

# How the 'Third Platform' will bring disruption, change and opportunity to your business

The third platform is currently described as the convergence of four technology trends on business. These trends are mobility, cloud, social and big data - they fundamentally change the way people and businesses relate to technology. As we embark on the true information age, more trends and technologies may be added as they gain traction and importance in the market.

 By [Keith Fenner](#) <sup>3</sup> Dec 2014

## Direct effect

The main impact is the speed of this transformation as it is faster than any mainframe or client/server platform adoption and as such, has a direct effect on anyone doing business in the world today. From IDC's perspective "what we call IT is rapidly shifting to the third platform" and they predict that "89% of all future IT spending will be in the third platform." If these numbers are to play out, it will represent the depletion of nearly half the traditional platforms in operation today.

IT departments today are moving away from heavy legacy systems and are re-directing their spend into the third platform, sometimes at the detriment of established ERP vendors. The challenge arises when the legacy systems are exhausting the lion's share of the IT budget every year before any re-investment into new technology is considered. IT is waking up fast and needs to re-skill to learn how to take advantage of the new opportunities these agile platforms offer.

This dynamic shift will see an increase in growth of the public Cloud offerings that are available today. Private Cloud will still remain highly relevant for mid-market and enterprise ERP but the consumption of connected services will outpace this significantly, with the market leaders likely to consolidate leaving "Amazon, Microsoft, Google and a few other IaaS players left," according to IDC. The battle for applications in the Cloud is increasing as it is part of this dynamic shift from centralisation to application consumption at business unit level.

## Customer revolution

The major impact will be disruption - IDC predict that every industry in our economy will see one third of its top 20 companies seriously disrupted by new entrants or re-invented incumbents delivering new offerings powered by the third platform. A great example of this would be the Uber disruption of the traditional taxi market or Facebook's WhatsApp dominating messaging.

This is a customer revolution or as we say at Sage, "It's all about customer experience, which is the sum of the user experience". This will give rise to new business models that align with business outcomes. To do that, requires agility. The terms agility and ERP are not often used in the same sentence as legacy vendors deliver complex products on proprietary platforms that are very difficult to out-manoeuvre.

If we consider that today's business people will always operate on smart devices and travel extensively, then it is no wonder that this new world is characterised by mobility and demand for access to information driven by big data analytics. This fundamental shift has driven the change in software licensing from perpetual models to subscription or usage based contracts and will continue to force legacy vendors to address the way they do business.

## What does all this mean for you?

It is critically important you start to review IT policy and educate yourself on the technologies available and their impact. Your agility can only be defined by the choices you now make regarding your ERP vendor and their adoption of the third platform. You should look carefully at product architecture as well as roadmaps and technology strategy.

Their ability to provide freedom of choice in pricing and delivery across line of business solutions as well as an open architecture for operating and integrating, is vital. As a business you need to literally 'plug-in' line of business applications from the Cloud such as talent management, recruitment, stock optimisation, mobile sales, procurement and the list goes on. These mini-projects should be deployed quickly, integrated easily and deliver an ROI immediately.

If you need to be agile to survive, you must deploy the right solution today or risk being left behind.

## ABOUT KEITH FENNER

Keith Fenner, Senior Vice President Sales for Sage ERP X3 AAMEA (Australia, Asia, Middle East and Africa)  
View my profile and articles...

For more, visit: <https://www.bizcommunity.com>