



The Napkin Guys: How Modern Organizations Consume Technology Investments

[Music]
[laughs]

Tim Hanson: Another day. A Red Crown fall day.

Brian Bechtoldt: It is nice to be here.

Tim: It's really nice to be here it's so relaxing. So, you know Brian, one of the things we've been talking about within our customer base is the kind of the evolution of how organizations now consume technology investments, you know.

Brian: Yeah.

Tim: Before it was these big projects.

Brian: Right.

Tim: People had to, or didn't, really budget for them, but they had to make these big decisions on how they implement this next project with very large dollar values. That's changed dramatically, hasn't it?

Brian: Yeah. And even the way even the way we partner with our clients and actually our manufacturing partners, has changed a bit too, right? Because, you know, it used to be you kind of try to get it all right you big bang the thing out and it was complex and all kinds of things could go wrong and, you know, changes would occur. And now what you see is more I think of a continual relationship going on with our clients, partnership, to sort of evolve the software that they're buying that they're investing in over time.

Tim: Yeah. I mean we see several trends. One obviously, people are aware the trend has now changed from this big purchase of kind of this software investment to subscription-based software purchases, right? That are consistent, manageable budgetable over time. So, software licensing has changed that way. We're clearly now also seeing the evolution of services related to those software implementations. Also be thought of on a subscription basis.

Brian: Yeah.

Tim: You know, how can we budget for those. How can we plan for those? As an organization we spent a lot of time thinking how we lower the cost of implementation. Using standardization, repeatable techniques all of those things.

Brian: Yeah. And what you're really looking at is also, you know, just a much easier sort of way of maintaining the software updates go forward in this type of model.



Tim: That's exactly right. Software continues to evolve at a rapid pace. In our implementation strategies, we really need to make sure our clients are thinking in terms of how do they consume those, in a least disruptive manner, and our clients do. So, they consume those changes very rapidly now, take advantage of that, the software changes, and the features that are being added by the manufacturer.

Bryan: Yeah, you say features and one thing we're seeing is, you know, these softwares are being built on platforms that are incredibly robust and have the ability to be customized and really built discreetly to a specific business need. They can get really complex, and I guess the question is, is how do we manage the complexity because that sounds like a good break, right?

Tim: Well, that's a great point. So, we spend a lot of time talking what we call a term, small circles of success. So, how do we take this very complex evolution that must occur over time—

Bryan: Yeah.

Tim: Break it into iterative processes that are small and that we achieve success on each one. Think of them as these concentric circles that we build to ultimately get to this evolutionary state.

Bryan: Yeah, so if we do this inner circle it sort of informs the next build.

Tim: It does.

Bryan: And then that sort of informs the next build.

Tim: But they're small enough to be successful.

Bryan: They're small [enough] to be successful and we really understand the business as it evolves and changes.

Tim: That's right and you can make much more informed decisions. Yeah, so I think those combined to form this really nice consumption of technology today, you know, think about obviously software licensing—

Bryan: Yeah.

Tim: In a subscription-based model.

Bryan: Yep.

Tim: Think about standardized implementation processes and potentially even consuming those to the degree you can from a subscription model as well because that spreads that out over time, and again lets you budget for it and then break



those projects into consumable, successful components that you iteratively build upon.

Bryan: Well fantastic. I know our business apps team has had a huge amount of growth over the past couple of years and it's easy to see why.

Tim: Yeah, exactly.

Bryan: All right, cheers.

Tim: Well, let's enjoy, you know, our time together. This atmosphere is just beautiful.

Bryan: I know and they fired up the smokers! I get hit with a whiff of smoke!

Tim: Yeah, it's pretty cool.

Bryan: That's fabulous! All right, cheers!

Tim: Cheers buddy!

[laughs]

[bottles clink]