

## Anglia Business Solutions

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### NEW ERP REPORT HIGHLIGHTS INTERESTING TRENDS

The independent US-based Panorama Consulting Group is an authoritative source of information on the global ERP market. It regularly surveys the international ERP landscape and its findings make interesting reading for those companies considering replacing their business management systems. The group has just published the results of their 2010 worldwide survey, which highlights some intriguing trends.

While no single player dominated the market, SAP, Oracle and Microsoft Dynamics were shortlisted in 77 per cent of the survey responses and selected in 67 per cent of cases. This highlights the continuing market consolidation rapidly taking place in the global ERP sector. A further interesting statistic was the growth in cloud-based ERP offerings. This grew from six per cent in 2009 to 17 per cent in 2010. However, 83 per cent is still delivered either on premise or hosted. Nevertheless, this is an impressive expansion of the cloud as an ERP delivery vehicle.

On the implementation strategy, three approaches were described. They include big bang, phased or hybrid. Big bang is self-explanatory, while phased involves going live in sequence i.e. by location or module. Some 35 per cent opted for the big bang approach while the rest either adopted a phased or hybrid go live. The cutover strategy involved a hard and soft approach. With the hard approach, no employees had access to the old system and given the costs of keeping two systems updated, it is hardly surprising that 67 per cent went for this option.

The survey also highlighted a 12 per cent drop in the average cost of an ERP implementation over 2009. It flagged the fact that the average duration of a project dropped from 18.4 to 14.3 months, while the average payback period declined from 2.7 to 2.5 years. The percentage of annual revenue devoted to an ERP project reduced from 6.9 per cent in 2009 to 4.1 per cent in 2010. The benefits realisation section highlighted an encouraging trend. In 2009, an astonishing 67 per cent of companies reported that they had received 50 per cent or less of their expected benefits. This was down to 48 per cent in 2010, which shows a significant improvement.

Overall, the survey highlighted the rapid industry consolidation taking place within the global ERP sector. It shows that the success rates are improving as management become more aware of both the commitments required to succeed and the commercial benefits that can accrue.

The original report can be downloaded at [Panorama-Consulting.com/resource-centre/2011-erp-report](http://Panorama-Consulting.com/resource-centre/2011-erp-report).

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