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Enterprise Resource Planning (ERP)
2014 Trends

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Presentation Objectives

- Define ERP
- History of ERP
- Current ERP Market
- Review 2014 ERP Trends
- Career opportunities in ERP
What is ERP?

• **Enterprise Resource Planning (ERP)** is business process management software that allows an organization to use a system of integrated applications to manage the business and automate back office functions.

• Broadly speaking, ERP refers to automation and integration of a company's core business to help them focus on effectiveness & simplified success.
What is in ERP out of the box?

- Payroll Management
- Manufacturing
- Sales Order Management
- Materials Resource Planning
- Product Lifecycle Management
- Customer Relationship Management
- Enterprise Services Automation
- Quality Management
- Distribution Management
- Service Management
- Analytics
- Asset Management

- Human Capital Management
  - Talent
  - HR, Benefits, Absence
- Financial Management
  - Accounting
  - A/R, A/P, G/L
- Payroll Management
- Supply Chain Management
  - Procurement
  - Supplier\Vendor Mgmt.
  - Transportation
- Real Estate Management
- Project Portfolio Management
- Industry Customization
History of ERP

- 1972 SAP
- 1975 Lawson
- 1975 Microsoft
- 1977 JD Edwards
- 1977 Kronos
- 1978 Baan
- 1979 Oracle
- 1987 PeopleSoft
- 2002 Info
- 2005 Workday

2003-2005 Industry consolidation occurs:

- **Oracle** – E-Business Suite, JD Edwards, PeopleSoft, and Seibel
- **Microsoft** – Navision, Axapta, Great Plains, and Solomon
- **Infor** – Baan, Mapics, and a slew of other products
- **Sage** – Best Software is acquired
Tier 1
SAP, Oracle\PeopleSoft\JD Edwards,

Tier 2
WorkDay, Epicor, Infor, Microsoft Dynamics AX, Sage, Kronos, Concur, IBM OpenPro, QAD, AVAS, Glovia

Tier 3
QuickBooks, Sage 50, Accpac
ERP Software Market Share, 2013

Facts: Oracle & SAP lose 2% of market.
The Numbers in 2013

• The worldwide ERP software market grew 3.8% from $24.4B in 2012 to $25.4B in 2013.

• SAP retained their market leadership position in 2013, selling $6.1B in ERP software up from $6B in 2012.

• Oracle is second with $3.117B in sales in 2013, down .2% from 2012’s sales of $3.124B.

• Sage is third with $1.5B in sales in 2013

• Infor is fourth with $1.5B in sales in 2013.

• Microsoft fifth with $1.169B in sales in 2013.
The SAP and Oracle Ecosystem in 2013

2013 Expenditure, $ Billions

- Internal Staff and Infrastructure Costs, $91.0
- IT and Business Professional Services, $42.4
- Application Development Services, $21.4
- Maintenance & Support Services, $48.0
- License Fees, $16.1
- Infrastructure & Hosting Services, $36.3

Total 2013 Worldwide Expenditure - $255 Billion
SAP: $156 Bn
Oracle: $99 Bn

Source: HfS Research 2013
ERP & Business Facts

- **6M**: The # of businesses with 2 or more employees
- **18M**: The # of businesses in the U.S.
- **1K**: The # of U.S. technology vendors developing solutions to help businesses manage their talent.
- **20**: Average # of employees at U.S. companies. 200M people employed in U.S.
- **33K**: The combined total number of corporate customers claimed by WorkDay, LinkedIn, Taleo, Knexa, SuccessFactors, and Cornerstone OnDemand.
Fastest Growing ERP Companies

- **Workday** (Revenue grew 86.1%)
- **Workforce Software** (Revenue grew 57.6%)
- **Cornerstone OnDemand** (Revenue grew 57%)
- **NetSuite** (Revenue grew 39.6%)
- **SuccessFactors** (*Purchased by SAP for $3.4B*)

Why?---ERP market being driven by companies who see cloud-based SaaS systems & as more agile and responsive to their changing business model needs.

Legacy systems designed for business models long gone yet still on maintenance are being extended today with cloud-based systems capable to keeping pace with an entirely new level of performance companies need to survive and grow.
Current Trends in ERP

• **Cloud ERP to gain higher market share:** Cloud based ERP will continue to gain velocity in the coming year, in both private as well as public sectors. As per prediction by IT experts, the cloud will dominate IT spending by end of 2016. Lured by lower costs and better speed, the year 2013 saw an increasing number of users adopting cloud based-solutions.

• **Hype surrounding social media:** With the ongoing hype around social media integration with ERP, modern day vendors have promptly capitalized on this initiative, by including social media integrations in their ERP systems. Thus, 2014 will witness the rise of social collaboration tools in ERP systems.

• **Competition:** Top ERP software providers will face stiff competition from tier-2 vendors, in 2014. With tier-2 vendors having increased monetary assistance, regaining market share will be a cumbersome task for their tier-1 counterparts.
Current Trends in ERP

- **Growth of mobile BI**: As witnessed in 2013, a number of businesses adopted business intelligence tools, in an attempt to increase their return on investment. There is an increasing likelihood of this trend continuing in 2014.

- **Mobile ERP**: Off late, employees have replaced their computers with smart phones and tablets. Thus modern-day vendors have come up with feasible methods for employees to accomplish this, thus promoting increasing adoption of mobile solutions. Thus, forthcoming businesses will adopt mobile ERP, not just for viewing reports and dashboards, but also for conducting crucial business processes.

- **Educated buyers**: Today users carry out adequate research on products and services on the Internet before making a purchase decision. Thus, in the coming years, buyers will be more knowledgeable about solutions.
Career Opportunities

For Employees of companies:
• Companies need trained staff to support ERP after implementation.

For Consultants:
• The average ERP implementation takes 23+ months. Great money earning potential for consultants.
• Costs to implement ERP are high. *(Ex. Software costs = $2M \ Services = $6-8M).*
  ▪ Software License Fees
  ▪ Maintenance Fees
  ▪ Hardware
  ▪ Implementation Services
Job Comparisons

- **Network Administrator (NYC)** $60K
- **Software Trainer (NYC)** $45K
- **Programmer (NYC)** $72K
- **Project Manager (NYC)** $92K
- **ERP Administrator (NYC)** $72K
- **ERP Trainer (NYC)** $62K
- **ERP Programmer (NYC)** $85K
- **ERP Project Manager (NYC)** $97K
Training Costs

- ERP companies are usually selective about “Authorized Training Schools”.
- Classes and Certifications are focused on specializations by category and/or module

- Instructor Led = $1K-$5K per class
- E-Learning = $1K-$2K per class
- Certifications = $3K-$15K
References

- http://www.huffingtonpost.co.uk/mark-braund/erp-software-in-2014-6-pr_b_4642399.html
Questions & Answers

Thank you for attending!
Contact Information

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