

ENTERPRISE RESOURCE PLANNING

UNIT V

PRESENT AND FUTURE

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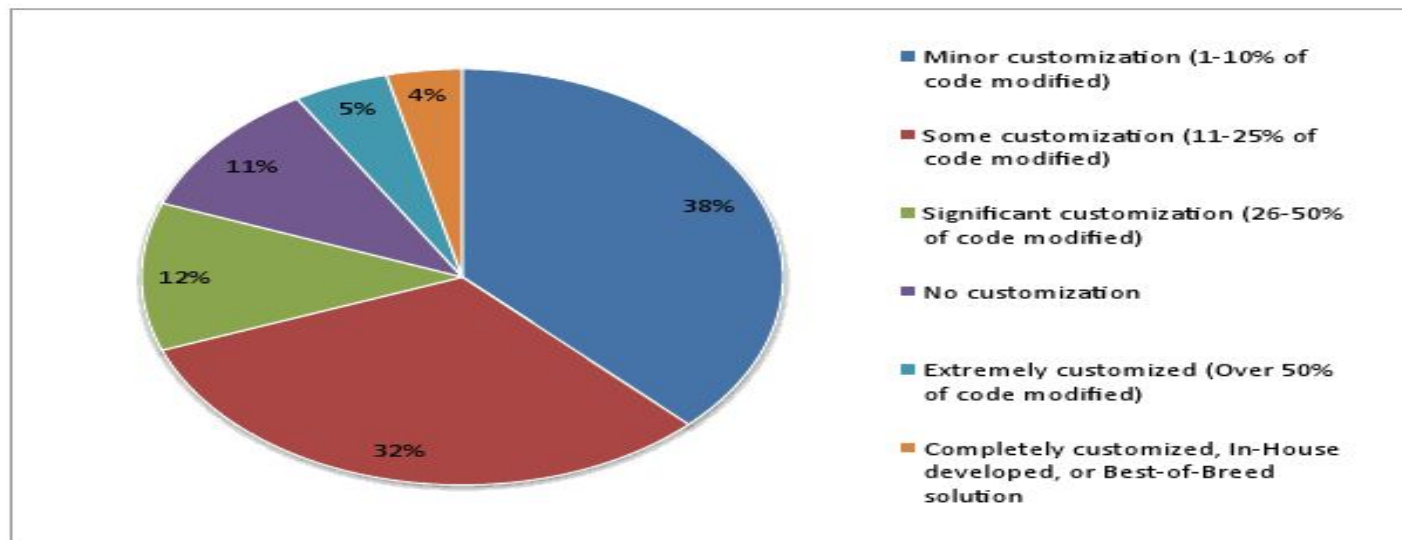
Present Scenario

- Realization of benefits
 - ROI follows W pattern
- Time overrun
- Managing the gap
 - Difficulty in managing the change
 - Reengineering
- Difficulty in maintenance
 - stop supporting early versions and products –JDE
 - Eg: Siemens
- No proper metric for measuring the performance at the checkpoints
- Availability of best of breed and open source software

Survey Results

-Panorama consulting solutions(2012)

Figure P: Level of ERP Customization



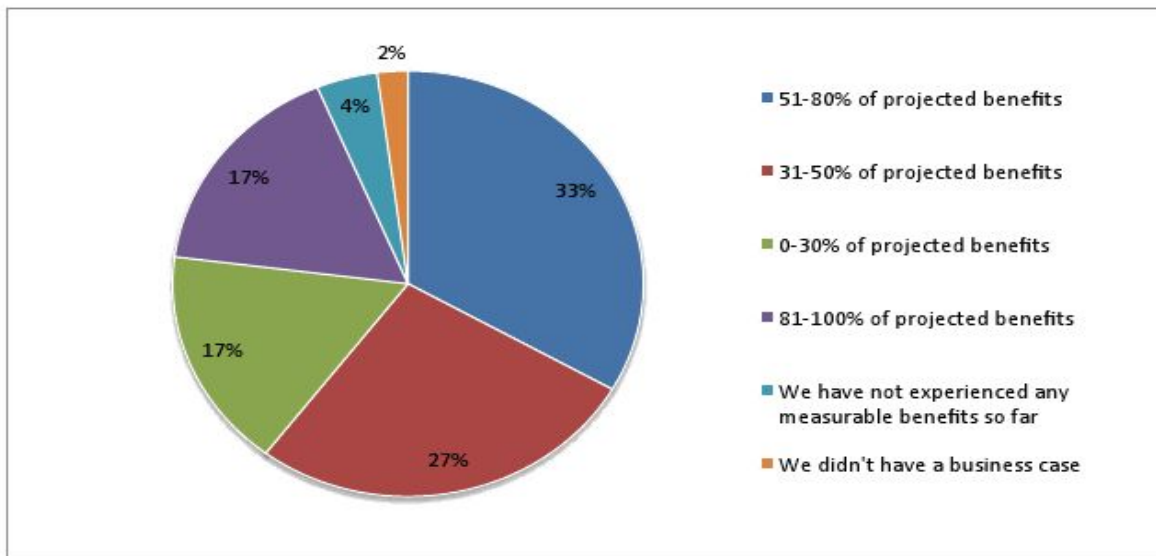
Findings

About 70% of the companies goes for customization up to 25%

Survey Results

-Panorama consulting solutions(2012)

● Realization of benefits

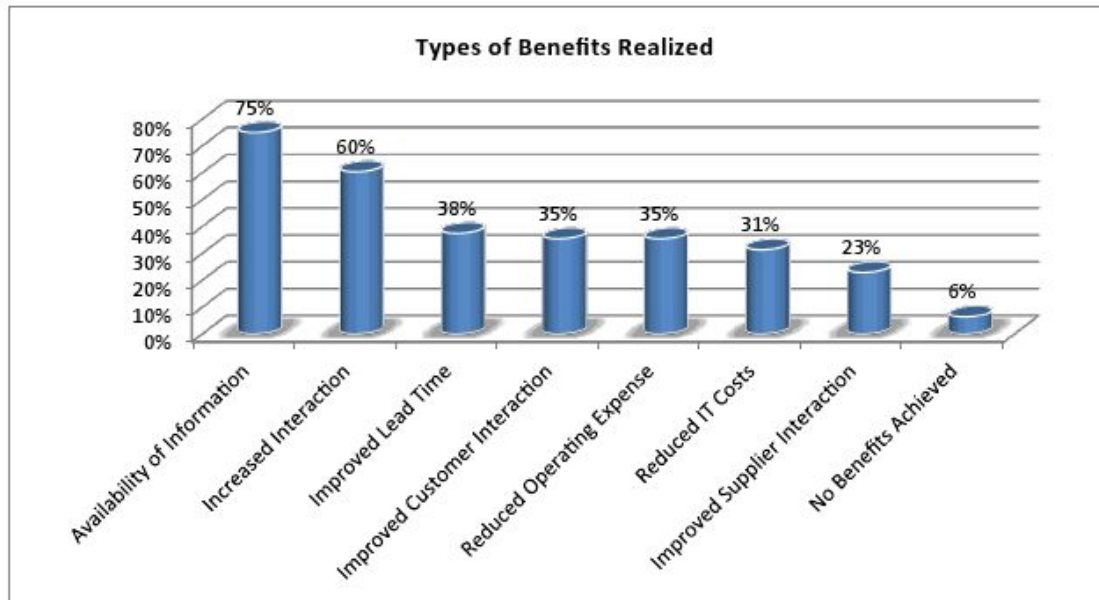


Findings

For 75% of the companies, only 50% of the projected benefits are being realized

Survey Results

-Panorama consulting solutions(2012)



Findings

More focus should be on the core activities of the organization

Current situation

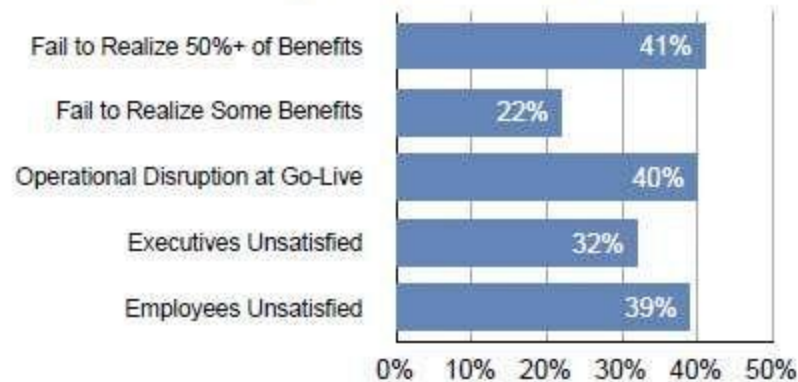
- Majority of the fortune 500 & 1000 companies have implemented ERP
- ERP implemented companies need less support from the vendor
 - Internal IT support
- Potential for ERP – SME
- More number of people (SME) switching to open source ERP

Survey Results

-Panorama consulting

Reasons Behind Extended Durations		
	2012	2011
Initial Project Scope was Extended	29%	17%
Organizational Issues	20%	14%
Data Issues	17%	14%
Resource Constraints	17%	13%
Training Issues	15%	10%
Technical Issues	14%	7%
Conflicts in Priority of Project	12%	10%
Unrealistic Timeline	11%	8%
Vendor Functionality Issues	4%	8%

Figure D: ERP Results (%)

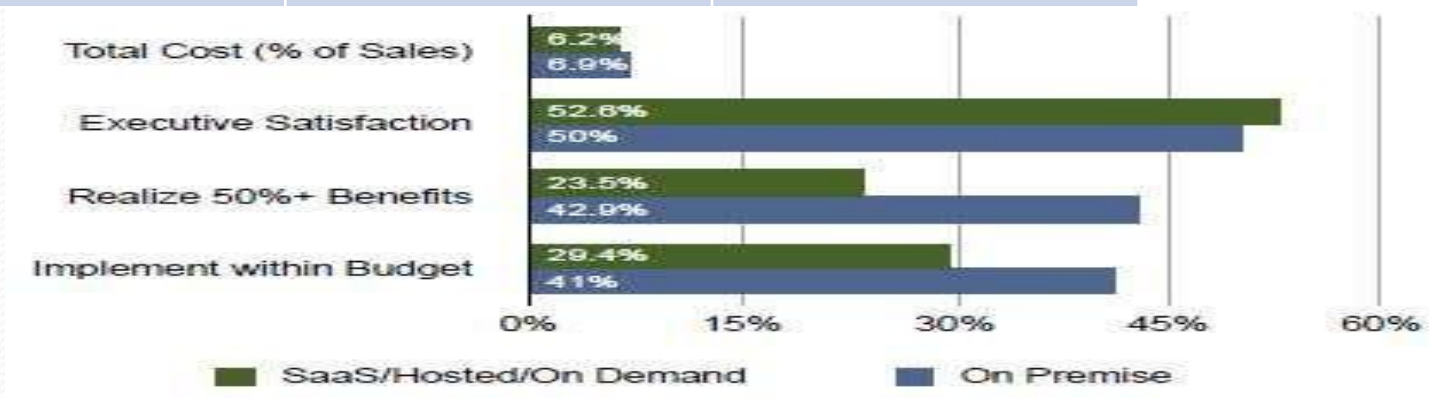


Survey Results

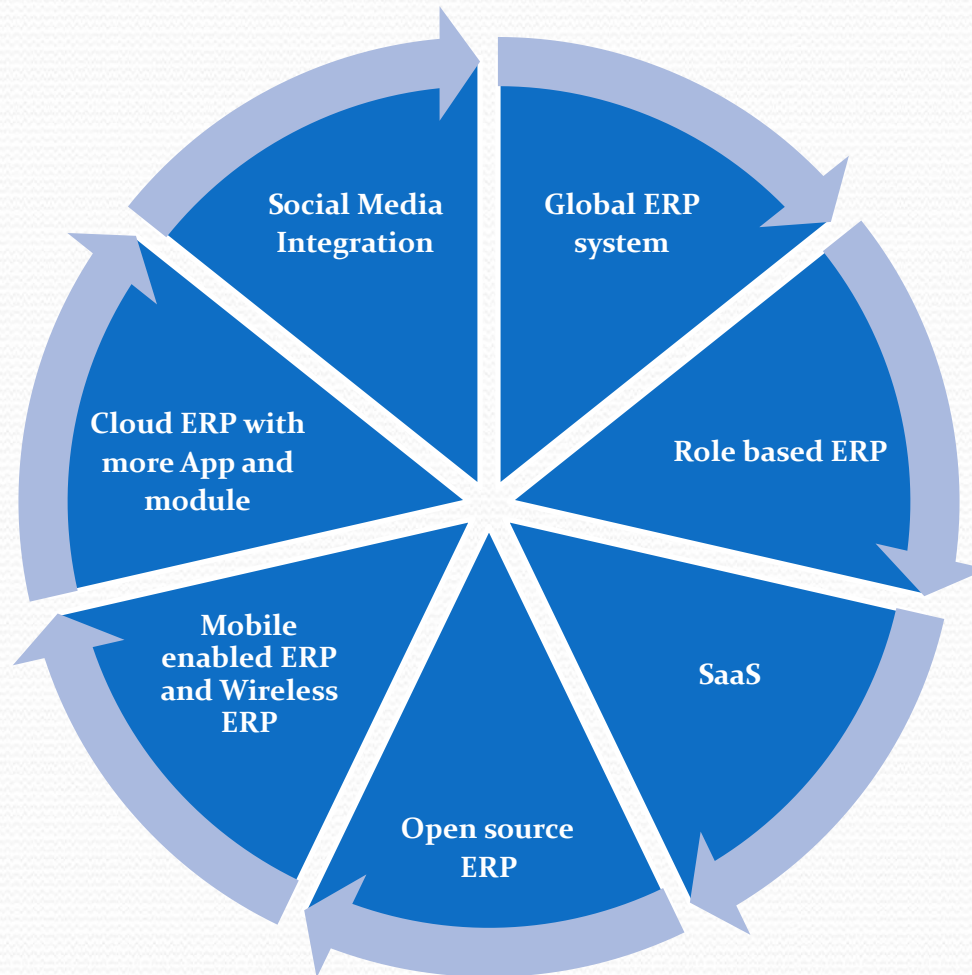
-Panorama consulting

Comparison in the SME segment-SaaS Vs On Premise

	SaaS[Software as a Service]	On Premise
Months	11.6	18.4
Cost[% of annual revenue]	6.2	6.9
Executive level of satisfaction	52.6%	50%




Future trends



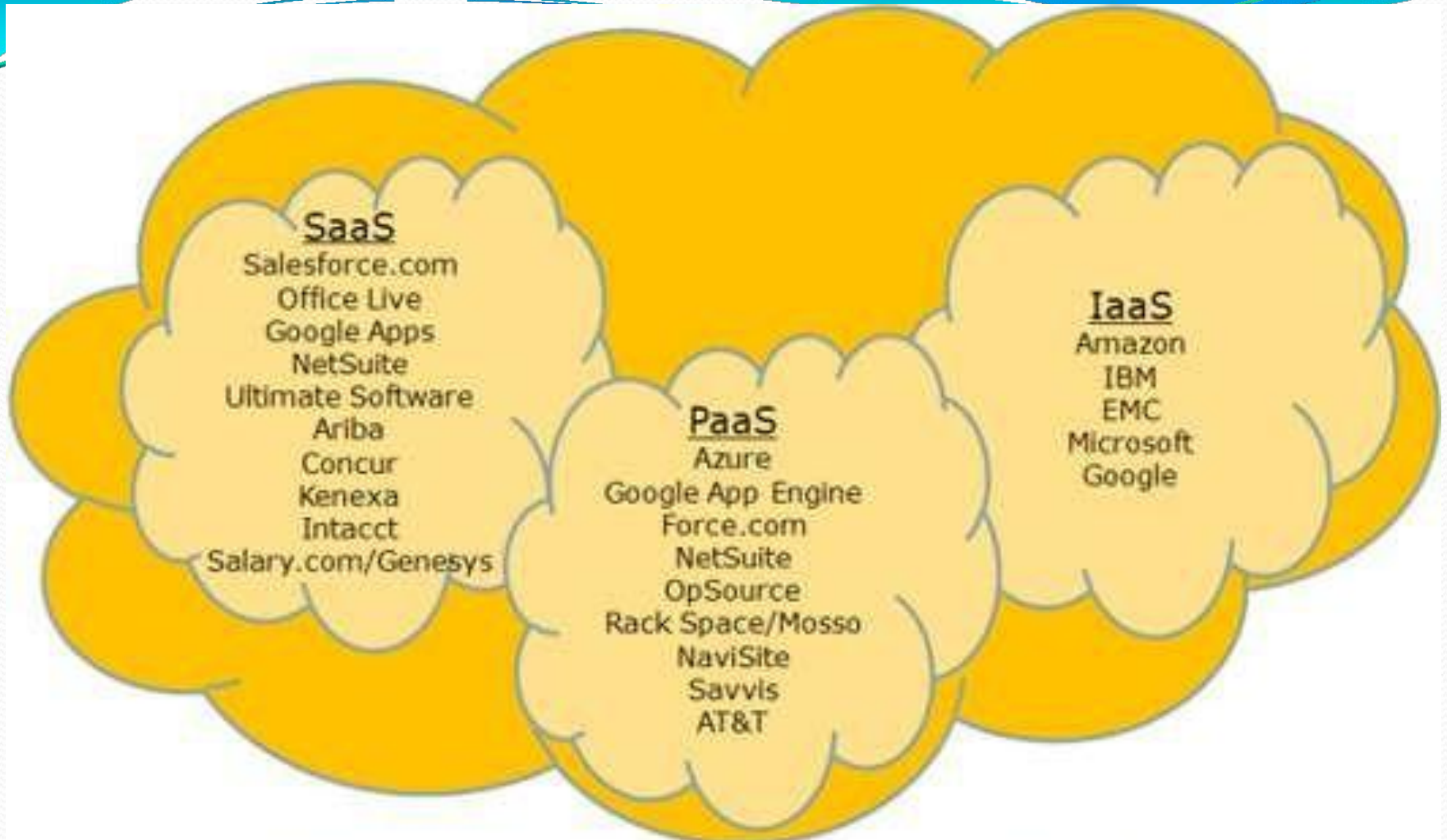
Future trends in ERP

- The rapid consumerization of technology over the past few years has lead enterprises to move on to cloud and new trends viz wireless technology
- **ERP systems will become easier to use, while the cloud, mobile devices and social media will have an impact on products on offer to manufacturers.**

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- The ERP of the future promises to be simplified, more accessible and easier to use, shaped by trends that began taking hold this year.
 - “What you’re seeing now is the beginnings of major trends — **cloud computing, mobility and analytics** — that will get fleshed out in the years beyond.”

Cloud Computing

- Cloud computing, which enables companies to access ERP software over the Internet, has already shown vendors that companies value ERP that can be more easily installed and rapidly consumed
- Cloud-based ERP services will also evolve in the future to become more integrated both with other clouds and with installed ERP systems
- First, ERP must become more simplified, both in terms of the deployment of the system and aligning it with an organization's business processes.



Cloud Computing Enablers - VMware, Adobe, Citrix, Akamai, Sun, Dell, HP, Red Hat

The Future of ERP

Lines between SCM, CRM, and ERP will continue to blur

- **Internet** – continue to help organizations integrate data and process across functional departments
- **Interface** – customizable employee browsers
- **Wireless technology** – support a mobile workforce

ERP IN CLOUD COMPUTING

- New models for ERP are arising where clients can opt for pay-per-use or application hosting services, switching capacity and functionality on and off as required.
- ERP vendors already started CRM, HCM (Human Capital Management) and PLM (Product Lifecycle Management) for the industry needs.
- The runaway popularity of mobile devices such as smartphones and tablet computers is further driving a trend towards improved availability of enterprise information through Web services

CRM in the Cloud

Flexible • Reliable • Efficient



Local country payroll templates

Embedded analytics

Self service portal



Standardized and integrated processes

Improved workforce management and performance

Effective talent nurturing and retention

Streamlined compensation

Improved Regulatory compliance

Better visibility of HR processes

Mobility enablement

Full service HRO

Global support



- According to IDC(International Data Corporation), by 2015, about 24% of all new business software purchases will be of service-enabled software with SaaS delivery being 13.1% of worldwide software spending.
- IDC further predicts that 14.4% of applications spending will be SaaS-based in the same time period. Source: http://www.idc.com/getdoc.jsp?containerId=2322_39
- Unified communications-as-a-service (UCaaS) hosted VoIP, Web and Video conferencing solutions as a cost-cutting mechanism.
- Corporate Mobile SaaS Forecast, 2010-2016,” the Global Corporate Mobile SaaS Market will reach \$1.2 billion in 2011 and grow to \$3.7 billion by 2016, with a five-year compound growth rate (CAGR) of 25.8 percent.

- Forrester forecasts that the global market for cloud computing will grow from \$40.7 billion in 2011 to more than \$241 billion in 2020. The total size of the public cloud market will grow from \$25.5 billion in 2011 to \$159.3 billion in 2020.
- Cisco predicts that Global cloud IP traffic will increase twelvefold over the next 5 years, accounting for more than one-third (34 percent) of total data centre traffic by 2015.

Source: [Cisco Global Cloud Index: Forecast and Methodology, 2010–2015](#).

Figure 3. Workload Distribution: 2010-2015

By 2014, >50% of All Workloads Will Be Processed in the Cloud



Source: Independent Analyst Shipment Data, Cisco Analysis

Annual Revenue

The Cloud-Based ERP Leader Board: Size of annual revenue

- First movers: Revenue below US\$750 million
- Second movers: Revenue US\$750 million to US\$2 billion
- Later adopters: Revenue above US\$2 billion

Regional trends

The Cloud-Based ERP Leader Board: Regions

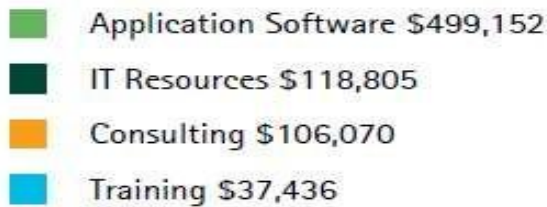
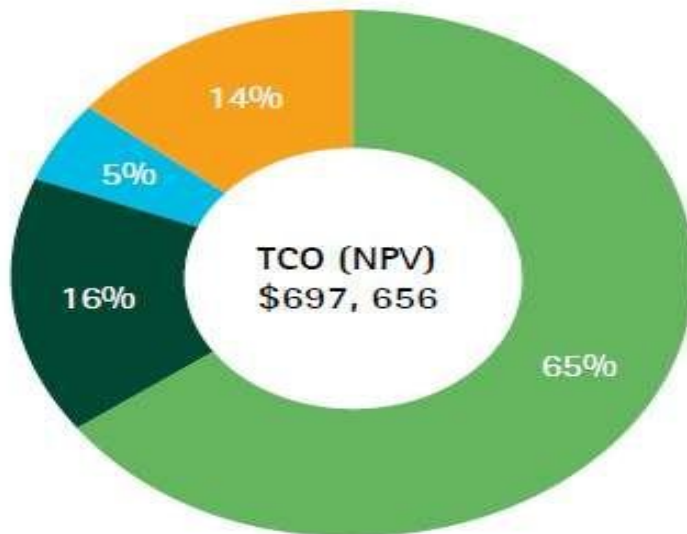
- First movers: North

America, Europe, Japan, Australia

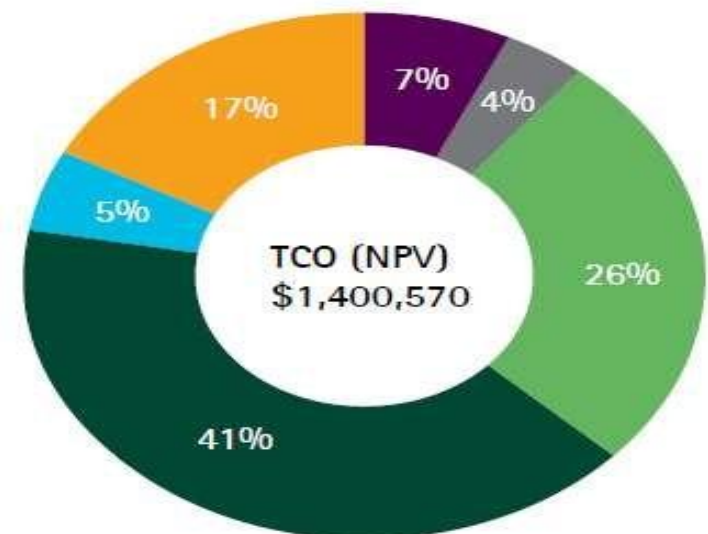
- Second movers: India, China, Brazil
- Later adopters: Most other territories

Figure 2: TCO Comparison: On-Premise ERP vs. SaaS ERP

SaaS ERP



Traditional ERP



©Copyright. Hurwitz & Associates. Source: The Compelling TCO Case for Cloud Computing in SMB and Mid-Market Enterprises. 2009.

Future scope for ERP

- SME segment
- Cloud ERP
- Influence of Wireless technology

ERP in **Public Sector.**

15% **Failed**

- Not implemented
- Never used

34%

Successful

51%

Challenge

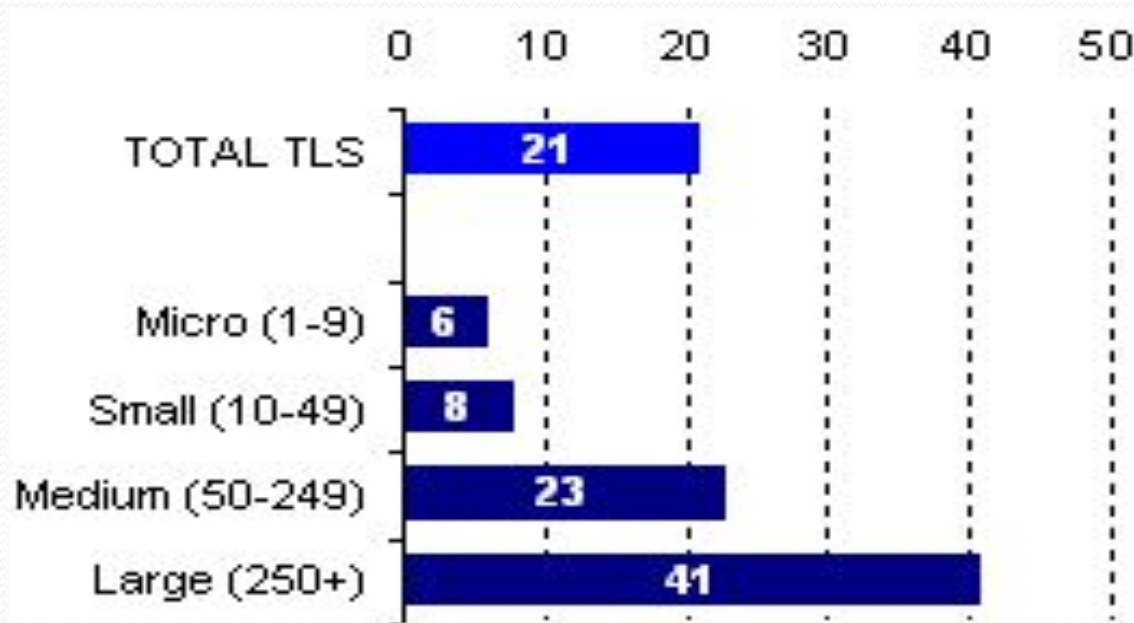
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- Over budget
- Over schedule

Industry

- Trends

Transport and logistics services industry (TLS)



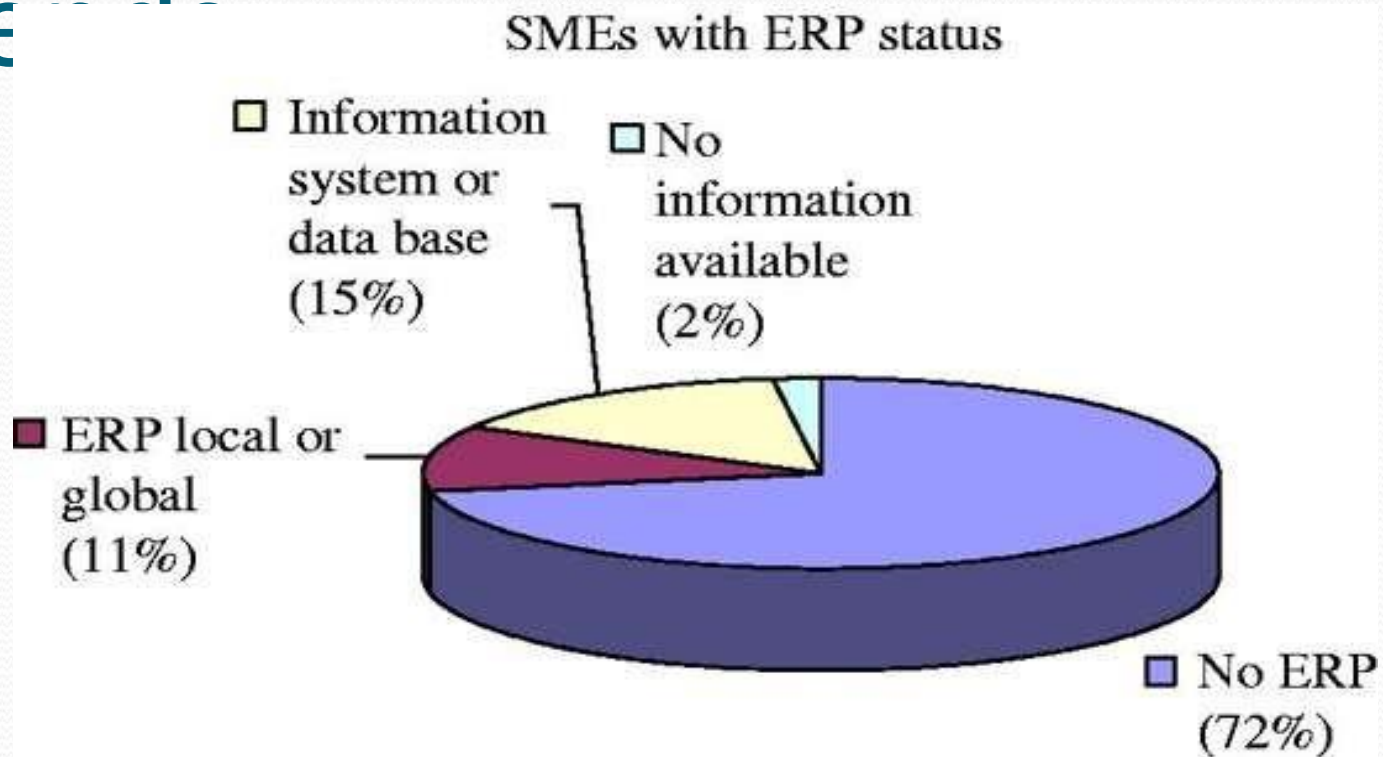
Industry

● Retail Sector



Industry

● SME Tree





New

Market

Supplementing direct sales
with reseller channels.

- Software offerings to appeal on the basis of reduced functionality.
- Improving the implementation methodology for faster development.
- Removing the entry price to make it

New channels

- As all the vendors being forced to market their product in the world of small business, they should make their software products more affordable by lowering the prices for each module and by ramping up the total costs by basing price on user licenses.

Conclusion

- Market- Focus should be on the SME
- Process based ERP to role based ERP
- Technological advancement-
 - Focus should be on cloud ERP and Wireless enabled ERP apps



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You...