

# 2011 Trends Report: Enterprise Resource Planning (ERP)

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by Steve Christensen, Dana Craig, Jonathan Gross, Tim Hourigan, Robert Israch, Michael Krigsman, Rushabh Mehta

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#### **Executive Summary**

Enterprise Resource Planning (ERP) automates many aspects of an organization's operations, cascading across traditional boundaries of operations, finance, manufacturing and more. As such, changes in the ERP market can cause a ripple effect in your business. In this guide, Focus Experts Steve Christensen, Dana Craig, Jonathan Gross,Tim Hourigan, Robert Israch, Michael Krigsman and Rushabh Mehta share eight of their 2011 predictions for ERP, so you can plan around changing tides and trends.

After reading this report, be sure to check out the entire discussion and join the conversation: <u>http://www.focus.com/questions/operations/erp-trends-what-top-erp-trends-watch-2011/</u>.

#### Enterprise Resource Planning (ERP) Trends for 2011

- 1. Companies are becoming less accepting of expensive, never-ending projects.
- 2. Projects will start with smaller, more targeted implementations.
- 3. Companies will reduce support and maintenance costs.
- 4. Packaged, or productized, services offerings will gain traction.
- 5. SaaS and cloud computing will make more of an impact on the ERP space.
- 6. Enterprise mobility features are becoming must-have tools.
- 7. Collaboration tools will gain momentum in ERP offerings.

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#### What the top ERP trends to watch in 2011?

#### 1. Companies are becoming less accepting of expensive, never-ending projects.

"Today, enterprise buyers are unwilling to tolerate the economic waste and lost opportunity costs associated with expensive ERP boondoggles." (Krigsman)

"Suppliers, employees and customers will continue to try and collaborate to increase financial performance of all participants." (Christensen)

"The maturity of ERP, combined with difficult economic times, has created an environment where buyers will demand specific results from vendors." (Krigsman)

"The economy has been in hibernation for a few years now. Although there are some signs of improvement and growth, businesses will continue to be conservative with IT expenditures, and that includes ERP systems. Tight budgets will lead to laser-focused expectations of feature requirements and implementation timelines." (Craig)

#### 2. Projects will start with smaller, more targeted implementations.

"Products that are foundational and scalable will have an edge over ones that provide an all-or-nothing approach." (Craig)

"Focus on reducing risk by breaking large projects up into smaller pieces and then managing these projects as a portfolio. Project portfolio management becomes more important in this scenario." (Krigsman)

#### 3. Companies will reduce support and maintenance costs.

"In contrast to the last two years, companies will likely have greater success in their ERP maintenance and support contract negotiations. Greater cost scrutiny, third-party maintenance alternatives and increasing vendor competition will all conspire to the benefit of the ERP consumer." (Gross)

#### 4. Packaged, or productized, services offerings will gain traction.

"Well-defined, fixed-price consulting solutions that include configured software and a concrete set of services and deliverables will gain acceptance." (Krigsman)



#### 5. SaaS and cloud computing will make more of an impact on the ERP space.

"Software-as-a-Service (SAAS) ERPs will become more mature as web technology with the advancement of HTML5, will change the way we look at web. More (almost) vendors will push cloud (another name for SAAS) and will launch products in this space." (Mehta)

"Small and midsize businesses are increasingly moving to the cloud as their preferred method to run their business, and now larger enterprises are implementing cloud technologies to manage subsidiaries, international divisions and departments of their companies." (Israch)

#### 6. Enterprise mobility features are becoming must-have tools, not toys.

"Enterprise mobility will appeal to those making first-time selections as well as those looking to extend their existing ERP solutions. Mobile offerings that access and extend enterprise data are no longer toys or novelties. They will be seen as requirements for providing true value." (Craig)

#### 7. Collaboration tools will gain momentum in ERP offerings.

"The exciting 2011 ERP trend we'll see more of is what I'll call 'collaborative ERP': mashing traditional ERP capabilities with other collaborative tools. A great example of this is using Microsoft Office Communicator embedded and enabled applications to access information stored in an ERP solution. This extends other familiar collaborative tools such as Outlook, Word, Excel and SharePoint integrated with ERP for structured and unstructured transactional and BI-centric information access and presentation. And it does so in real-time, with a compelling ROI given many of the tools are essentially free/sunk costs." (Hourigan)

"Vendors need to come to the table with an understanding of how tightly integrated collaboration tools can provide measurable value to users within the enterprise as well as those the enterprise serves." (Craig)

Read the entire discussion, and join the conversation: <u>http://www.focus.com/questions/operations/erp-trends-what-top-erp-trends-watch-2011/</u>



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#### **About this Report**

The 2011 Focus Trends Reports are designed to inform and help business professionals understand the current trends and progressions in a specific business area. The trends for these reports are sourced from Focus Experts who have superior insight and expertise in the designated topic. Trends Reports are designed to be practical, actionable and easy to consume.