. Cathie Hall, IFS’ Senior VP, Product Experience, spoke about “frictionless time to value,” based in part on their extensive review of customer engagements. Ms. Hall said IFS analyzed thousands of projects, examining the various enterprise architecture models employed to better understand where value is created within their companies. She listed six “points of friction” in a customers’ digital transformation journeys:

1. Transitioning from marketing speak to high level information
2. Determining how to achieve value
3. Translating value into a clear scope
4. Getting a demonstration
5. Handover from demo to solution

6. Ensuring value is continuously captured

Ms. Hall claimed that step 5, the handover, is the highest cost point of friction, which makes sense given this is where the implementation “rubber” hits the road with the customer. Similar to other solution providers, IFS has its own business value assessment methodology to baseline their customers, and to help develop customer “success plans” to guide their transformation. Much of this discussion echoed the approach of Infor, one of IFS’ competitors that has also bet big on the cloud and delivers by industry. Shortening time to value is critical and these approaches have proved their worth in many solution providers. IFS’ approach is solid and their early results, claiming a 22% improvement in time to value for example, is a good start.

This is but a small window into the content offered at IFS Unleashed. The energy was high, as customers, IFS, and their many partners were excited to be back together in person. Miami Beach offered a gorgeous albeit steamy location for attendees to enjoy. Clearly the group was unleashed, at least for these few days. Unleashed also describes IFS as a company. Their offerings have converged in IFS Cloud and the market is clearly responding. And IFS has greatly expanded their ability to reach broader swaths of the market during Mr. Roos’ tenure. When IFS did most services in-house, they were capacity constrained. New implementations took precedence over upgrades. Now that they have added 100s of partners they can serve all comers and with IFS Cloud their growing installed base can be evergreen and rapidly take advantage of the growing capabilities the platform can offer. Then it will be the customers that are unleashed, using IFS Cloud to deliver amazing moments of service to their clientele.

About CIMdata

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