



Run a Factory on Cloud Apps? IQMS Says Yes.

BY CHRIS MURPHY

Mission-critical applications such as IQMS enterprise resource planning (ERP), which companies use to run their factories, were once considered the last software that would move to the cloud. It's too risky, conventional wisdom long held, to run such software over the internet, from a supplier's data center instead of your own.

"If that software fails, the plant shuts down," says IQMS CEO and President Gary Nemmers.

So Nemmers and his colleagues were a bit surprised earlier this year when more than 65 percent of its customer advisory board said they're moving to the cloud or considering it—even for core manufacturing applications. “That’s a much bigger number than we thought,” he says. “Among the reasons are they want to run their manufacturing businesses better and get out of running IT infrastructure.”

After 27 years of offering its manufacturing operations applications entirely under a licensed, on-premises model, IQMS now offers customers one of three models:

- Continue with the existing on-premises model.
- License the software and IQMS hosts it under a managed service model.
- Subscribe to the software as a service running on [Oracle Cloud Platform](#).

“Choice is the new cloud,” Nemmers says.

A Value-Based Cloud Solution

IQMS’s leadership team didn’t want to just “lift and shift” its on-premises software to run on a commodity cloud infrastructure. They wanted to give cloud customers capabilities they didn’t have before, and that’s a big reason IQMS is partnering with Oracle. The company plans to offer Oracle Business Intelligence Cloud Service alongside its IQMS application, providing the tools for companies to analyze and visualize the extensive data that IQMS collects on factory-floor machine performance. “That’s the Internet of Things,” Nemmers says.

Likewise, IQMS has started offering Oracle’s cloud backup service, for both cloud and on-premises versions of IQMS. Since every IQMS application runs on [Oracle Database](#), the cloud backup service drew immediate interest from customers, Nemmers says, for its reliability, price point, and strong security.

A small number of IQMS customers run the app today as a cloud service on Amazon Web Services, and that setup has worked for them, he says. However, IQMS plans to rely on Oracle Cloud Platform going forward because of the services Oracle can wrap around the cloud infrastructure.

“The real value [in offering a cloud version of IQMS] is everything we build around it—including security and encryption, business intelligence and analytics, and the backup and recovery components of Oracle,” Nemmers says. “It’s not just moving from one place to another.”

Why Now for the Cloud?

Why are small and midsize manufacturers, which tend to be a conservative bunch when it comes to technology, ready now to make the move? Nemmers cited three factors.

A NEW GENERATION OF CUSTOMERS

In some cases, a new generation is taking over the family-run, private manufacturing business, and this generation has grown up consuming online services.

And then there are startups like Elio Motors, the first company IQMS moved to Oracle Cloud Platform. Elio Motors makes a three-wheel vehicle that’s ideal for commuting, getting up to 84 miles per gallon at a \$7,300 base price. For the growing number of US manufacturing startups that have the luxury of assembling their IT systems from scratch, on-premises IT isn’t even a consideration. “They don’t want it that way; don’t even talk to me about it,” Nemmers says.

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—GARY NEMMERS
CEO and President
IQMS



*IQMS plans to offer Oracle Business Intelligence Cloud Service alongside its own application, allowing companies to analyze the data that IQMS collects on factory-floor machine performance.
(Photo courtesy of IQMS)*

THE INTERNET OF THINGS

Manufacturers must get more value from their shop floor data if they're going to compete with their most-efficient rivals. IQMS has been collecting that kind of machine data throughout its 27-year history, and it is now in a position to offer customers cloud-based analytics paired with its ERP apps.

A NEED TO FREE PEOPLE FOR INNOVATION

Nemmers cites one Midwest manufacturer that has more than 15 people running an 85-server data center largely to support its IQMS environment. "They're thinking, 'If you can take this off our hands and simplify this, give us one number, that's a big savings,'" he says. "They could redeploy more than a dozen people."

At the same time, the customer would get improved backup via Oracle's cloud, and more extensive data encryption than it runs in house.

Nemmers doesn't expect all of IQMS's customers to flock to the cloud—well over half of its 1,000-plus existing customers will stay on-premises even long term, he estimates. But for those customers considering cloud, IQMS is ready now. "We think we're going to see an influx of our customers moving to the cloud," he says, "or a growing desire to move to the cloud, in just the next 12-plus months."

Learn more about moving your business to the cloud:

- [Oracle Cloud Platform Central](#)
- [Get started with a free trial](#)

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