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## Top 10 ERP Vendors of 2020

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INTRODUCTION

Panorama Consulting Group developed the 2020 Top 10 ERP Vendors Report to provide ERP selection guidance to organizations across all industries that are evaluating ERP systems.

The analysis is based on past client experience as well as vendor RFI and RFP responses we’ve received. We’ve managed the demonstration process for numerous clients, giving us direct exposure to the applications and the development teams behind them.

The vendors featured in this report were chosen based on the strength of their functionality across a variety of products. The order of listing is not based on ranking.

If you have questions regarding the content of this report, please contact us at info@panorama-consulting.com
ERP Selection Guidance

Panorama Helps Organizations Select the Correct ERP System
ERP SELECTION CHALLENGES

Organizations today are facing many ERP selection challenges, including lack of buy-in, unrealistic cost expectations, lack of process documentation and difficulty comparing advanced functionality. Panorama has witnessed these challenges as we help clients improve business performance and customer service.

New technology may sound good in theory, but if it doesn’t deliver tangible business benefits, then it isn’t helping your organization. Go beyond developing a business case for your initiative and instead develop a more robust benefits realization plan if you expect to truly realize meaningful benefits.

“This week has been outstanding! Kim and Christi are an excellent cultural fit for our company, and they did an incredible job of facilitating our [Value Stream Mapping] Workshop. Honestly, I’ve participated in activities like this many times over the course of my career, and this was the best one ever!

— Dan Callari

Quote [Director, IT, Bob Barker Company]
PROJECT BUY-IN

Often, when an IT manager or executive recognizes the need for new ERP software, certain stakeholders may not feel the same urgency. This is why it’s important to gain executive support by developing a business case.

Once executives support the project, employees will be more likely to support it, as well. In fact, when executives understand and communicate project goals, employees tend to become more confident about their own job security and ability to adapt to change.

PROJECT COST

Estimating the total cost of ownership of a new ERP system can be difficult. Companies, often, are most concerned about the obvious variables: software costs, maintenance costs, hourly rates and scope of services. While these are all important, they typically are not the things with the most impact on total cost of ownership.

Instead, it’s the things lurking beneath the surface that make a difference. These hidden costs may include internal resources for people and process related activities, or software configuration to meet unique requirements.

It’s important to have realistic cost expectations while evaluating ERP systems. This makes it easier to accurately compare vendors’ statements of work. Some organizations rely on independent ERP consultants to set realistic expectations based on their experience working with similar organizations.
PROCESS DOCUMENTATION

Many organizations do not have process documentation sufficient for ERP selection. This makes the selection process challenging, and often leads organizations to seek additional resources and expertise.

The type of process documentation that is necessary for ERP selection is detailed, focused on pain points and aimed at defining future state processes. This requires significant internal resource commitment, which isn’t realistic for many organizations.

Working with external resources can free up more internal resources to focus on their day jobs. External resources also bring a wealth of knowledge about the functionality of various ERP systems and know how to minimize software customization.

EVALUATING ADVANCED FUNCTIONALITY

Most ERP vendors can support all of the basic functionality organizations need. However, organizations typically need advanced functionality, as well, and this is when comparing the functionality of different systems becomes difficult.

If an organization is not evaluating large vendors, such as SAP or Oracle, it may not find a system that supports all of the advanced functionality it needs. For example, one vendor might provide advanced functionality in five key areas while another provides advanced functionality in a different five areas.

In order to compare these two vendors, the organization must decide which advanced functionality is most important to their business. This is where an unbiased perspective becomes helpful. An independent ERP consultant has no financial incentive to push an organization toward a particular vendor. Instead, the consultant recommends a vendor based on what functionality will bring the most benefit to the organization.
We went into this engagement in need of an outside voice for guidance. Panorama outlined our options, attached the value to each and then let us decide what was best for us.

TJ Rikli

*Quote* [Director, Operations, MOPS]
RECENT ERP SELECTION TRENDS

1. Many of our manufacturing and distribution clients are digitizing their supply chains using secure portals, blockchain transactions and other technology for forecasting and collaboration.

2. On the shop floor, we are seeing more use of IoT in combination with business intelligence. For example, machines are monitored with IoT technology, and if they need maintenance, this may generate an alert or even a workflow within an ERP system.

3. More ERP vendors are dedicating a strong focus to eCommerce and CRM functionality. This is helping our clients improve the customer experience, target the right prospects and optimize their current customer base.

4. Many of our clients are adopting more best practices that vendors provide out-of-the-box rather than customizing the system. This enables shorter implementations.
3 TIPS FOR PREPARING FOR AN ERP SELECTION

1. BUILD A PROJECT TEAM

An ERP project team should include key stakeholders from every functional area who can thoroughly describe their business processes and how these interact with current systems.

A project team should also include someone from the executive team who can play the role of project sponsor. In this capacity, they will make final project decisions and demonstrate their support of the project to employees across the organization.

Another essential role within a project team is the change management lead. This should be a certified change management practitioner who understands how to deploy all of the tools necessary for reducing change resistance.

One of the most important roles on a project team is the project manager. Ideally, this is an internal resource with a deep understanding of the business and its operations.

When building a project team, it’s not uncommon to experience resource constraints. If this occurs, we recommend moving forward with the project to ensure necessary business improvements are made before the business suffers greater losses than it already has.

CHARACTERISTICS OF A GOOD PROJECT MANAGER

1. Understands business structure and goals
2. Has emotional intelligence
3. Has excellent communication skills
4. Remains calm under pressure
5. Understands who will be impacted most by the project and knows when to include them in the project without disrupting operations

Pro Tips
Resource Constraints

1. Organizations that already have sufficient internal IT resources should focus on backfilling these roles with temporary contractors. We recommend using an outside agency that can confirm each candidate’s specific areas of expertise.

2. Organizations that don’t have sophisticated internal IT resources should consider hiring external IT resources.

3. Organizations should consider transitioning temporary resources into full-time roles if project team members might provide benefit by remaining in their new roles after the project.

4. The project team should identify time allocation per role and per project phase so managers can find ways to provide the right internal resources at the right time.
2. ALIGN STAKEHOLDERS

It’s important to achieve organizational alignment before ERP selection because it ensures the new ERP system supports organizational goals. In the context of an ERP project, we look at organizational alignment in two ways:

1. **The alignment of project goals with business goals**

   Some companies’ measurement of success is whether the project is on-time and on-budget. Instead of taking this approach, we recommend defining expected business benefits before selection and communicating these goals to all stakeholders. This will help the project team determine what ERP software is necessary to achieve the company’s goals.

2. **The alignment of stakeholders around project goals**

   While communicating business goals with stakeholders is essential, it’s equally important to ensure stakeholders agree that implementing a new ERP system will help achieve these goals. If a consensus is not reached, the discussion should turn to whether there’s a better way to achieve certain business goals or if there are different business goals the implementation should aim to achieve.

3. GATHER REQUIREMENTS

When determining what processes a new ERP system will need to support, it’s important to conduct requirements gathering sessions with key employees. Our clients often rely on us to lead these sessions, and we use this as an opportunity to educate employees about the difference between different types of processes.

**WHY EXECUTIVES SAY NO**

1. They are worried that the project will take too long and cost too much
2. They are afraid of the project disrupting their daily operations
3. Their own people are the real sources of resistance
4. They don’t have the budget to pay for the initiative and don’t know where to start
5. They are concerned that the new ERP system will not improve their business

**Pro Tips**

**Obtaining Executive Buy-in**

1. Understand what executives expect from an ERP system
2. Understand the problems with your company’s existing technology
3. Develop a business case that focuses on cost savings (one of the best methods is via a time-in-motion study)
4. Compare an ERP implementation to alternative options
5. Develop a risk management plan
6. Seek alliances from other functional areas

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Some processes are what we call “people processes.” These processes may not be well understood by the employees performing them.

We refer to other processes as “organizational processes.” These processes are so institutionalized within the organization that employees have forgotten (or never understood) the purpose of them.

Other activities we might facilitate during requirements gathering are asking employees about pain points or asking them to describe a step-by-step process and the relationship between different processes.

In other words, we ask them what systems and people they interact with so we can map processes in detail and identify pain points, like manual processes or redundant processes.

While evaluating vendors based on business requirements, organizations often struggle to determine which of their processes can potentially be standardized based on out-of-the-box functionality. We recommend standardization wherever possible to minimize software customization, which is costly and time-consuming.

However, not all processes can (or should) be standardized. The best processes to standardize generally include back-office processes that do not provide competitive advantage.

For example, an invoice-to-cash process typically has industry-standard best practices (i.e., the person who is billing should not be handling the cash). Standardization not only helps organizations adhere to best practices, but it helps reduce errors when multiple people are involved in a workflow.

**The Drawbacks of Customization**

Customization can make upgrades or bug fixes fail. If the organization wants upgrades to succeed, it must rewrite the code for its customizations and test the new scripts with every upgrade.

Another risk of extensive customization is the organization’s ERP vendor may stop supporting the customized system. This can create a phenomenon known as “technical debt,” a term implying that the longer an organization waits to fix bugs or perform upgrades, the more expensive they become to fix.
IMPORTANT ERP SELECTION CRITERIA

TECHNICAL FIT

When an organization takes the time to map its business processes and define its requirements, the organization can ask vendors to demonstrate specific functionality rather than presenting a canned sales demo. Organizations also should allow vendors access to subject matter experts to ensure vendors fully understand their business.

While no ERP system can address every possible business requirement, organizations should look for a system that addresses the businesses’ highest priority requirements.

REPORTING FUNCTIONALITY

Many companies have multiple systems that are not well integrated. This means that organizations experience challenges, such as sales not having good insight into inventory levels and production not knowing how much space is available in the warehouse (except through a manual process).

It’s important to select a fully integrated ERP system with strong reporting functionality. This ensures that every functional area can see metrics and forecasts of other departments side-by-side with their own department’s information. This also eliminates duplicate work.

We recommend looking for a system that provides visibility into real-time data throughout the organization. For example, when the organization receives an order from a customer, the ERP system should be able to instantly determine if there are enough materials available to produce that product.

Client Cases

Success Stories

1. One of our nonprofit clients has a system that is completely customized. We helped them select a new system that is better aligned with their requirements and are now helping them implement it.

2. A manufacturing client was determining whether to recode their current system or implement a new one. They created a spreadsheet of every customized feature and what it would take to de-customize it. This led them to the conclusion that they needed a new ERP system. We are currently helping them select a system that requires little to no customization.
BEST-OF-BREED VS. SINGLE ERP

While most ERP systems have all the basic functions required to operate a company, these systems are not always able to handle every granular aspect of a business. Therefore, if a company operates in a niche space or has a specific department that is critical to its competitive advantage, they may need to integrate their main ERP with another system.

For example, some manufacturing firms have many machines and many employees at different skill levels operating those machines. These companies may want to look into a niche, labor scheduling system that would allow them to adapt to unique scenarios.

Another example of when a best-of-breed strategy may be needed is when a service company, like a cable company, needs the ability to log incoming calls, gain visibility into locations of current technicians and optimize routes to customer locations.

PRODUCT VIABILITY

Organizations should understand where a vendor plans to invest their R&D in the future, as it’s important to select a product that will support the business in the long-term.

In the short-term, product stagnation hurts companies as they’ll spend a significant amount of money on customization just to remain innovative.

We recommend conducting industry research to determine if a software product is on par with its competition. If not, the vendor may be planning to discontinue the product.
Once an organization has narrowed down its list to the final few vendors, cost often becomes one of the main deciding factors.

This is where ERP negotiation becomes important. Negotiation is often facilitated by a third-party, such as an independent ERP consultant.

When an organization has multiple qualified vendors on its shortlist, this provides negotiating leverage in many areas. There is almost always room for negotiation, whether it be through reducing licensing costs or spreading out functionality (and the associated costs) into phases.
2020 Top 10 ERP Vendors
Most of SAP’s solutions are designed for large, enterprise type organizations. While the solution set can take a long time to implement, it is often built specifically for the organization’s needs.

**SAP S/4 HANA**

- Designed for large enterprises.
- Leverages the combination of columnar and in-memory for one data store, which reduces complexity and boosts productivity.
- Reduces data sizes, freeing IT resources to create more value rather than maintaining legacy databases.
- Has a portfolio of cloud solutions (Ariba & Hybris), which allows more consolidation of the system landscape.
- Overcomes the limits of legacy databases so they can be combined into one instance.

**SAP BUSINESS ONE & SAP BUSINESS BYDESIGN**

- Designed for midsize businesses and small companies.
- Both of these solutions provide comprehensive functionality for financials, sales, operations and customer relations.
Oracle also has made its mark on a global scale. The platform is a complex set of applications that can be leveraged in basic and advanced ways. The acquisition of NetSuite by Oracle is proving beneficial for both sides. NetSuite is able to develop and offer add-on advanced functionality from the Oracle product suite, while Oracle is benefiting from NetSuite’s leading SaaS methodologies and market presence.

**ORACLE ERP CLOUD**

- Designed for large enterprises.
- Provides an integrated and comprehensive suite of financials, procurement, project management, risk management and enterprise performance management powered by machine learning and artificial intelligence.
- Integrates machine learning and AI into finance applications, giving finance leaders better insight into their business.
- Has led the Magic Quadrant for cloud core financial management suites for large, midsize and global enterprises for the third year straight.

**NETSUITE**

- Excels in IPO, fast-growing and midsize businesses.
- Provides pre-configured workflows, dashboards, functional roles and KPIs, enabling rapid implementation.
Microsoft has strong products for small to mid-sized organizations. It is typically a good fit for organizations that are already leveraging the Microsoft technology stack. Microsoft is emerging and gaining market share with many pre-configured processes.

D365 FINANCE & OPERATIONS

- Targeted towards larger organizations.
- Has a strong ecosystem of ISV channel partners providing “last mile” functionality.
- Recently re-built in Azure technology, making it a pure SaaS model with other deployment options.

D365 BUSINESS CENTRAL

- Targeted for the small and mid-market space.
- Recently re-built in Azure technology, making it a pure SaaS model with other deployment options.
- Based on best practices of NAV, GP and SL.
Infor is still emerging as a global, enterprise solution. The platform is a set of applications that can be configured to meet organizations’ needs. Many large enterprise type organizations are matching up well with best practice implementation accelerators.

**INFOR M3**

- Best suited for medium to large companies that are national or global.
- Provides functionality for aftersales service providers, distributors and a variety of manufacturing verticals.

**INFOR CLOUDSUITE DISTRIBUTION**

- Enables wholesale distributors to detect trends and monitor inventory demand.
- Gives companies the ability to maintain a lean supply chain and implement new digital strategies.

**INFOR CLOUDSUITE INDUSTRIAL**

- Provides functionality tailored towards the manufacturing industry.
- Provides an open source technology stack, which allows for more flexibility to refine manufacturing processes.
- Designed with features for repetitive manufacturing and capabilities to simplify implementation.
With an emerging U.S. market, IFS has robust end-to-end functionality. The product is a good fit for large consumer packaged goods organizations with a global footprint.

**IFS ERP**

- Tailored for the aerospace & defense, utilities & resources, construction & infrastructure, manufacturing and service industries.
- Harnesses modular application functionality, which allows customers to pick and choose the specific functionality they need.

**INCLUDES THE FOLLOWING SOLUTIONS:**

- Enterprise Resource Planning
- Enterprise Asset Management
- Service Management
- IFS Applications
- IFS Maintenix
- Enterprise Operational Intelligence
- IFS Cloud

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**Quick Facts**

- **Headquarters:** Linköping, Sweden
- **Ownership:** Private
- **Stock Ticker Symbol:** N/A
- **Number of Employees:** 3,500
- **Annual Revenue:** FY2018: $606M

**Core Modules**

- Accounting Rules
- Sustainability Management
- Lifecycle Management
- Document Management
- Reporting & Analysis
- Enterprise Operational Intelligence
- Quality Management
- Process Models
- IOT Business Connector
With strong human capital management features, as well as a focus on financial management, the Workday solution is a robust SaaS product that is growing into an end-to-end ERP.

WORKDAY ERP

- Provides human capital management functionality for medium and large enterprises.

TARGETS THE FOLLOWING INDUSTRIES:

- Communications
- Energy and Resources
- Financial Services
- Government
- Healthcare
- Higher Education
- Hospitality
- Insurance
- K-12
- Life Sciences
- Manufacturing
- Media & Entertainment
- Nonprofit
- Professional and Business Services
- Retail and Technology
Quick Facts

**Headquarters:**
Austin, TX

**Ownership:**
Private

**Stock Ticker Symbol:**
N/A

**Number of Employees:**
3,700

**Annual Revenue:**
$800M

Epicor’s focus for research and development is on future-proofing the investment. Their partnership with Microsoft makes for an innovative solution available to the small to medium cap market.

**EPICOR 10**

- Provides manufacturing and other functional areas to the small to mid-market space.
- Is Epicor’s flagship application receiving a majority of R&D spend.
- Provides multiple deployment models, including a SaaS offering, as needed.

**PROPHET 21**

- Is a built-for-purpose distribution application for the small to mid-market space.
- Relies on algorithms for demand and replenishment functionality.
- Is a leader in supply chain optimization.

**EAGLE N SERIES**

- Is a retail application for the small to midsize market.
- Provides point of sale and omnichannel capabilities.
The abas ERP system has broad capabilities for small- to mid-sized manufacturers in the assemble-to-order, make-to-order and engineer-to-order environments. abas listens to the needs of customers and makes adjustments to their releases to meet these needs.

- Provides functionality for manufacturers in the make-to-order, assemble-to-order and engineer-to-order environments.
- Serves many customers that are owner-operated, midmarket businesses in the distribution and manufacturing industries.
- Provides multiple deployment options, including on-premise, cloud and hybrid.
- Provides human capital management functionality for medium and large enterprises.

MID-SIZE MANUFACTURER & DISTRIBUTOR SPECIFIC FEATURES:

- Advanced Planning & Scheduling
- Business Intelligence
- Production Management
- CAD Integration
- Quotation Management
- Full Financial Accounting
- Flexible Product Costing
- Returns, Service and Repair
- CRM & Sales Management

Core ERP Functions

- CRM, Sales and Service
- Financials & Accounting
- Production Planning & Control
- Materials Management
- Purchasing
- EDI & High-Performance Logistics
Deltek is a steady-paced vendor experiencing growth and cloud consolidation of their products. This vendor offers a varied set of solutions for small to large organizations with flexibility in their basic versus advanced functionality.

**COSTPOINT**
- Specifically designed to resolve the operational and regulatory needs of discrete manufacturing firms.
- Provides functionality that allows tracking of shop floor activities, completions and statuses.
- Provides a project-based ERP environment that enables industry specific financial accounting, invoicing and materials management.

**MACONOMY**
- Provides functionality for professional service enterprises including marketing communications, consulting firms and knowledge-intensive companies.

**Provides the following modules:**
- Business performance management
- Client management
- People planner and financial budgeting

**VANTAGEPOINT**
- Provides functionality to architecture & engineering firms.

**Features include:**
- Reporting & Business Intelligence
- CRM and Pipeline Management
- Resource Management
- Project Management
- Accounting & Financial Management
Sage Enterprise Management has solid end-to-end functionality. Our clients have been pleased with its intuitive user interface, and the solution has high adoption rates.

**SAGE INTACCT**
- Has the ability to scale in order to serve customers ranging from public companies to startups.
- Includes specialized functionality such as multi-dimensional analysis capabilities and industry-specific KPIs that can be accessed in real-time dashboards.

**SAGE 100CLOUD**
- Provides financial functionality catered to the needs of manufacturing, distribution and service companies.

**SAGE CLOUD X3**
- Provides financial management, customer service, sales, distribution, manufacturing, inventory and business intelligence functionality.

**SAGE 300CLOUD**
- Provides financial functionality for retail, manufacturing and distribution companies.
- Has the ability to adapt to multiple currencies and locations.
- Provides human capital management functionality for medium and large enterprises.
While delving into our list of top vendors is a good starting point for selection, it is barely the beginning. In fact, there are twelve high-level steps in a successful selection process:

1. Understand Why You Need an ERP System
2. Determine Your IT Strategy
3. Build an ERP Selection Team
4. Determine Your Business Requirements
5. Improve Your Business Processes
6. Determine a Data Management Strategy
7. Build a Long List of ERP Systems
8. Build a Shortlist of ERP Systems
9. Schedule ERP Vendor Demos
10. Conduct a Business Readiness Assessment
11. Negotiate With ERP Vendors
12. Pause Before ERP Implementation

These are outlined in detail in our Guide to ERP Selection from our ERP Resource Center.

Once you understand the general steps of selection, your organizational goals and the ERP vendor landscape, you can begin determining where you need external guidance.

Organizations across all industries struggle to conduct a successful ERP selection without external resources and expertise. In this report, we’ve outlined some areas where external guidance is essential. Where could external guidance bring the most benefit to your organization?
ABOUT PANORAMA CONSULTING GROUP

Panorama Consulting Group is an independent, niche consulting firm specializing in business transformation and ERP system implementations for mid- to large-sized private- and public-sector organizations worldwide. One-hundred percent technology agnostic and independent of vendor affiliation, Panorama offers a phased, top-down strategic alignment approach and a bottom-up tactical approach, enabling each client to achieve its unique business transformation objectives by transforming its people, processes and technology.

Panorama’s services include:

- ERP Selection
- ERP Implementation
- ERP Contract Negotiation
- ERP University
- Digital Strategy
- Technology Assessment
- Change Management
- Human Capital Management
- Business Process Management
- M&A Integration
- Turnaround Analysis
- Crisis Management
- Financial Restructuring
- Operational Restructuring
- Project Auditing & Recovery
- Software Expert Witness Testimony

Click the Button Below to Schedule Your Free 30-minute Consultation With an ERP Systems Expert Today!

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