



Turbocharge Your Supply Chain With Accessories

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At the AMR Research Fall Executive Conference, we discussed the post-technology era consolidation of software vendors, and compared it to the software application market to the pre-World War II automobile market of more than 200 companies, which consolidated down to 4 after the war. Continuing the analysis, like the Automobile market, a large number of niche and specialty software vendors will survive as component vendors within larger systems. Indeed, we are already seeing signs that a supply chain software aftermarket is emerging.

The Bottom Line: Organizations can cost-effectively get more out of their existing supply chain technology by installing components into their software infrastructure.

What It Means: In this aftermarket, accessory components can be installed within an existing software infrastructure to increase functionality, much like buying an aftermarket audio or alarm system for your car.

The past couple of months, AMR Research has worked with three supply chain software vendors that plan on capitalizing on these types of aftermarket opportunities, in different ways, as follows:

- As we wrote in the AMR Research *Alert* article “Catalyst Lays Out Plans To Coexist With the SAP Giant,” May 14, 2003, Catalyst International plans to offer products and services for **SAP**’s WM product, including its installation. Coming off of a financial turnaround, Catalyst recently adopted the Open Applications Group Integration Specification (OAGIS) standards for all of its supply chain applications to support the plugging in of an expanded set of Supply Chain Execution (SCE) components into an existing enterprise environment.
- **ClearOrbit**, an SCE component vendor, recently described how its products are designed to be noninvasive extensions to Enterprise Resource Planning (ERP) and Warehouse Management System (WMS) applications, especially in extending functionality to remotely distributed and mobile devices and an extended supply chain. Previously a preferred vendor of **Oracle** for extending its WMS functionality, ClearOrbit has recently developed a set of products to do the same for customers of SAP’s WM product.
- **ILOG**, an established component vendor to supply chain software vendors, recently unveiled its Real Time Optimization (RTO) Extension Solution and Practice for manufacturing customers. The intent is to extend functionality of existing supply chain and ERP systems, initially in transportation planning and real-time scheduling, using ILOG’s optimization and business rules components.

Conclusion: While these vendors are using aftermarket strategies to thrive in a consolidating market, users can capitalize on them to turbocharge existing supply chain systems. With limited budgets for purchasing new costly, large-scale software applications, now is the time for users to revisit their implementations of supply chain software. As recommended in the AMR Research *Alert* article “Get More Out of Your Supply Chain Software,” November 13, 2003, organizations can do this by using the software they already have. Another way is to purchase and install component software as offered by aftermarket providers. This especially makes sense when they don’t want to wait for functionality that may not get developed by their enterprise software vendor in a timely manner.