# THE 2020

# ERP and HCM Report

THIRD STAGE
CONSULTING GROUP

*Disclaimer: Third Stage Consulting is an independent ERP consulting firm. Third Stage has no financial ties to ERP, HCM, or digital transformation technology vendors, either directly or through parent companies or affiliates. Accordingly, the below analysis is completely technology-agnostic and 100% free of vendor bias.*


# INTRODUCTION

Over that last decade, our team – led by our CEO and Founder Eric Kimberling – has conducted annual research of the ERP, HCM, and digital transformation markets. This research and corresponding reports were intended to provide benchmarks and an understanding of industry trends related to enterprise implementations and digital transformations.

This report reflects our findings from our most recent study of organizations implementing enterprise technologies as part of their overarching business transformations.

# METHODOLOGY

Unlike past reports, which tend to focus on "average" metrics of questionable value to most organizations, this most recent study identifies more meaningful metrics – both quantitative and qualitative in nature. More importantly, this most recent study analyzes and dissects the correlations between digital transformation success and failure, as well as the strategies and tactics that have the highest correlation with success versus failure. This report focuses on deeper and more meaningful analysis of both quantitative and qualitative findings.

***In analyzing data for this year's report, the Third Stage Consulting team engaged in the following approach:***

- *Analyzed quantitative and qualitative data from 1,000 digital transformations over the last 20 years.*
- *Participants in the study represent a combination of clients of Third Stage Consulting, as well as companies that are not clients.*
- *Data from digital transformations completed in 2019 or beyond were weighted more heavily than older initiatives.*
- *There was an intense focus on analyzing underlying trends and correlations, which relied on a deeper understanding of each of the projects in the study.*
- *The study disregarded metrics that aren't of value to organizations or don't provide solutions to digital transformation success.*

**1,000** *studies over the last* **20** *years*

- *The study focused on examining variables beginning with corporate strategy, all the way through to digital transformation planning, execution, and post-go-live.*
- *Rather than focusing on single "average" numbers that don't apply to most organizations, this study instead focuses on identifying the ranges that most organizations fall into.*
- *The study was conducted by a technology-agnostic team to cover SAP, Oracle, Microsoft Dynamics, SuccessFactors, Ariba, Workday, and several dozen other digital transformation technologies.*

THIS STUDY AND REPORT REPRESENT THE FIRST OF ITS KIND IN THE DIGITAL TRANSFORMATION, ERP, AND HCM INDUSTRY.

# QUANTITATIVE
## METRICS AND FINDINGS


Below are some of the key quantitative metrics that we found to be of most interest to CXOs and project teams engaging in digital transformations. Rather than providing single average numbers for each of the areas below, the study provides ranges that most organizations fall into.

## IMPLEMENTATION TIME AND COST

For better or for worse, implementation time and cost are two of the most important metrics that CXOs and project managers use to measure success. Our study finds that although there are a number of variables that impact actual time and cost, these metrics are fairly consistent among companies of similar size and complexity.

### IMPLEMENTATION DURATION

For mid-size companies ranging from $50M to $1B in annual revenue, most implementations require 14 to 16 months. For companies larger than $1B, this number increases to 31 to 34 months. It is important to note that these figures are trending higher in the last two years, largely because the major vendors are concurrently releasing newer, less proven, and less mature flagship ERP products in the market. This is creating additional complexities and difficulties during their customer's implementations.

## IMPLEMENTATION COST


Actual implementation budgets are largely irrelevant since this number varies wildly based on company size. For this reason, we normalize implementation costs to be expressed as a percentage of company revenue. Mid-size companies with revenue under $1B realize a total cost of ownership of 3% to 5% of their annual revenue. Companies with revenue over $1B fall in the range of 2% to 3% of annual revenue.

The numbers are smaller for larger organizations largely because they have more economies of scale on their transformations. In other words, there is a minimum cost that must be spent on any transformation regardless of size, so larger organizations experience lower costs when expressed as a percentage of revenue.

## VARIABLES WITH STRONGEST IMPACT ON IMPLEMENTATION TIME AND COST

Of the dozens of behavioral and qualitative factors we examined, our research shows that the following variables had the highest correlation with implementation time and cost:

- **SCOPE** – *those with broader scopes of functional areas experienced higher durations and costs.*
- **MAGNITUDE OF CHANGE** – *those that made the biggest changes to their organizations experienced the highest durations and costs. Those that migrated from a mainframe-based system to a modern solution, for example, were much more likely to experience higher implementation durations and costs than those with more incremental changes.*
- **COMPLEXITY OF OPERATIONS** – *those with more business units, operations in more countries, and other complexities their business models experienced the highest durations and costs.*
- **LEVEL OF ORGANIZATIONAL CHANGE SUPPORT** – *those that invested the most in organizational change experienced lower duration and costs.*
- **LEVEL OF SOFTWARE CUSTOMIZATION** – *those with more customization experienced higher durations and costs.*

The above areas are the variables that had the strongest correlation and linkage to implementation duration and cost.

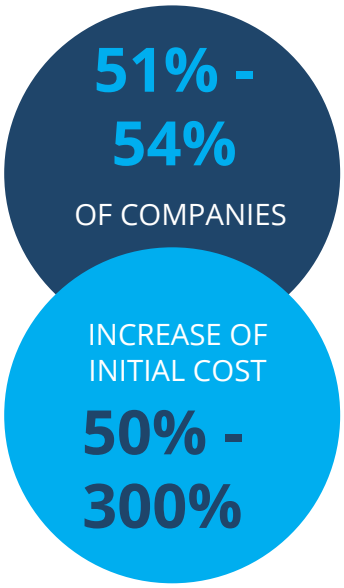
## OPERATIONAL DISRUPTION

One of the greatest costs and risks for any digital transformation is operational disruption after go-live. However, these costs and risks can be difficult to predict and mitigate without the proper expertise. Of all the metrics we quantified in this study, this one had the highest degree of consistency over the 1,000+ digital transformations studied.

### DEFINITION OF OPERATIONAL DISRUPTION

Operational disruption is defined as a "material" disruption to operations as a result of the transformation. For example, being unable to ship product or close the books are the two most common operational disruptions. This metric does not include smaller and more common disruptions, such as employee frustration, short-term inefficiencies, and other relatively minor disruptions.

Of all companies in the study, 51% to 54% experienced a material operational disruption at the time of go live. The duration of disruptions varied greatly, ranging from a few weeks to several months. In addition, the costs of these disruptions increased the initial cost of the implementation from anywhere between 50% and 300% of the cost to implement the transformation.

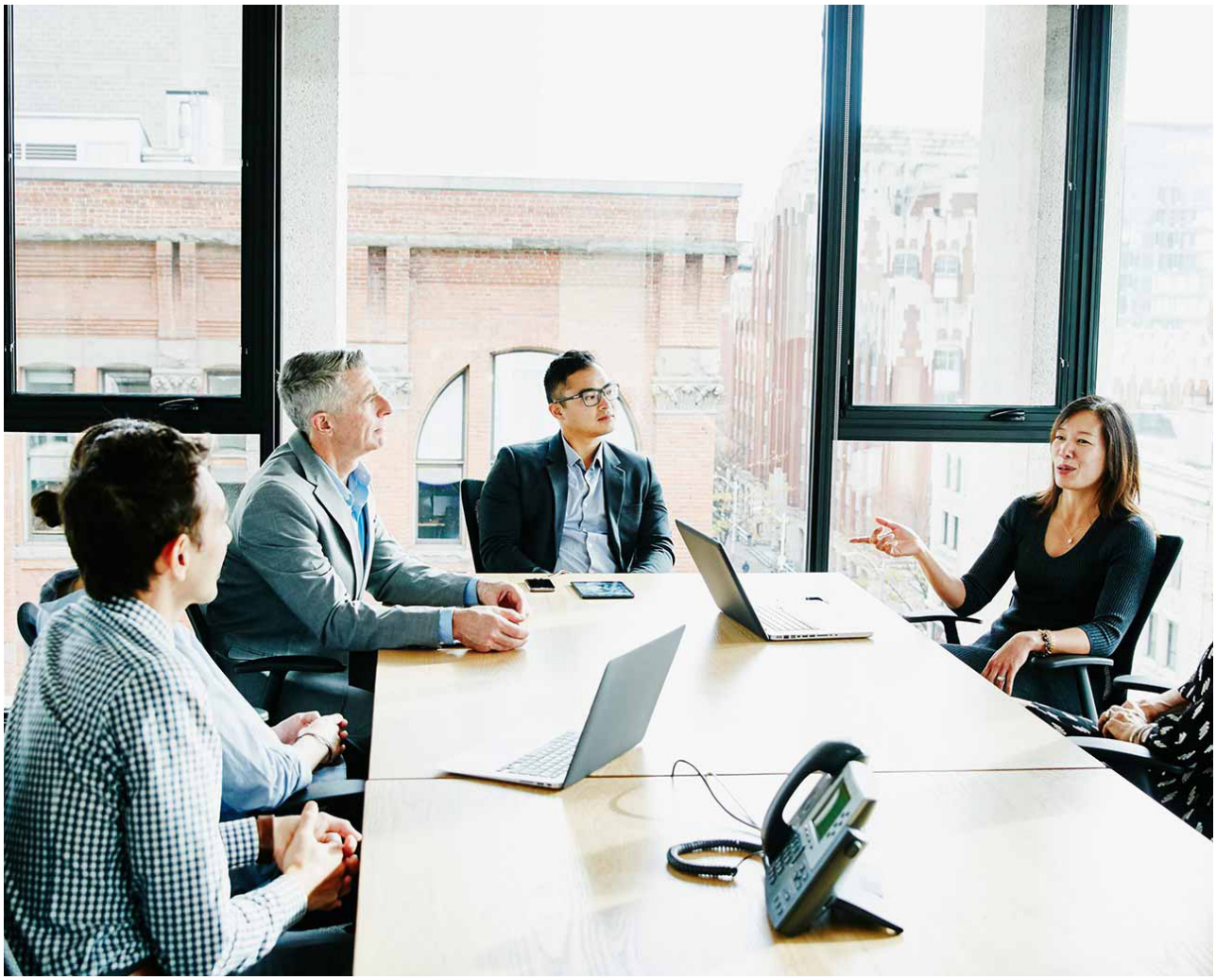



### VARIABLES WITH THE STRONGEST IMPACT ON OPERATIONAL DISRUPTION

The below variables had the strongest and most direct impact on the level of operational disruption that organizations experienced:

- **CLARITY OF DEFINED BUSINESS PROCESSES** – *those that spent more time defining clear business processes prior to or early in their transformations were less likely to experience disruption.*
- **INVESTMENT IN ORGANIZATIONAL CHANGE AND TRAINING** – *those that implemented more complete and effective change strategies were less likely to experience disruption.*
- **LEVEL OF EXECUTIVE ALIGNMENT AMONG KEY STAKEHOLDERS AND THE TRANSFORMATION PROJECT TEAM** – *those that rated higher in executive, stakeholder alignment, and project team alignment were less likely to experience disruption.*
- **TIME AND EFFORT SPENT DURING USER ACCEPTANCE TESTING AND CONFERENCE ROOM PILOTS** – *the more thoroughly a company tested its processes and systems, the less likely they were to experience disruption.*

Companies that excelled in these four areas were the most likely to experience successful digital transformations with the least amount of operational disruption.



## AREAS WITH LOW CORRELATIONS WITH IMPLEMENTATION DURATION, COST, AND OPERATIONAL DISRUPTION

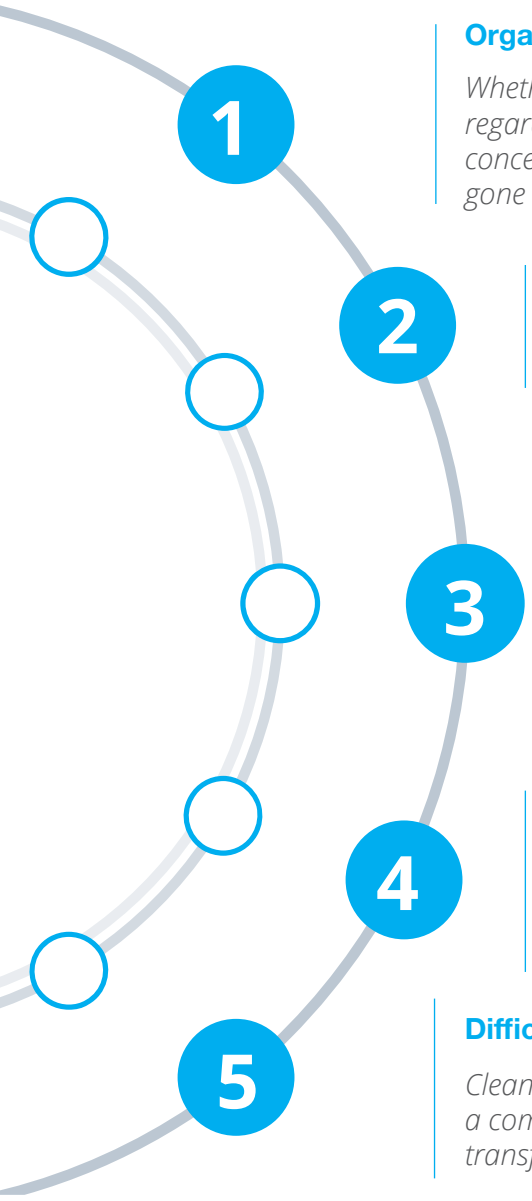
The following variables had the lowest impact – positive or negative – on the metrics outlined above

- **TYPE OF SOFTWARE IMPLEMENTED** – *though SAP and Oracle implementations tend to have higher implementation durations and costs, this statistically appears to be more of a function of the size and complexities of the organizations that implement them rather than the technology itself.*
- **SPECIFIC SYSTEM INTEGRATOR USED TO IMPLEMENT THE SOFTWARE** – *in other words, the specific system integrator appeared to have less of an impact on results than other variables.*

In other words, these variables statistically have very little impact on the outcome of client's digital transformations. They are relatively neutral to transformation success or failure.

# TOP CHALLENGES
## EXPERIENCED BY TRANSFORMATION EXECUTIVES AND PROJECT TEAMS

In our study, we also ranked the top difficulties that executive sponsors and their project teams experienced. In the study, we focused on the root causes rather than the symptoms of transformation challenges. These were the top 5 difficulties faced by executives and project teams, ranked in order of the frequency that the challenge occurred:




**Organizational change and the "people" part of the transformation.**

*Whether it was intentional resistance or more subtle misunderstandings regarding the transformations, organizational change was the number one concern and challenge among executives and project teams that had recently gone through a digital transformation.*

**Transformation misalignment with strategic objectives.**

*Many CXOs and project teams struggled with transformations that did not support or align with their broader strategic objectives.*

**Difficulty managing or addressing deficiencies with the system integrator.**

*Companies that completely outsourced their deployments to an ERP system integrator, VAR, or reseller were more likely to experience challenges than those that took more active ownership of their transformations.*

**Clarity of business processes.**

*Organizations that did not take the time to clearly define their future state business processes struggled much more than those that did. Those that relied more on "best practices" and "off the shelf" software functionality to drive their transformations actually experience the most difficulties.*

**Difficulties with data migration.**

*Cleansing, mapping, and moving legacy data to the new ERP system was a common challenge among organizations that recently completed a transformation.*

Interestingly, despite common belief that they are the biggest challenges facing digital transformations, the following did not make the list of the most common difficulties experienced by transformation teams:

- **IMPLEMENTATION DURATION AND COST,** which was determined to be a symptom of those challenges in the top 5 rather than a root cause in and of itself.
- **TECHNOLOGY VENDOR SELECTED,** which showed no statistical correlation between software chosen and success or failure rates.
- **SYSTEM INTEGRATOR SELECTED,** which showed no material statistical correlation between specific system integrators and their success and failure rates.
- **TECHNOLOGY CONFIGURATION AND INTEGRATION,** which was a common challenge, but not nearly as common as other factors revealed in the study.
- **TOO MUCH SOFTWARE CUSTOMIZATION,** which was determined to be a symptom of poor organizational change management rather than a root cause in and of itself.

# QUALITATIVE
## FORECAST OF INDUSTRY TRENDS

***When offering predictions for 2020 and beyond, most ERP consultants, vendors, and systems integrators will offer the typical buzzwords and hype being pushed by the latest technologies. But the reality is that there is a storm brewing in the ERP software industry in 2020, so it is important to understand how to navigate these challenges.***

### THE CURRENT DIGITAL TRANSFORMATION AND ERP SOFTWARE INDUSTRY LANDSCAPE

The industry is going through a seismic shift over the next few years. Cloud adoption, shoring up the deficiencies of flagship ERP systems, and unreasonable customer pressure from vendors and systems integrators are just some of the things that CXOs and transformation project teams need to navigate.

To complicate matters, industry players are doubling down on their biases and one-size-fits-all, silver bullet offerings. There is a lot of money at stake for various industry players, so biases are creeping into every nook and cranny of ERP RFP processes and procurement initiatives. ERP vendors may be partying like it's 1999, but this isn't necessarily a good thing for customers.

Finally, there are plenty of upstarts waiting in the wings to capitalize on the voids left by the big players. While SAP is imposing its 2025 deadline on customers, for example, Service Now, Workday, and other best of breed solutions stand to excel where the big vendors are deficient. This can be a difficult technology and transformation landscape for customers to navigate.

The 2020 predictions discussed in the video can be summarized as follows:

### 1 We will finally see the tipping point of cloud adoption.

Customers are adopting the cloud at scale now. This is partly due to customer demand, but it is also due to the profit incentives of and pressures from ERP vendors.

### 2 Technical deficiencies of flagship ERP software will be exposed.

In this vendor rush to migrate to the cloud as quickly as possible, many of the current flagship products are not ready for primetime. As part of their ERP software selection process, organizations need to objectively assess what they are really getting for their money.

### 3 Customers will face a customization crisis with their ERP systems.

Faced with the deficiencies outlined in prediction #2, customers will be forced to decide between accepting half-baked software or customizing to better fit their needs. Neither is ideal, so it will be a matter of choosing the lesser of two evils.

### 4 Best of breed solutions will become the norm.

Similarly, customers will also turn to best of breed solutions to fill the gaps left by incumbent ERP vendors such as SAP, Oracle, and Microsoft. Gone are the days of single-solution, one-size-fits all ERP systems, despite attempts by vendors and their systems integrators to push this outdated concept.

### 5 The industry will face a skills and resource crisis.

Not since Y2K has the industry faced such a synchronized spike in demand for implementations within the same timeframe. This will strain qualified resource availability.  Of the ones that are available, many consultants will not have the appropriate experience with these newer products.

### 6 Change management will become the key to success vs. failure.

It may be wishful thinking, but organizational change management will need to be front and center stage to help mitigate the risks outlined above. Change management has always been a critical – if not the most critical – success factor for digital transformation success, but never to the degree that we are seeing now.

### 7 Digital transformation and ERP failures will increase.

Not all organizations will heed the words outlined in #6, while others will fail to mitigate the risks outlined in #1 to #5, so this will trigger an increase in ERP failures.

### 8 Customers will revolt against the big ERP vendors.

SAP has imposed a 2025 deadline on customers, while others have applied more subtle pressures to customers to upgrade now. Feedback from our global client base suggests that customers are not happy, so incumbents may actually lose customers as they open their ERP selection process to other contenders.

### 9 Customers will call for more backup and support.

The risks associated with the above predictions will lead customers to call for more outside, technology-agnostic support. ERP consultants such as Third Stage and others stand to keep busy by helping clients navigate this landscape.

### 10 Not-so-independent ERP consultants will be exposed.

Too many ERP consulting firms allege to be independent when they are not. Watch for backroom deals, under the table commissions, and other lapses of integrity to be exposed by at least one fairly well-known independent ERP consulting firm.

## WHAT THESE TRENDS MEAN TO YOU

The constantly changing digital transformation landscape will lead to more options, complexity, opportunities, and risk. Navigating these challenges and opportunities require the help of a skilled team of independent consultants that have your best interests in mind. Companies like Third Stage Consulting can help guide you through the process.

# HOW TO DEFINE
## THE BEST DIGITAL TRANSFORMATION STRATEGY IN 2020

The above trends and data analysis prove that CXOs, managers, and project teams need to approach their digital transformations with a fresh and more innovative perspective. Our analysis and correlations outlined above reveal the strategies and tactics that will be the most successful for the future.

Whether you are considering ERP, CRM, HCM, cloud, on-premise, AI, industry 4.0, internet of things, predictive analytics, asset management, or any other set of technologies, the decision process can be overwhelming. This is true even if you are considering one of the top ERP systems in the market.

But you will succeed in your efforts if you focus on this one thing: your business.

### CHALLENGES WITH DIGITAL STRATEGIES AND ERP IMPLEMENTATIONS IN 2020

It may sound like a no-brainer, but too many project teams get tangled up in various pitfalls along the way. For example, the planning, decision, and execution process is riddled with landmines such as these:

- *Several of the leading cloud ERP systems are not yet ready for primetime, but they are still being pushed out to the marketplace*
- *Evaluating SAP S/4HANA vs Oracle ERP Cloud vs. Dynamics 365 vs. other ERP systems can be overwhelming*
- *ERP vendors, systems integrators, ERP consultants, and other industry players are subjecting their clients to their own biases*
- *ERP implementations continue to fail at a high rate – something that has not improved despite big advances in technologies*

## HOW TO SIMPLIFY YOUR DIGITAL STRATEGY

Despite these challenges, there is one way to ensure success: drown out the industry biases and noise. Focus on your business needs and use that to dictate your digital strategy – not the other way around.

For example, suppose you are trying to decide whether or not to implement a canned, single ERP system versus a best of breed solution with multiple systems. Top ERP vendors and systems integrators may try to convince you that a single ERP system is the absolute best way to go. They may even say something crazy like "it's best practice" or "leading organizations are doing it."

But don't buy that bias for a minute. Their economic best interest is for you to buy one single ERP system from them. It may or may not be the right answer for you, but their recommendations have nothing to do with your best interests.

Instead, we need to get back to the basics of our business strategy to answer decide what is best for us. For example, our team facilitates discussion questions like these in helping guide our clients to the "right" answer for them:

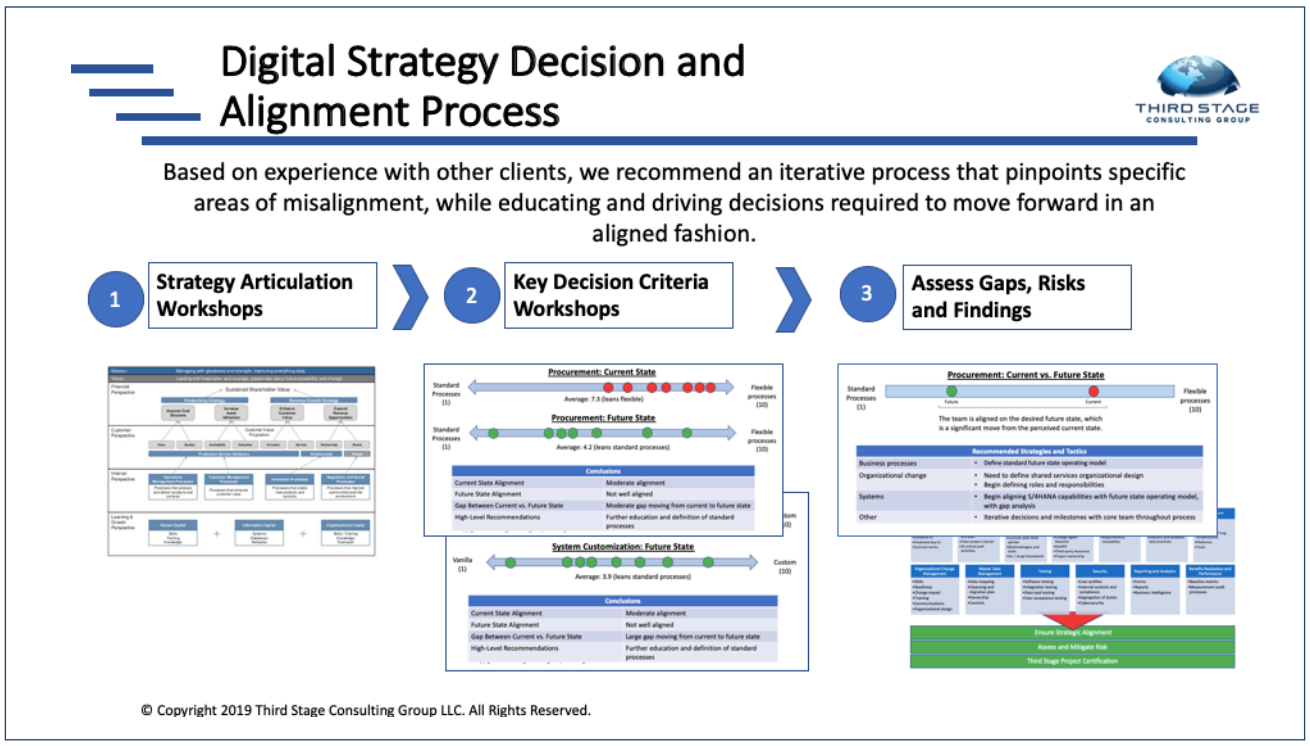
- *How important is flexibility vs. scale to your business model?*
- *What are you internal IT competencies, and what would you like them to be in the future?*
- *How does this all align with and support your corporate strategy and objectives – or does it?*
- *How big of a change are we really willing to make as part of our transformation?*
- *How much time and money are we willing to invest?*
- *What is our risk tolerance as an organization?*
- *How will organizational change management need to support our answers to these and other questions?*
- *ERP implementations continue to fail at a high rate – something that has not improved despite big advances in technologies*

These are just a few of the plethora of questions and answers that we use to guide our clients to the digital strategy that is most aligned with their big picture direction.

## DON'T FORGET ABOUT ALIGNMENT BETWEEN YOUR DIGITAL STRATEGY AND YOUR OVERARCHING COMPANY STRATEGY AND GOALS

We are surprised by how many organizations define their digital strategies and ERP implementations in a vacuum without considering or aligning with their overarching company strategies and goals. This is one of the top reasons why ERP implementations fail, yet most companies fail to recognize this root cause.

Below is a visual overview of the process we guide our clients through to help them align on their digital and ERP strategies for 2020 and beyond. It is an interactive, educational, and iterative process that helps the team gain clarity on where they would like to take their digital initiatives.



# TOP ERP SYSTEMS
## FOR 2020

This is an interesting year to consider new ERP systems. At the same time ERP vendors are incorporating revolutionary capabilities into their solutions, many are also in a state of transition. These products are on one hand introducing artificial intelligence and blockchain to customers, but on the other hand struggling to stabilize basic functionality such as manufacturing and warehouse management.

### METHODOLOGY FOR RANKING THE TOP ERP SYSTEMS FOR 2019

We evaluated nearly 100 systems in narrowing our list of top ERP systems for 2020. In doing so, we used a more comprehensive quantitative and qualitative methodology for this year's rankings. We also increased our data points to include our team's more recent implementation experience with each of the leading solutions, and we expanded our top ERP systems from the top 5 to the top 10.

We used the following quantitative and qualitative criteria to determine the best-performing systems:

- ***Customer adoption rate***
- ***Ease of implementation, including average time and total cost of ownership***
- ***Breadth and depth of functionality***
- ***Maturity of cloud solutions***
- ***Flexibility of solutions***
- ***Scalability of solutions***
- ***Ease of integration to third-party systems***
- ***Vendor's product roadmap and overall viability***
- ***Ease of organizational change management and training***
- ***Strength of vendor ecosystem, such as system integrators and partners***
- ***Return on investment***

The major ERP vendors are in the process of overhauling their flagship solutions as part of their migration to the cloud. This mass overhaul of the leading solutions – along with the fact that the ERP vendor space has become incredibly competitive – has created a shakeup among the leading ERP systems. Understanding the pros and cons of leading ERP systems is a critical component of defining your digital strategy for 2020 and beyond.

*Below are some of the top ERP systems that your organization should be considering in 2020.*

## #10 SERVICE NOW

Although it is not a traditional ERP system, Service Now is a great product for service-based organizations that are open to a more best-of-breed option rather than a one-stop ERP system. The product's focus on service capabilities and streamlined workflows has increased its adoption in recent years, as has its native cloud-based architecture. This is an emerging and up-and-coming solution that many organizations are considering.

## #9 WORKDAY

Workday is another cloud-based, best-of-breed HCM software option, although the product is expanding its reach into financials and other traditional ERP functionality. The product is not a great fit for companies with complex supply chains, manufacturing operations, or other more complicated ERP functions, but it can be a good fit for companies with relatively simple operations and more of a focus on the employee experience. This is also a good option for companies evaluating Workday vs. SuccessFactors as their HCM software solution.

## #8 INFOR M3 AND CLOUDSUITE

Infor M3 and CloudSuite are especially attractive to mid-size manufacturing and distribution organizations, particularly those looking for a lower-cost, less complex, and lower-risk options to SAP S/4HANA or Oracle ERP Cloud. It has invested heavily in this space over the years, so it has a robust set of capabilities that work well for many of our manufacturing and distribution clients.

Although we recently commented on our opinion that Infor has lost its way in recent years, we still see a variety of companies leveraging Infor M3 and CloudSuite. Once Infor more clearly defines its roadmap for M3, CloudSuite, and other systems in its portfolio, it is likely to move further up the top 10.

## #7 SALESFORCE

Many think of Salesforce as simply a CRM system, but it has become a more viable cloud-based ERP solution for small- and mid-size companies. Through its Force.com platform, Salesforce has enabled a variety of third-party applications to transform a core CRM system into more complete ERP system. For example, FinancialForce and Rootstock provide add-ons that make the Salesforce vs. Oracle NetSuite comparison a more viable comparison for the mid-market.

On the downside, the flexible best of breed model can create a certain degree of technical complexity that can overwhelm many organizations. A mature and relatively sophisticated internal IT team is needed to effectively implement and support the products required to patch together a complete ERP system.

## #6 SAP S/4HANA

SAP appears to be investing heavily to remediate gaps in its core S/4HANA system, and it is still among the best two to three options for many larger enterprises. It also has a large R&D and product innovation budget in its war chest, which bodes very well for the long-term viability and appeal of the product. Its acquisitions of SuccessFactors, Ariba, and Qualtrics offer customers a scalable best of breed model to provide broader and more flexible enterprise capabilities.

Although SAP has historically been the gold standard of ERP systems – especially for large companies – we are seeing red flags with the S/4HANA product itself and customer reactions to the product. For example, legacy customer adoption is abnormally low (especially in the upper mid-market, despite SAP's 2025 deadline), there are fairly significant gaps in S/4HANA's functionality, and we are already seeing a shortage of qualified S/4HANA resources. Assuming SAP can mitigate these and other limitations, S/4HANA is likely to move back up the list in coming years.

## #5 SAGE X3

Sage X3 is a new entrant to the top 5, mainly because of its strength in the mid-market manufacturing and distribution space. We have seen many in the middle market effectively implement the system as a low-cost and low-risk alternative to SAP S/4HANA and Oracle ERP Cloud. We are also seeing the company transition from a "small" ERP system to one that can handle more complex manufacturing and supply chain needs. Sage is a leader in the "don't try to be everything to everyone" movement in the ERP software industry.

On the downside, the product tends to struggle with larger and more complex and diversified manufacturing and distribution clients. For example, companies with global supply chains, operations, and a variety of business needs may find the functionality of Sage X3 to be a bit limiting.

## #4 IFS

IFS is another product that has focused strengths, which is enough for the product to crack our top 5 this year. Although the product is not well-known outside of its European headquarters, it is a very mature and well-established product that focuses on field service-based organizations and some industrial manufacturers with heavy asset management, project management, and MRO needs. Even though we don't recommend this product for a high-volume of clients each year, we have seen a very high win rate when it is short-listed among our clients, and the product's mature functionality and flexible deployment options differentiates it from other vendors.

On the downside, the company is still too dependent on its direct resources to sell and implement the software. This will need to change if it wants to truly penetrate and increase customer adoption in regions such as North America, Latin America, and Asia. It is also not a great fit for manufacturing clients outside of its core functional areas of focus.

## #3 ORACLE ERP CLOUD

Oracle ERP Cloud

Oracle ERP Cloud has moved up the rankings this year, largely due to its increasing momentum in customer adoption and maturing cloud product line. With its maturing product functionality, we also see the product performing well in our clients' SAP S/4HANA vs. Oracle ERP Cloud evaluations. The product's relative flexibility also supports emerging ERP best of breed models, which can result in an attractive cost, risk profile, and business benefits.

Having said that, the product still has a way to go to achieve the functional maturity of its legacy on-premise products, such as JD Edwards and eBusiness Suite. Its technical complexity relative to products such as D365 or NetSuite can be overwhelming to some organizations, so these are criteria that should be considered in your ERP evaluation process.

## #2 MICROSOFT DYNAMICS 365

Microsoft D365 continues its strong showing in our top 10 list this year, largely because of its ability to scale between the mid-market and larger enterprises. We are also seeing increasing customer adoption, and our team is helping manage a number of successful D365 implementations. Perhaps most importantly, the product provides a good deal of flexibility to customize workflows and integrate to other systems, which can mitigate implementation risk and optimize ROI.

On the flip side, the partner reseller model is still a hot mess, with too many unqualified resellers crowding the market and making implementations of the product more difficult than they need to be. This is probably the biggest liability keeping it out of the #1 spot this year. We also see the product's flexibility being more of a liability for some organizations: just because you can change the software doesn't mean you should.

## #1 ORACLE NETSUITE

The industry's pioneer cloud ERP system is in a great spot now that other vendors are struggling to prematurely rush their cloud offerings to market. Add the fact that NetSuite seems to be finally capitalizing on the strength of Oracle's financial and organizational resources, and the product moves to the top of our list for the first time. Low adoption among the upper mid-market and larger enterprises had kept the product out of the top spot in years past, but we are seeing enough larger organizations prove the product's scalability with successful deployments – especially in two-tier best of breed models. The product holds up well in comparisons of NetSuite vs. D365 and other systems.

The product still lacks robust implementation and reseller options, but this is slowly changing over time. We also find that the product has limitations with more complex manufacturing, distribution, EDI, and retail situations, so it is important to vet some of these limitations against your business needs.

## ERP SYSTEMS THAT DIDN'T MAKE THE LIST

Many very good ERP systems did not make the list. However, any one of them could be the #1 best fit for your organization, so it is important to not limit your options to the ERP systems listed in our annual rankings.

For example, we have seen our clients succeed with the following ERP systems, despite the fact that they didn't make our top 10 list:

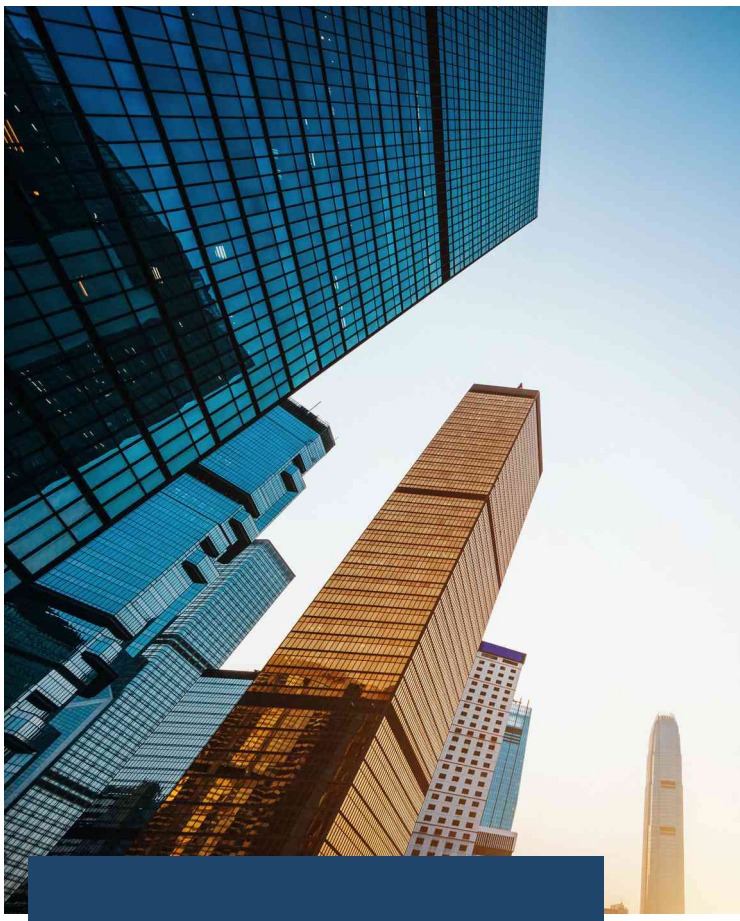
- **QAD**
- **Epicor**
- **Plex Systems**
- **Rovisys**
- **Priority Software**
- **Deacom**
- **Accumatica**
- **Best of breed solutions**

These and other systems in the market may very well be a great option for your needs, so be sure to objectively consider all of your options.

### Top ERP systems are largely dependent on company size, industry, and strategic goals

At the end of the day, the best ERP systems for your organization will largely be dependent on your company size, industry, and strategic goals. Where one particular system may not even make a company's top 10, that same product could be the #1 pick for another. For example, a technology-agnostic comparison of SAP S/4HANA vs. Microsoft Dynamics 365 illustrates two products that couldn't be much different.

This is where independent ERP consultants such as Third Stage can help. We help the world's leading organizations define their digital strategy, select the right software, prepare for implementation, provide implementation quality assurance, and manage organizational change.



## CONCLUSION

The findings of this breakthrough study provide a clear blueprint for how you can make your digital transformation, ERP, HCM, or CRM transformation more successful than those of years past. Changing times and a history of transformation failures in the past mark a new era of transformation leadership, strategy, and execution.

## About Third Stage Consulting

Founded by industry thought leader Eric Kimberling and supported by the industry's brightest strategic consultants, Third Stage brings our clients an unparalleled wealth of experience and thought leadership. Comprised of senior business and technology advisors, project managers, process engineers and change innovators, our team has led some of the most complex and well-known technology initiatives over the past 20+ years.

Our consulting approach and methodologies stem from the core objective of improving businesses operational efficiencies and profitability through optimizing the use of technology. Technology, in one way or another, influences every single aspect of business today. With the immense amount of technologies available, it is rarely easy to determine the best technology strategy. Expertise is needed to help determine when, where and how to implement new systems, to make use of emerging technologies and to map technology investment to a positive ROI. This is where Third Stage Consulting thrives.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