IDC MarketScape

IDC MarketScape: Worldwide SaaS and Cloud-Enabled Medium-Sized Business ERP Applications 2024 Vendor Assessment

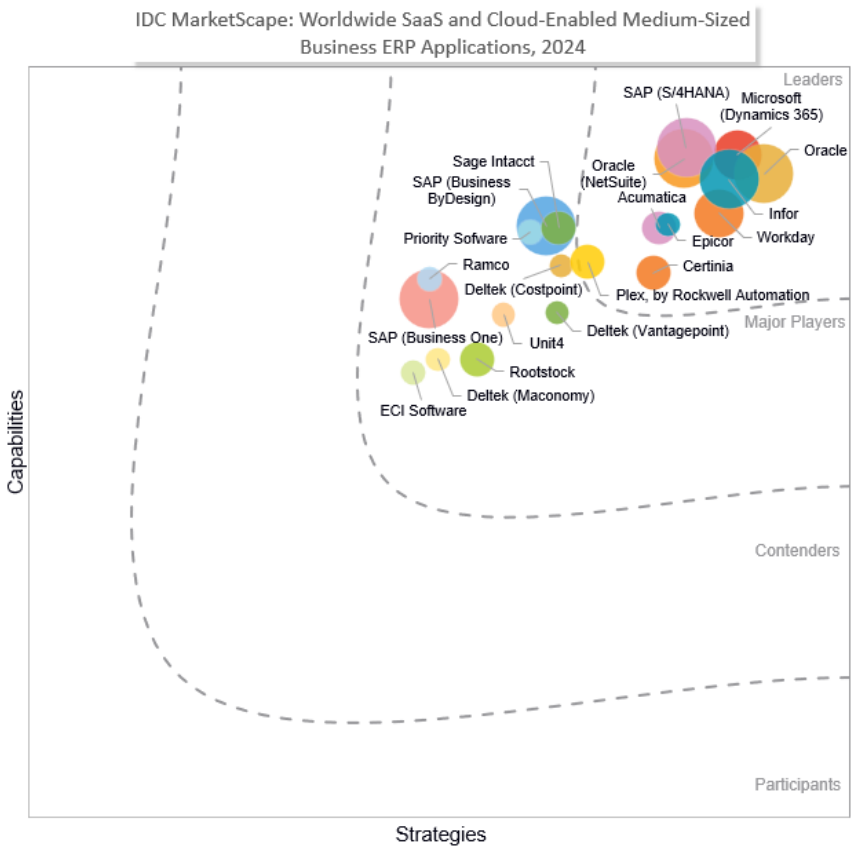
Mickey North Rizza Katie Evans

THIS IDC MARKETSCAPE EXCERPT FEATURES SAP

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide SaaS and Cloud-Enabled Medium-Sized Business ERP Applications Vendor Assessment



Source: IDC, 2024

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

May 2024, IDC #US50655223e

IN THIS EXCERPT

The content for this excerpt was taken directly IDC MarketScape: Worldwide SaaS and Cloud-Enabled Medium-Sized Business ERP Applications 2024 Vendor Assessment (Doc # US50655223). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

Medium-sized businesses are akin to the middle children of the massive global business landscape. They are larger with more complex tech stacks, employees, and often geographic locations than their small business counterparts — but are not as sprawling and massive as their enterprise peers. They straddle the large middle ground, pulling similarities from both their small and large siblings.

Many medium-sized businesses have grown rapidly over the past few years, moving from the small business sphere up to the midmarket. As a result of that rapid growth, many medium-sized businesses don't actually consider themselves "medium sized" but large and complex — at least compared with what they were a few short years ago. Many medium-sized businesses have been in business for more than a decade — 41% have been in business 10–20 years and 31% have been in business 20 years or more, according to IDCs *2023 Small and Medium Business Survey.* And, as a result of their evolution, many are now seeking a robust cloud-based ERP system to provide a single source of data truth across their increased business units and departments that is also secure and accessible from anywhere and at any time by their dispersed employees.

IDC defines medium-sized businesses as those with 100–999 employees — that's a lot of ground to cover. But data shows one common thread in the group is making ERP systems a technology investment priority. 51% of medium-sized business listed "move key data (e.g., spreadsheets and or document repositories) into a business application such as a CRM, ERP, or HCM solution as a top data, analytics, and automation technology investment priority for their company in the next 12 months, according to IDC's *Small and Medium Business Survey* — the second most popular answer from a list of 15 options. And they are allocating budget to invest in ERP. 60% of medium-sized businesses plan to increase their technology budgets in the next 12 months.

Current Considerations in Medium-Sized Business ERP Systems

As medium-sized businesses embrace what digital advancements, including ERP systems, can do for them, they should consider the following:

- **Be conscientious about cloud:** Many medium-sized businesses are finally sold on the benefits of cloud versus on premises — less up-front costs, less maintenance for their small IT staffs, more computing capacity, and the ability for remote or hybrid workers to access the system from anywhere. However, with more robust and sophisticated tech stacks than their small business counterparts, medium-sized businesses should do their homework when investigating ERP systems to explore what it will take to get their on-premises systems and cloud-ERP system "play nicely" together. 53% of medium-sized businesses listed "connect on-premises capabilities and cloud-based/hosted resources as a top cloud adoption technology priority for their companies in the next 12 months. Even for medium-sized businesses that are cloud advocates, shifting to cloud will be done in byte-size increments as systems come of age

or when more computing power is needed. Thinking through integrations with other technologies is critical when choosing an ERP system.

- **Get real about artificial intelligence (AI):** Medium-sized businesses are eager to exploit the recent gains made in AI. Nearly 40% of medium-sized business listed non-generative AI (GenAI) (machine learning (ML), conversational AI such as chatbots, image recognition) as a forward-looking technology priority for their business in the next 12 months, according to IDC's 2024 *Small and Medium Business Survey,* and 37% listed GenAI as a priority. And many ERP systems are touting AI capabilities. But medium-sized businesses should work to separate AI buzz from reality so as not to become beta testers of a new AI capability that eats up more time rather than saving it. Ask for demos, trials, and references of the same size and industry before choosing an ERP system based on its AI capabilities. In addition, AI requires a constant stream of data to work. Where is the data coming from, how is it being used, and how is it being secured? AI is a "data guzzler" and needs to be constantly fed with data to work, so it's essential to ensure the AI gathering and usage processes are secure. Since medium-sized businesses have larger staffs than their small counterparts, consider setting up an AI committee of AI tech enthusiasts to vet, learn, and train other staff on any new AI technologies as well.
- **Consider your footprint:** Medium-sized businesses have likely grown to operate across multiple time zones, geographies, languages and, even, cultures, or are close to doing so. Consider your company's current and forecast footprint and see how a potential ERP system fits with it. Does it comply with regulations where you currently or may soon operate? Does it deal in the currencies you need? Does it provide local customer service, sales, and tech staff in each region where your business has offices? If your business is considering launching a new service or expanding into other verticals, will the ERP system meet those future needs as well?
- **Seek out robust reporting:** Many medium-sized businesses tell IDC a main reason they are moving to a sophisticated cloud-based ERP system is to gain a single source of data truth. As their businesses have grown to include more employees, and departments and offices, many medium-sized businesses have unintentionally moved to operating in silos where project management, HR, accounting, and other departments access separate sets of oftentimes different data. But medium-sized businesses should go beyond this and seek out ERP systems with robust reporting functionality so that users can s*ee the same data* in a myriad of ways that is helpful and makes sense to them. Talk to employees, and especially power users, across departments about reporting capabilities that are important to them or even are on their wish list, and work to find an ERP system that will tick most, if not all, of those boxes. This will benefit your business in the long terms with happier, more productive employees.
- **Change your process, if needed:** Medium-sized businesses, with more orders, revenue, employees, and overall complexity than small businesses, likely dread changing up processes. It will take time, meetings, and training at medium-sized businesses, which are simply often less agile than small businesses but in ERP systems perform better without significant customizations. Customization typically requires a small business to pay for outside help from a developer or coder, which can create a snowball effect that can add up over time as one change can create complexities that can impact other areas of a system. In addition, too much customization can make a system prone to more bugs and more fragile and complicated over time. Talk to your ERP vendor at length about how your processes need to change to better work with the ERP system. And listen to their advice. This will pay off over time and allow you to take advantage of new features and functionalities offered from the vendor.

- **Partner network:** Medium-sized businesses, without large in-house IT resources, may want to seek out ERP providers with strong partner networks. Medium-sized businesses often need a network of strong, knowledgeable, and reliable and local partners to help with integrations, customizations, and implementation.

Current Trends in Medium-Sized Business ERP Systems

Current medium-sized business ERP system trends include:

- **Change management:** One of the biggest benefits about a cloud ERP system is automatic upgrades and being able to take advantage of new features and functionality from new releases without doing a re-implementation. Sometimes, however, a medium-sized business isn't ready for change. For example, a midsize retailer with a modest customer service staff may not want its ERP user interface (UI) to change during the holiday rush — even if it is an overall improvement in the long term. Therefore, more ERP systems are allowing businesses to delay upgrades for a set period of time and switch them on when they are ready or not at all. This flexibility is a major benefit to medium-sized businesses that may have some smaller departments that are stretched thin during certain times of the year.
- **Flexible fees:** Medium-sized businesses have different internal structures and each one may use the ERP system differently. Therefore, more ERP systems are offering a wide variety of fee structures, such as charging based on revenue or computing consumption, rather than licenses or "seats". As an example, in the case of temporary workers, the system can be used without the medium-sized business needing to buy licenses for these workers. Other ERP vendors offer several layers of licenses. For example, an ERP provider may charge less for a very light user who uses the system for payroll only and more for a heavy user. As medium-sized businesses are rapidly evolving, the more options, the better.
- **Modular systems:** Modules are the building blocks of configurable applications and are composed for maximum functionality and accelerated time to value. A product with modular design is decoupled and componentized, meaning it is broken down into smaller composable independent components with singular tasks. Composable modular applications are an attractive alternative to custom-developed software products due to their minimal dependence on full-stack development talent, which many small businesses do not have. With composable applications, the SaaS vendor selling the product typically handles the maintenance and upgrades to the apps. Modular applications provide a component library and offer the ability to create new components in the application, which typically implies the API is part of the architecture composition. Modules are independent and self-contained and allow the assembly of an app with prebuilt, legacy, and/or custom modules. With modularity, a complex product, such as a physical car or sophisticated piece of software, can be divided into simpler components that are independently created and integrated (or assembled) to create the desired end product. Modular systems also enable small businesses to start with the basics and easily add on functionality (modules) as they grow.
- **AI:** Medium-sized businesses innately have smaller staff and budgets than large enterprise organizations, meaning AI/ML and automation advancements will help them boost efficiency and reduce manual work. However, many don't have the internal technology skills or manpower to launch AI/ML initiatives themselves. In fact, 87% of medium-sized businesses that have a full-time IT employee on staff have four or less, according to IDC's *2024 Worldwide Small and Medium Business Survey*. We are just on the cusp of the AI ride and implementing this advanced and rapidly evolving technology can be time consuming and resource heavy. Therefore, SMBs should lean on experienced suppliers to help them make use of AI/ML.

Today, some of the best use cases for AI/ML for business in ERP systems include:

- **Automating manual/routine tasks:** Automation in areas such as auditing and invoicing can save precious employee time and reduce manual errors and lead to happier employees who can focus on more strategic tasks.
- **Forecasting:** AI is ideal for sifting through massive amounts of historical and current market data to spot and forecast trends and suggest actions to help spend, inventory, and supply chain management and more.
- **Generating content:** GenAI can go one step further by creating content, such as text and images.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

The vendors will be included based on them meeting IDC's functionality requirements for enterprise resource planning:

- The vendor must have a modern cloud offering, such as SaaS or similar.
- Vendor inclusion will also be based on market presence, medium-sized organization customers (with at least 30–50% of their revenue from medium-sized business organization of 100–999 employees), based on the information vendors provide us with and our market share and forecast efforts in assessing the enterprise resource planning applications.

ADVICE FOR TECHNOLOGY BUYERS

The ERP market is shifting quickly to technology that enables an organization to compete and succeed in the digital world. These areas are focal points of consideration as your organization moves forward.

- **Look internally and think about your current processes.** Ask yourselves these questions:
  - What are some issues we must resolve with a new system? Are they technology related?
  - What are the current internal resources and capabilities? How might this change in the future with our investment plans?
  - How do we define a successful implementation?
  - What internal stakeholders should we include in the process?
  - How will the new system change my organization?
  - Are there industry aspects we could tie in better from the front end to the fulfillment of our products and services?
- **Select the right partners.** The first step to implementing an ERP system is to develop the right strategy and plan for implementation. Second, select the right services partners if you need them to assist you and tying your choice to the technology partner's ecosystem. Also ask yourself these questions:
  - Does the vendor have the type of product, service, and company size we need?
  - Can the vendor show me a hands-on experience demo with my organization's live and real data to show the benefits to the business?
  - Does the vendor understand the regulations that will impact my business? How are these regulations reflected in my current product, and how will they change in the future?
  - What is the vendor's strategic investment outlook for the next three to five years? Why and how will it enhance my business?

    - Will the services partner help me continue our journey with the technology partner we selected? What other partners might we need on our journey?
- **Consider the foundation.** There are many varieties of software architectural approaches. Ask your software vendors these questions:
    - What is the data flow design in the current solution?
    - What kind of APIs are available from this vendor? RESTful? SOAP? GraphQL?
    - What kind of developer tools does this vendor provide (e.g., sandbox, dedicated portal, low-code/no-code tools, database management tools)?
- **Own the implementation.** The best results require an active role in implementation. The digital world brings greater reliance on technology than ever before so getting it right the first time is a requirement. Ask yourselves these questions to help you in your decisions:
    - What levels of support are available, and are they geographically available for my business?
    - How should we set up the service-level agreement before signing any of the contracts?
    - Can the system integrate with my company's other IT systems and partners?
    - Which IT system needs to be integrated and to what degree?
    - How are you set up to deal with frequent updates? And how do we consume them faster and let the business learn as it goes?
- **Note that change management is critical.** Ask yourselves these questions as you get into the project so you can run efficiently and smoothly and move into the digital world quickly:
    - Do we have the right strategy to encourage rapid adoption with employees?
    - Do we have the right amount of training for employees to master the new features within the system?
    - Are we communicating the purpose and benefits of the system change to the relevant employees?
    - Have we aligned existing policies and procedures to enable the adoption of new workflows?

This IDC MarketScape assists in answering the aforementioned questions along with many others that may arise.

VENDOR SUMMARY PROFILE

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

SAP (Business One)

After a thorough evaluation of SAP's (Business One) strategies and capabilities, IDC has positioned the company in the Major Players category within this 2024 IDC MarketScape for worldwide SaaS and cloud-enabled medium-sized business ERP applications.

SAP Business One is designed as an ERP for small and medium-sized business. It offers accounting and financials, purchasing, inventory, sales, reporting, and analytics. SAP Business One offers on-premises or cloud deployment, integrated business intelligence, integration with the SAP S4/HANA

Cloud platform and speedy deployment. Clients choose through their partner how they want to deploy SAP Business One. All SAP ERP products tie into the SAP Business Technology Platform (BTP) where partners can build solutions one time and integrate them many times over onto any of the three SAP ERP platforms: SAP Business One, SAP Business ByDesign, and SAP S4/HANA Cloud.

Quick facts about SAP Business One:

- **Typical cloud customer onboarding time:** 3–6 months
- **Global reach:** 50 country localizations in 28 languages and used in 170+ countries
- **Industry focus:** Industry-specific solutions provided by partners
- **Ideal customer size:** Companies with up to 100 employees
- **Typical cloud contract:** 1–3 years
- **SaaS/cloud:** Offers on-premises, cloud, hybrid deployments
- **Partner ecosystem:** 850+ resellers and 300+ software solution providers worldwide

Strengths

- **Partner ecosystem:** SAP works mainly through partners for deployment and encourages its partners to build extensions using the SAP BTP platform. The platform enables partners to build industry-specific or niche extensions and redeploy them many times over as SAP customers need them. This enables small and medium-sized businesses to tap into a massive network of unique extensions and applications.
- **User interface/integrations:** Customers like the user interface, and one indicated it was a main reason they selected SAP Business One. Customers say it is easy to integrate with other systems, specifically Salesforce.
- **Deployment flexibility:** Customers can choose to deploy Business One in cloud or on-premises environments.

Challenges

- **Rigid requirements:** Some customers said they would prefer workflows with less strict requirements that businesses must adhere to in order for the system to work properly and for the system to be less rigid and customizations less difficult.
- **Speed and responsiveness:** Some customers note that if they are on the higher end of their target company size, the system can run slow, and performance can lag.
- **Road map transparency:** Customer say they do not receive communications directly from SAP about features and functionality on the road map. While they say this information may be available on the vendor's website they would appreciate direct updates from SAP on upcoming enhancements.

Consider SAP (Business One) When

Consider SAP (Business One) if you are a medium-sized business that wants an out-of-the-box solution with a strong partner ecosystem that offers a myriad of extensions and applications and a well-designed user interface that is easy for nontechnically savvy employees to navigate.

SAP (Business ByDesign)

After a thorough evaluation of SAP's (Business ByDesign) strategies and capabilities, IDC has positioned the company in the Major Players category within this 2024 IDC MarketScape for worldwide SaaS and cloud-enabled medium-sized business ERP applications.

SAP Business ByDesign delivers 39 pre-built end-to-end business processes from finance and sales to product management and purchasing on a single, unified solution. The vendor has more than 47,000 employees dedicated to research and development. It has more than 293 million cloud users and offers packaged solutions for 26 industries and 12 lines of business. It offers on-premises, cloud, and hybrid models.

Quick facts about SAP Business ByDesign:

- **Global reach:** SAP Business ByDesign is localized for 21 countries in 13 languages. In total, SAP Business ByDesign is used in 165 countries.
- **Industry focus:** Packaged solutions for 26 industries and 12 lines of business
- **Product release schedule:** Every quarter
- **Average cloud customer onboarding time:** 3–6 months
- **Ideal customer size:** 20–500 employees
- **SaaS/cloud:** Offers cloud only

Strengths

- **Strong standard functionality:** Many customers say they do not need to do special customizations to the standard functionality and it meets their industry needs as long as they adapt their businesses process to using the system.
- **Partner ecosystem:** SAP works mainly through partners for selling and deployment and encourages its partners to build extensions using the SAP Business Technology Platform or leveraging the Partner Development Infrastructure (PDI) embedded in SAP Business ByDesign for add-in extensions. The technology enables partners to build industry-specific or niche extensions and redeploy them many times over as SAP customers need them. This enables growing businesses to tap into a massive network of unique extensions and applications.
- **Supports business process discipline:** Customers say they must follow SAP standards in order for the ERP system to work properly. But many note this as a positive as it prompts them to create companywide standards and business processes and promotes discipline across their organization.

Challenges

- **Customer service:** Though the first point of contact for any issue should be the implementation partner, confusion remains from some customers that noted customer help representatives who did not listen to their problems, taking a few rounds of explaining to get proper assistance.
- **Speed and responsiveness:** References told us their employees complain about speed. They would like to be able to change data without frequently saving and refreshing. They also note that some reports are very slow to load.
- **Road map transparency:** Customers say they aren't directly informed of updates in the pipeline or the vendor's road map. One customer notes that he would have to "go digging" on the

website to see the road map, while another notes that he sees the road map at events but if he did not attend those, he would not be provided with it.

Consider SAP (Business ByDesign) When

Consider SAP (Business ByDesign) if you are a medium-sized business that wants applications that are prebuilt and an out-of-the-box solution that requires you to standardize your own business processes.

SAP (S/4HANA)

After a thorough evaluation of SAP's (S/4HANA) strategies and capabilities, IDC has positioned the company in the Leaders category within this 2024 IDC MarketScape for worldwide SaaS and cloud-enabled medium-sized business ERP applications.

SAP differentiates itself with an integrated end-to-end suite offering for its customers. SAP offers its customers a suite of products and partners via winning plans for each solution area and its five cross priorities — integration, AI, UX, localization, and cloud operational excellence. SAP uses its SAP Business Technology Platform to deliver a business-centric platform that empowers internal SAP teams, customers, and partners to innovate business processes and take data-driven actions in and beyond SAP landscapes. There was consistent customer feedback and satisfaction points for industry-specific operational business process capabilities; next-generation end-to-end business process support, including specialized line-of-business solutions such as CX, SAP Ariba, SAP Fieldglass, SAP SuccessFactors, and SAP Concur; and embedded AI, including digital assistants, AI-enabled business processes, and predictive analytics.

SAP S/4HANA Cloud, SAP's next-generation business suite and intelligent ERP, is the intelligent, integrated ERP system that runs on SAP HANA and helps customers become an intelligent enterprise — covering 26 industries, with globalization and a partner ecosystem. Customers can consume SAP S/4HANA Cloud, delivered with one semantic model and with one user experience as a service (SAP S/4HANA Cloud, governed by SAP, running on SAP datacenters or selected infrastructure as a service).

SAP offers two cloud editions: SAP S/4HANA Cloud private edition and SAP S/4HANA Cloud public edition. SAP S/4HANA Cloud is SAP's flagship solution that has achieved an established position in the cloud ERP market and is the foundation of RISE with SAP and GROW with SAP. Available in public and private editions, these unique solutions require differentiated positioning and messaging to resonate with their intended audiences.

SAP enables its customers to meet their sustainability challenges and opportunities by offering a broad portfolio of sustainability-specific solutions across key dimensions, including zero emissions, zero waste, zero inequality, and reporting. SAP's sustainability management solutions for ESG reporting, climate action, circular economy, and social responsibility deliver industry-specific features for companywide functionality that helps incorporate sustainability in business at scale by embedding experience, operations, and financial insights into core business processes. SAP's customers are finding meaningful business impact when sustainability is integrated into their business processes — for example, when a carbon accounting system mirrors a financial accounting system to create a carbon ledger to account for carbon flows.

Quick facts about SAP include:

- **Employees:** 107,000+
- **Total number of clients:** 425,000+ customers
- **Globalization:** SAP does business in 180+ countries on six continents.
- **Industry focus:** SAP has packaged solutions for 26 industries and 12 lines of business in three deployment models of on-premises, cloud, and hybrid.
- **Ideal customer size:** Small, medium-sized, and large enterprise organizations
- **Average implementation time:** Implementation time varies depending on the size and scope of the project and includes factors such as movement from legacy applications to a new implementation that has an impact on the timeline.
- **SaaS and cloud:** SAP S/4HANA Cloud Public Cloud Edition is a SaaS-based multitenant architecture on the infrastructure, database, and application layers.
- **Partner ecosystem:** SAP has 25,500 SAP partner companies in more than 140 countries, and over 370 SAP and partner industry cloud solutions help drive digital transformation by extending SAP S/4HANA Cloud and SAP Business Network with industry next practices; more than 2,100 partners use SAP Business Technology Platform for application development.

Strengths

- **Brand recognition:** One of SAP's main competitive advantages is its strong brand recognition and reputation. References tell IDC they have been using SAP for years and wouldn't have it any other way.
- **Innovative finance:** References noted the innovation around many of the ERP workflows, including predictive liquidity to analyze the future based on actuals and planned logistical information, risk of late payment vendors using AI, intelligent invoice matching, automated release of supplier invoice based upon customer payment, and general ledger automation for journal entry posts.
- **Financial knowledge and best practices:** Several references told us the selling point with SAP is SAP knows finance and can quickly tie it to manufacturing. References noted SAP's best practice processes have been great, and one noted that when they added in additional features, functions, and enhancements, it caused a boon of financial process wealth all the way into their manufacturing and supply chains.

Challenges

- **Customer support:** Multiple references noted it wasn't always easy to get the right technical support. In the newest product, SAP S/4HANA Cloud Public Edition, one individual said there were just too many processes to get to the right person.
- **Implementation:** Multiple SAP on-premises legacy clients told us the implementation to SAP S/4HANA Cloud was cumbersome. While many acknowledged SAP has gone to great lengths to provide tools to assess where the client is on the journey and provide a road map to the new system, it was still a challenge.
- **Packages:** SAP clients found it hard to navigate outside of SAP S/4HANA Cloud editions as they did not understand the constructs. Offerings included RISE with SAP for SAP's install base customers, which is based on SAP S/4HANA Cloud Private Editions, while GROW with SAP is intended for SAP's net-new customers, allowing them to implement SAP S/4HANA Cloud Public Edition. While these appear straightforward, organizations migrating from SAP ECC to SAP S/4HANA Cloud Private Edition can have an upgrade-like experience with additional tools to optimize processes and additional tools and services to make their pathway easier. SAP S/4HANA Cloud is always a greenfield implementation, and SAP provides

integrated tools to streamline the adoption process including the SAP Discovery Assessment and Cloud Application Lifecycle Management.

Consider SAP (S/4HANA) When

Consider SAP if you are a current SAP client or an industry-focused organization that needs to move to a modern, intelligent ERP system in the cloud.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

ERP is a packaged integrated suite of technology business applications with common data and process models that digitally support the administrative, financial, and operational business processes across different industries. These processes manage resources including some or all of the following: people, finances, capital, materials, suppliers, manufacturing, supply chains, customers, products, projects, contracts, orders, and facilities.

ERP suites and the associated applications are utilized to run the business and typically start with finance and include procurement and inventory/asset management and may also include HCM, order management, manufacturing, distribution, services, engineering, PLM, and supply chain. The software can be specific to an industry or designed to be more broadly applied to a group of industries.

Typically, ERP solutions are architected with an integrated set of business rules and metadata, accessing a common data set (logical or physical) from a single, consistent user interface. ERP solutions are available as on-premises, hybrid, and cloud SaaS deployments.

LEARN MORE

Related Research

- *Market Analysis Perspective: Worldwide Enterprise Resource Planning Software, 2023* (IDC #US48563322, December 2023)
- *Worldwide Enterprise Resource Planning Applications Market Share, 2022: Cloud Is It!* (IDC #US47984221, December 2023)
- *Worldwide Enterprise Resource Planning Applications Software Forecast, 2023-2027: Digital World Brings Changes* (IDC #US48563722, December 2023)
- *Macroeconomic Turbulence and the SMB: What Today's Tech Vendors Need to Know* (IDC #US51366423, November 2023)
- *IDC FutureScape: Worldwide Intelligent ERP 2024 Predictions* (IDC #US51300923, October 2023)
- *IDC FutureScape: Worldwide Small and Medium-Sized Business 2024 Predictions* (IDC #US51281523, October 2023)
- *2023 Worldwide SMB Market Profile Update* (IDC #US50572423, April 2023)

Synopsis

This IDC study provides a thorough assessment of SaaS and cloud-enabled medium-sized ERP applications and discusses the criteria that are most important for companies to consider when selecting a solution.

"The digital world has reshaped the medium-sized businesses' focus on moving to the cloud to improve their speed, scale, agility, market share, and competitive advantage. This requires adapting new ERP technologies that enable speed and scale by reducing process steps and clicks, automating every workflow possible, embedding finance to collect and make payments, and helping improve overall decision velocity," said Mickey North Rizza, group VP, IDC's Enterprise Software. "The ability to improve the employees' experience, uncover and utilize insights quickly, and navigate business issues with reliable, modern, and intelligent ERP systems is a foundational layer the organization needs in the digital world."

"Growing medium-sized businesses are facing new complexities as they mature and inch closer to the enterprise realm," says Katie Evans, research director, IDC's Worldwide Small and Medium Business research. "They have more robust tech stacks, larger budgets, and more employees than their small business counterparts. Oftentimes they also have offices and workers that span many geographic locations. Therefore, it's essential that medium-sized companies invest in ERP systems that will give them a single source of data truth across all locations and departments so employees can make informed decisions and avoid operating in silos. Many medium-sized businesses also are now likely at the point where they have the technology expertise and income to embrace recent and forthcoming advancements in AI, GenAI, and automation. And they should. Investing in a strong ERP system that offers all these capabilities and more is absolutely crucial to medium-sized businesses' success and will set them up for long-term growth and economic storms, but also to help them come out more resilient once those storms pass."

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

Global Headquarters

140 Kendrick Street
Building B
Needham, MA 02494
USA
508.872.8200
Twitter: @IDC
blogs.idc.com
www.idc.com