

FSN

“The ERP market Landscape”

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AGENDA

- Where is the Market?
- What is the basis of competition?
- The importance of domain knowledge

“In a strong wind even turkeys can fly”



A downturn has advantages for the fit

- Well run companies will take market share
- Asset values are low – they will make acquisitions
- Good people will suddenly become available

A downturn has advantages for the fit

but.....

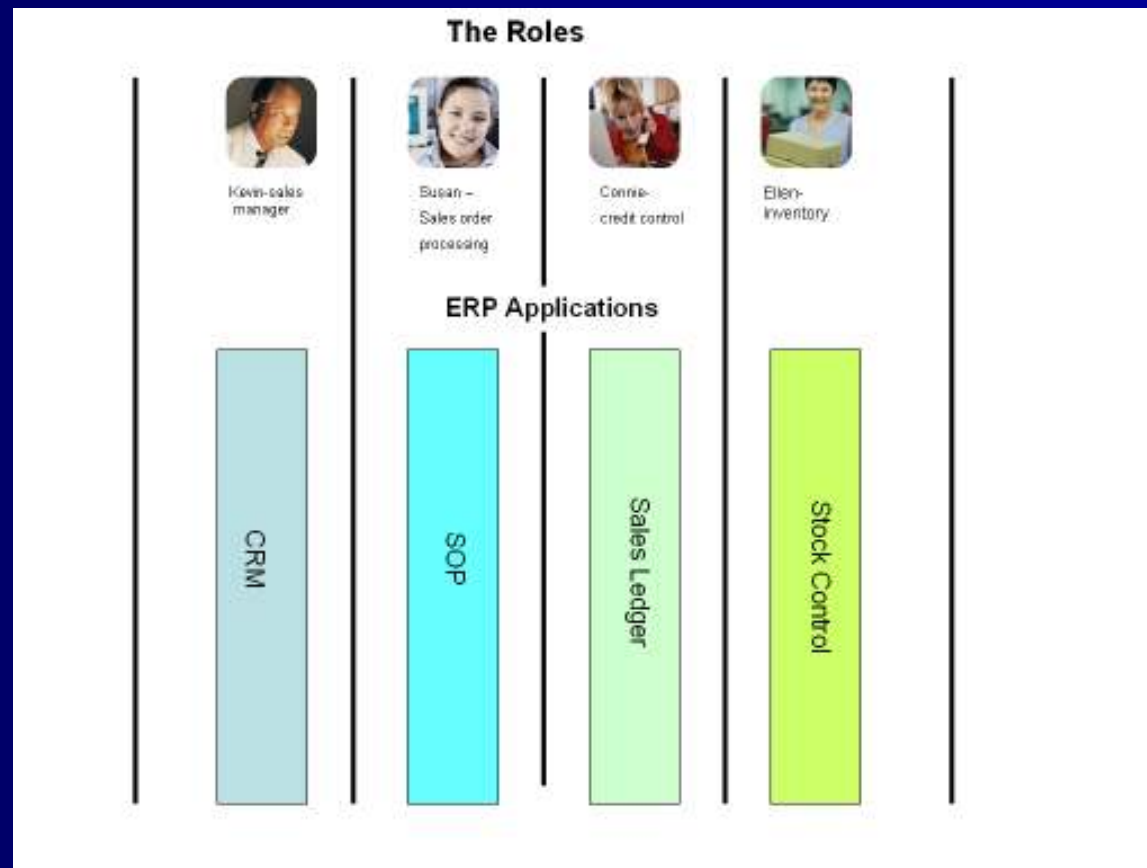
- Adaptable systems
- Solid suppliers

So Where is the Market Now?

The 'Big picture'

- Fundamental design has not changed for 20 years
- Modular structure creates inefficiencies
- Interfaces are time consuming to learn
- Time consuming to set up
- Inflexible to change
- Costly to buy and maintain

.....traditional accounting solutions
lock people into 'silos' of
functionality



High end (global) market is stagnating

SAP

Oracle

Infor

High end (global) market is stagnating

SAP

Has the Business Objects integration worked?

Internally settled?

Mid-market push?

Re-launching in design?

SAP Configurator?

1 What industry does your company belong to?

- Manufacturing
- Trade
- Services

2 How many employees work for your company?

People

3 How many employees will be using the software?

Users

Costs Estimate

Licenses: 91,000 EUR
 Services: 72,000 EUR
 Servers: 22,000 EUR
Total: 185,000 EUR

5 Function List: show, save and print.

[> Function-List](#)

4 Are there any Building Blocks that you do not need? Please choose:

Legend

B32: Best Practices ECC-Installation	J02: Organizational Structure	J30: Central Master Data	J07: Quality Management	J12: Project System	J14: Human-Capital Management	J19: Batch Management
B46: Cash Management	N72: Asset Management	N73: Period End Closing for Financial Accounting	N70: Financial accounting	J09: Travel Management		
N71: Central Cost Center Accounting	J17: Profitability Analysis	J20: Cost Object Controlling Make-to-Order SP	J21: Cost Object Controlling - Make-to-Stock	J22: Cost Object Controlling - Repetitive	J18: Product Cost Planning	
J04: Sales and Distribution	J24: SD/MM Services	J54: Third Party Sales (Drop shipment) with Shipping Notification	J55: Third Party Sales (Drop shipment) without Shipping Notification	J56: Sale of a Bought-in Item	J57: Extended Sales Order Processing	
J50: Customer Consignment Processing	J59: Customer Returns and Complaints	J60: Returnable packaging processing	J61: Batch Recall	J62: Cross-Company Sales Order Processing	J63: Sales Order Processing with DUMMY Customer	
J49: Procurement of Stock Material	J50: Procurement - Contract	J51: Internal Procurement (Stock Transfer With Delivery)	J52: Internal Procurement (Stock Transfer without Delivery)	J53: Internal Procurement (Cross-Company Stock Transfer)	J73: Physical Inventory with Balance Sheet Valuation	J05: Materials Management
J64: Production Planning and Discrete Manufacturing - Make-to-Stock	J65: Production Planning and Process Manufacturing - Make-to-Stock	J66: Make-to-Order (MTO) - Quotation & Order Processing;		J67: Repetitive Manufacturing	J06: Production Planning and Control	
D41: On-Site Repair Services;	D42: Returns and Repairs at Plant	D43: Preventive Maintenance		D44: Internal Maintenance		J13: Customer Service/Plant Maintenance
B40: Project with Resource-Related Intercompany-Billing	J45: Spot (ad-hoc) Consulting	J46: Project with Fixed-Price and Time and Material-Billing	J47: Contract with Auto-Creation of Project, Down-Payments, 3rd Party Material, Personnel-Assignment & Milestone-Billing	J79: Longterm-Service-Order with Settlement		

High end (global) market is stagnating

Oracle

Grounded

Hyperion integration has settled down

Financially fit & focussed

Underpinned by technology business

High end (global) market is stagnating

Infor

What now?

Treading water?

Waiting for the opportunity to IPO?

The mid-market

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Established suppliers have tinkered at the edges.....

- Improved user interfaces, e.g. icon driven or Outlook style and feel
- Integration to Excel
- More bundled functionality

.....relied on customer inertia to retain user base

Hosted (SaaS) solutions promise a great deal.....

- Lower costs
- Easier implementation
- No technology worries
- More comprehensive functionality
- Security & backup

.....but market not convinced!

Hosted (SaaS) solutions promise a great deal.....

- Pricing models in disarray
- Most not making money
- Small user bases – bottom heavy

.....but there is opportunity!

Hosted (SaaS) solutions promise a great deal.....

- Mid-market SaaS is a possibility (£50m - £500m)
- Little competition
- Few products
- Larger companies showing interest

The mid-market is bifurcated

UK domestic market still recovering from consolidation

Relatively settled global mid-market

Current market consolidation

- Remember Pegasus, Systems Union?
- CODA and Agresso
- SAGE has challenges
- COA Solutions is focussed (but UK only)
- Access Accounting?
- Iris quite specialised

Global mid market

Microsoft	SAP
Axapta	All-in-One
Great Plains	Business By Design
Navision	Business One
Microsoft CRM	SAP CRM

Companies' response to uncertainty ?

- Wait and see
- Maximise value from existing systems
- Play safe – who is next to consolidate?

What is the basis of competition?

The brand dilemma

How does a global supplier of software look credible to multinationals while at the same time look 'warm and cuddly' to the mid-market?

What does this brand mean to the mid-market?



What does this brand mean to you in the mid-market?

- Big company?
- Expensive?
- Consultants?
- Long implementation timescales?

What do their customers say?

“It gives us credibility”

“If we run SAP we are a company to be taken seriously”

“Adds kudos and even value to my business”

“Most of our customers/suppliers use SAP”

SAP is pressing home its historic advantage

“Using the system I can now process more orders, more quickly and with fewer staff”.

CEO, £12m distributor of household wares

“We process so quickly that customers cannot change their mind”.

They understand the value of process

“We chose templated solutions which saved us time. Why would we want to re-invent the wheel?”.

FD, £40m manufacturer of equipment for the Oil industry

What does the Microsoft brand mean to
the mid-market?

Microsoft®

Brand values?

Trusted brand

Personal productivity

Corporate databases

Operating systems

Microsoft Office

Assorted technology

and the Microsoft Dynamics brand ?



Brand values?

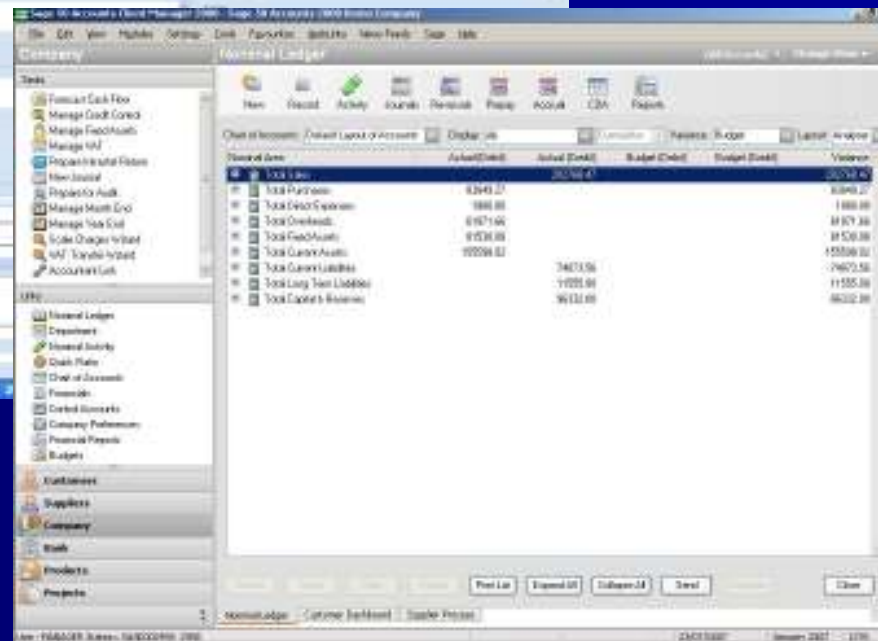
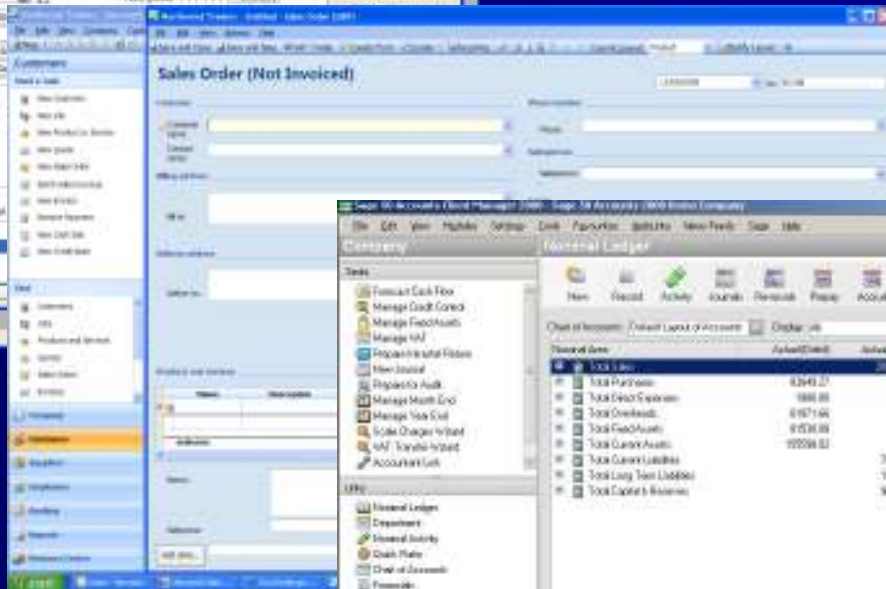
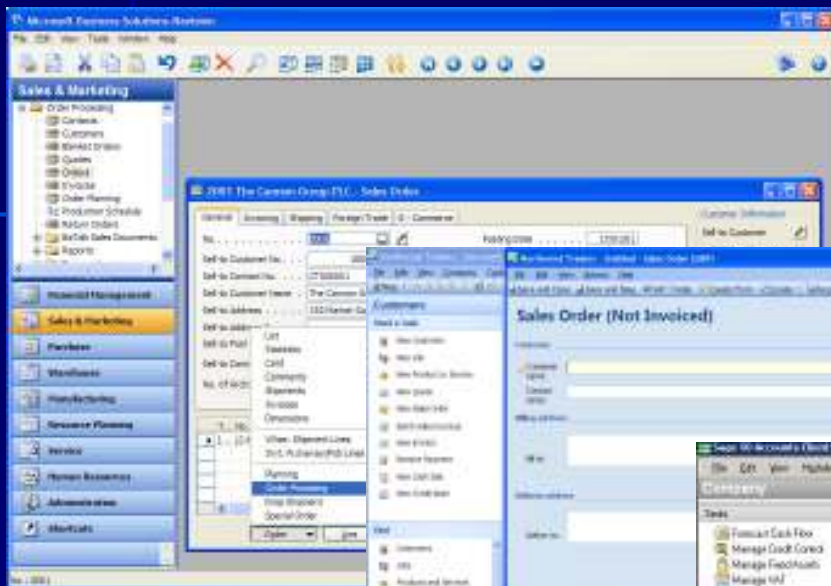
Business applications?

Process Excellence?

Business acumen?

Mid-market specialisation?





So what is the basis of competition?

Price?

Innovation?

Technology?

Domain knowledge!

Partners are critical

Domain knowledge

Process Expertise

Industry expertise

Integration Services & applications
architecture

What are customers looking for?

- 'Safe pair of hands' – certainty
- Scalability
- Comprehensiveness of solution
- Someone they can work with and trust (Domain expertise)
- Return on Investment
- Value for money

In a downturn – added value

- Competitiveness
- Productivity
- Help with growth
- Profitability improvement
- Cost control

Summary

- High end market is stagnating
- Mid market is bifurcating
- SaaS may yet get a foothold
- Basis of competition is in domain expertise
- Customers want value for money

Thank You !

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