PANORAMA

CONSULTING GROUP

Clash of the Titans 2020

An Independent Comparison of SAP, Oracle, Microsoft and Infor

CONTENTS

Panorama Consulting Group developed its annual Clash of the Titans analysis to compare the "titans" of the enterprise software industry: SAP, Oracle, Microsoft and Infor.

Clash of the Titans 2020 analyzes responses collected from Panorama's ERP Benchmark Survey between November 2018 and September 2019. The dataset includes 134 respondents who have selected or implemented SAP, Oracle, Microsoft or Infor ERP solutions for their organizations. The analysis is based on a variety of solutions offered by the four vendors.

Panorama is in no way affiliated with SAP, Oracle, Microsoft, Infor or any other software vendor or reseller.

VENDOR OVERVIEW

The vendors included in this report were chosen based on their market share and strong focus on enterprise-level organizations.

SAP continues to innovate and evolve in an increasingly competitive market. Over the last several years, SAP has increased its investment in innovations like in-memory computing, AI and cloud delivery.

With a strong focus on cloud technology, Oracle aims to eventually move all of its solutions to IaaS and PaaS delivery models. Oracle's products include both acquired applications, such as NetSuite, and internally developed applications.

While Microsoft is still investing in its traditional offerings, it is most heavily investing in cloud technology. Microsoft is one of the few vendors with a good balance of focusing on both legacy and modern technologies.

Many of Infor's offerings are cloud-based ERP suites each aimed at a specific industry. Infor is mostly focused on its cloud technology, which leverages best practices from its on-premise technology.
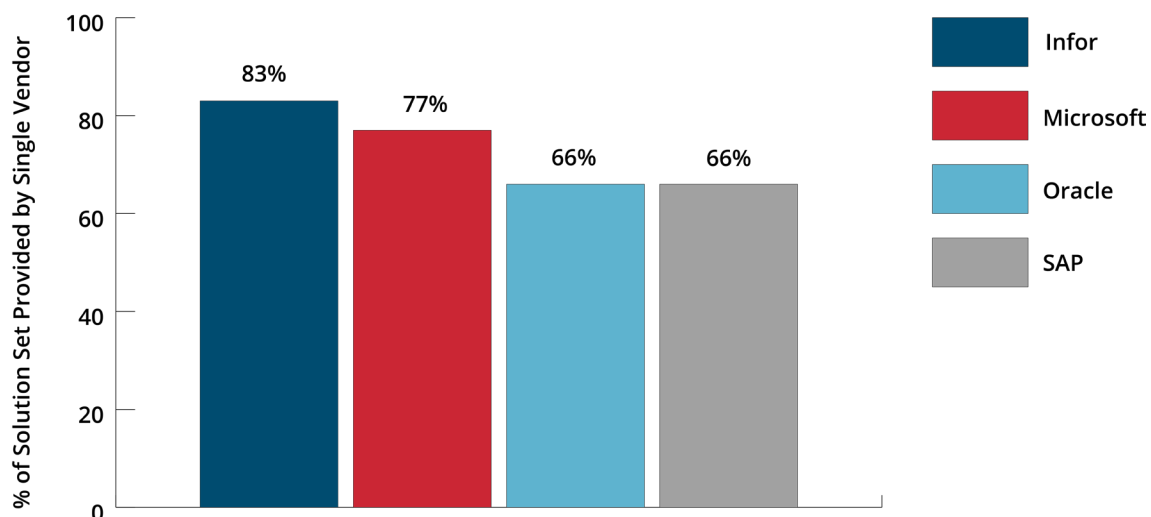
SINGLE ERP SYSTEM VS. BEST-OF-BREED

Infor customers prefer single ERP systems.

Infor sees a market need and acquires an application to fill that need. The variety of applications offered may be one reason that Infor customers are less likely to seek applications from other vendors. Infor is not only strong in its application variety but also in the relative simplicity and inexpensiveness of its applications. For example, Infor's ERP applications require less configuration than the core SAP ERP system. This is because Infor's applications are designed with strong out-of-the-box, industry-specific functionality.

SAP customers prefer single ERP systems, but often opt for best-of-breed.

SAP products are relatively complex in functionality and expensive to implement. As a result, many SAP customers implement financial management functionality first and then consider niche applications from SAP or other vendors. SAP customers often look to other vendors as SAP's release of new functionality can sometimes be slower than other vendors' development cycles. For example, Infor's development often is slightly faster since Infor develops new functionality through acquisition.

Single ERP vs. Best-of-breed

% of Solution Set Provided by Single Vendor

Vendor	Value
Infor	83%
Microsoft	77%
Oracle	66%
SAP	66%

DIGITAL BUSINESS TRANSFORMATION

Respondents were asked to describe their initiative as either a digital business transformation (according to Gartner's definition) or an ERP implementation.
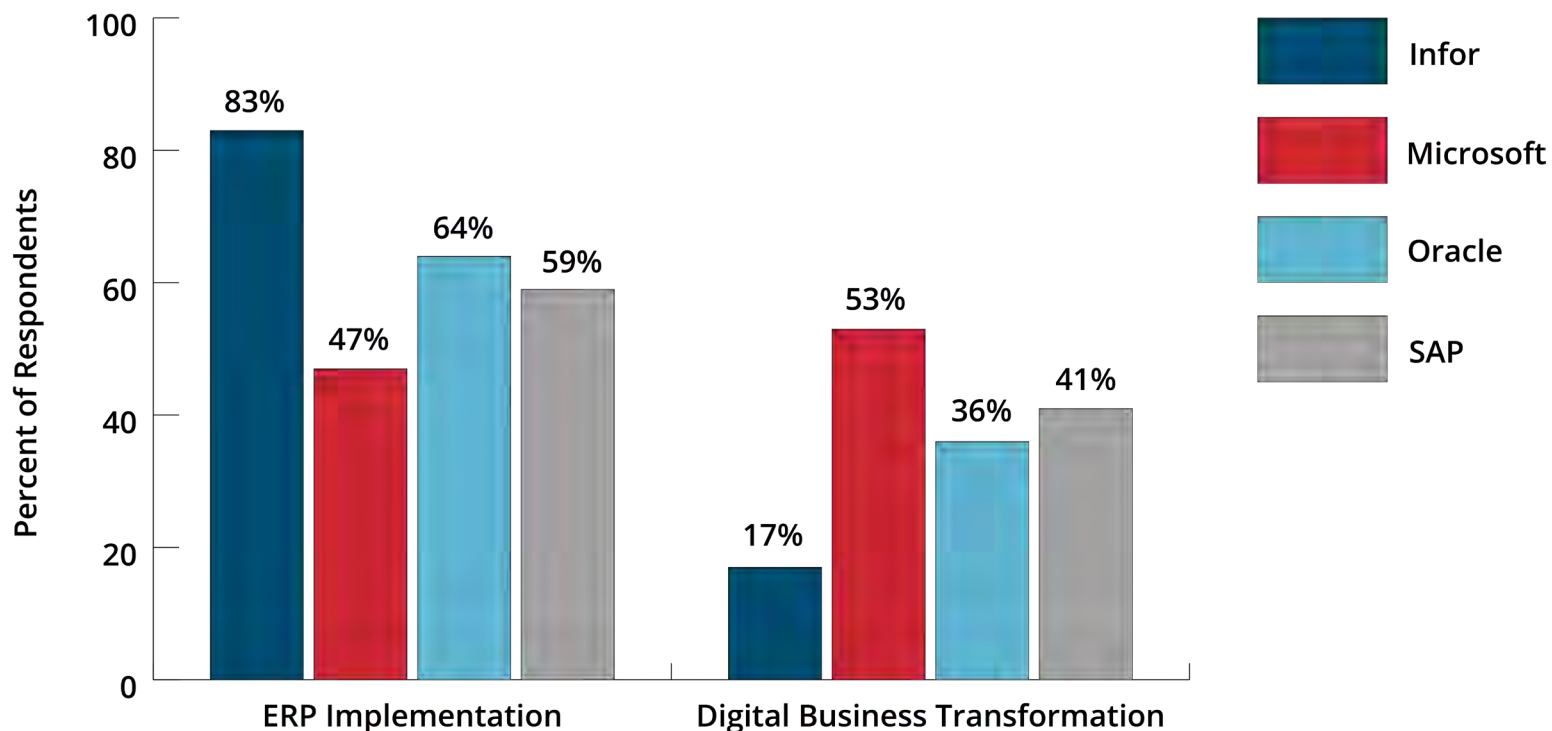
Digital business transformation is most common among Microsoft customers.

Many Microsoft customers are smaller companies, and as they grow, they need to create new revenue streams – thus the need for digital transformation.

Digital business transformation is least common among Infor customers.

At this year's Inforum conference, Infor mentioned that approximately two out of ten of their projects are truly digital transformations. The majority of their projects are actually digital optimizations, meaning they are focused on improving existing processes and business models.

Type of Project

Chart: Percent of Respondents by vendor for two project types.

ERP Implementation:
- Infor: 83%
- Microsoft: 47%
- Oracle: 64%
- SAP: 59%

Digital Business Transformation:
- Infor: 17%
- Microsoft: 53%
- Oracle: 36%
- SAP: 41%

Legend:
- Infor
- Microsoft
- Oracle
- SAP

ERP implementations are about increasing efficiency without changing your business model. In contrast, digital transformation materially changes what products are delivered and how they are delivered to customers.

BUSINESS INITIATIVES INCLUDED IN DIGITAL STRATEGY

A focus on eCommerce functionality is most common among Microsoft customers.

Microsoft products are best suited for small to mid-sized companies, and these companies are often focused on building strong customer relationships. Implementing eCommerce functionality allows them to work with customers more efficiently.

In our experience, we have found that many organizations are implementing eCommerce functionality in leu of increasing their human capital. For example, one of our clients has a small web presence but wants to drive more web traffic using eCommerce functionality to improve the customer experience.
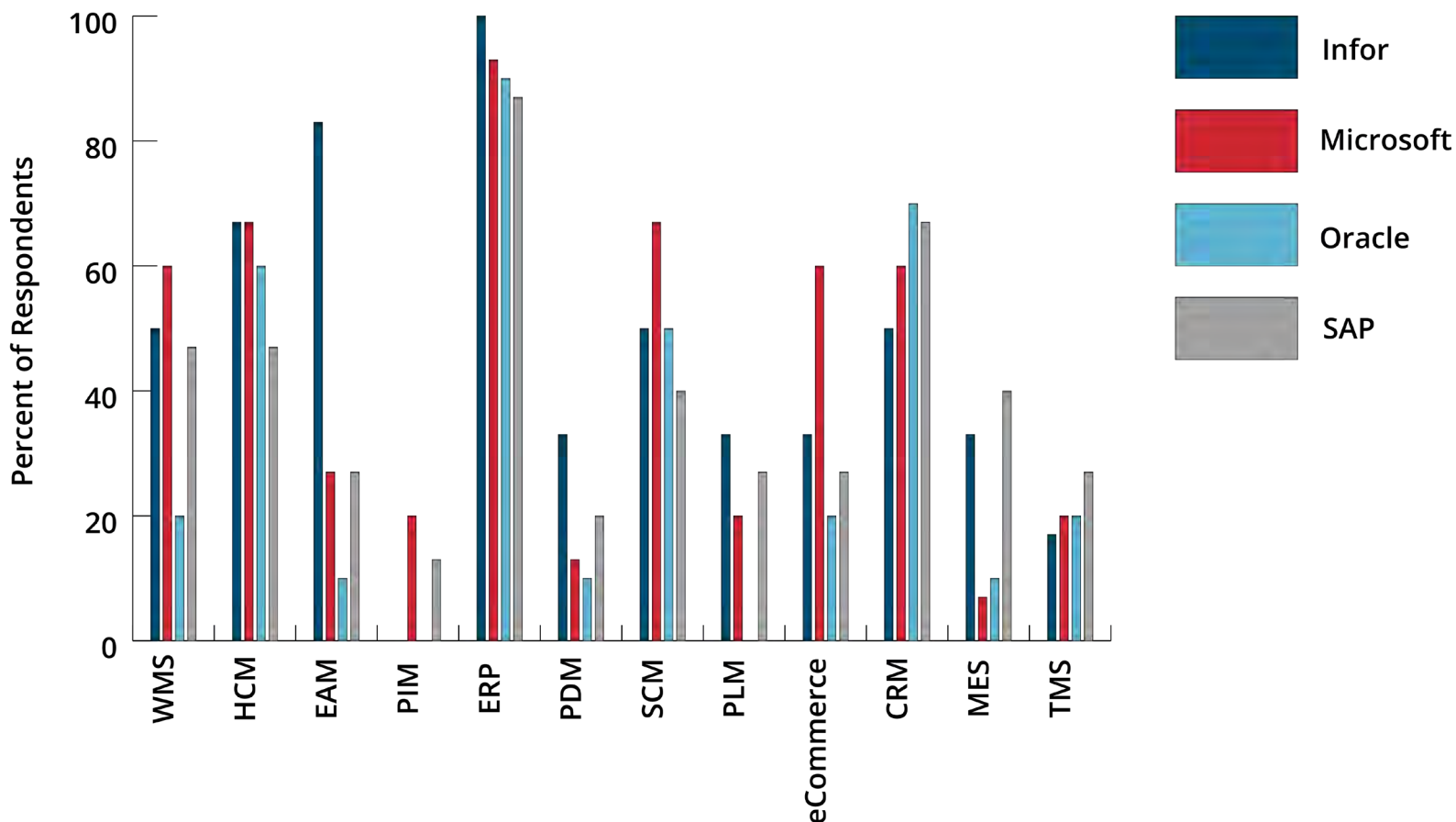
A focus on CRM functionality is most common among Oracle customers.

Oracle has recently put a focus on transforming the customer experience with the use of technology and data. They started top down with the addition of a new customer experience manager, and the investment is proving beneficial.

A focus on EAM functionality is most common among Infor customers.

EAM has been a focal point for Infor for many years, and Infor's presence in the EAM space is ever growing. This is because Infor's solutions have deep enterprise-type functionality.

Initiatives Included in Digital Strategy

A focus on MES functionality is most common among SAP customers.

Most SAP customers implementing S/4 HANA are complex, so MES functionality is implemented after the initial implementation phase. However, SAP customers that have already implemented SAP ECC often consider MES functionality for a standalone project to enhance their existing system.
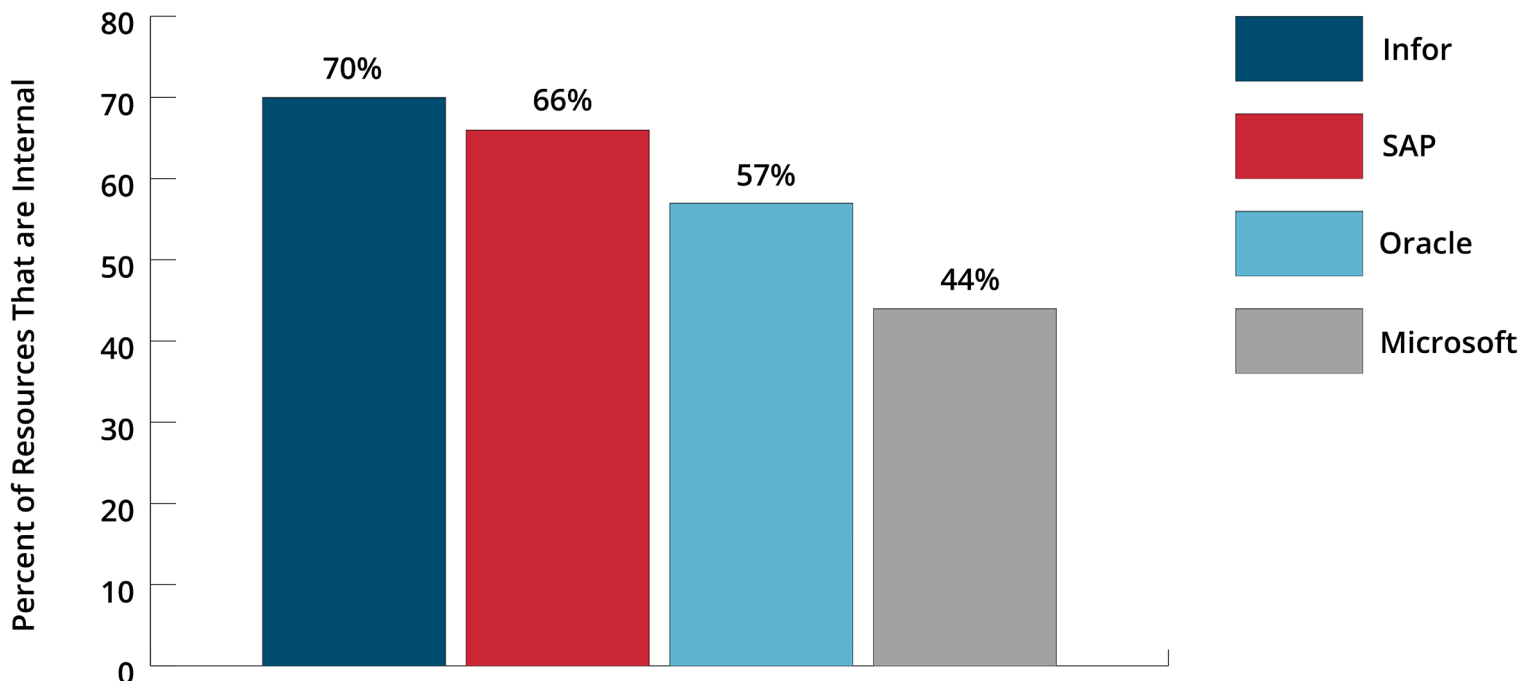
INTERNAL VS. EXTERNAL RESOURCES

Infor customers use the most internal resources.

Infor focuses on direct consulting services which require a significant amount of client involvement as Infor's consulting resources are not infinite.

Microsoft customers use the most external resources.

Microsoft's dependence on channel partners to implement and configure "last mile" functionality increases their customers' reliance on partners for implementation. While partners tend to position themselves as being more involved during implementation compared to working directly with the vendor, an organization's ability to become self-sufficient also is important.

Resource Allocation

Bar chart titled "Resource Allocation." Y-axis: "Percent of Resources That are Internal" (0 to 80). Bars: Infor 70%, SAP 66%, Oracle 57%, Microsoft 44%. Legend: Infor (dark blue), SAP (red), Oracle (light blue), Microsoft (gray).

PROJECT COST

Organizations that completed implementation of an Oracle product spent the most on their projects.

The Oracle products that were implemented included Oracle Fusion, Oracle EBS, Oracle Cloud, Oracle NetSuite and Oracle JD Edwards. Organizations implementing these products purchased an average of 432 licenses - significantly more than customers of other vendors.

Organizations that completed implementation of a Microsoft product spent the least on their projects.

The Microsoft products that were implemented included Dynamics GP, Dynamics 365 for Finance & Operations and Dynamics 365 Business Central. Organizations implementing these products purchased an average of 310 licenses - significantly less than customers of other vendors. Microsoft typically sells D365 Business Central to the SMB market at a much higher volume than it sells D365 F&O to larger organizations.

Project Cost
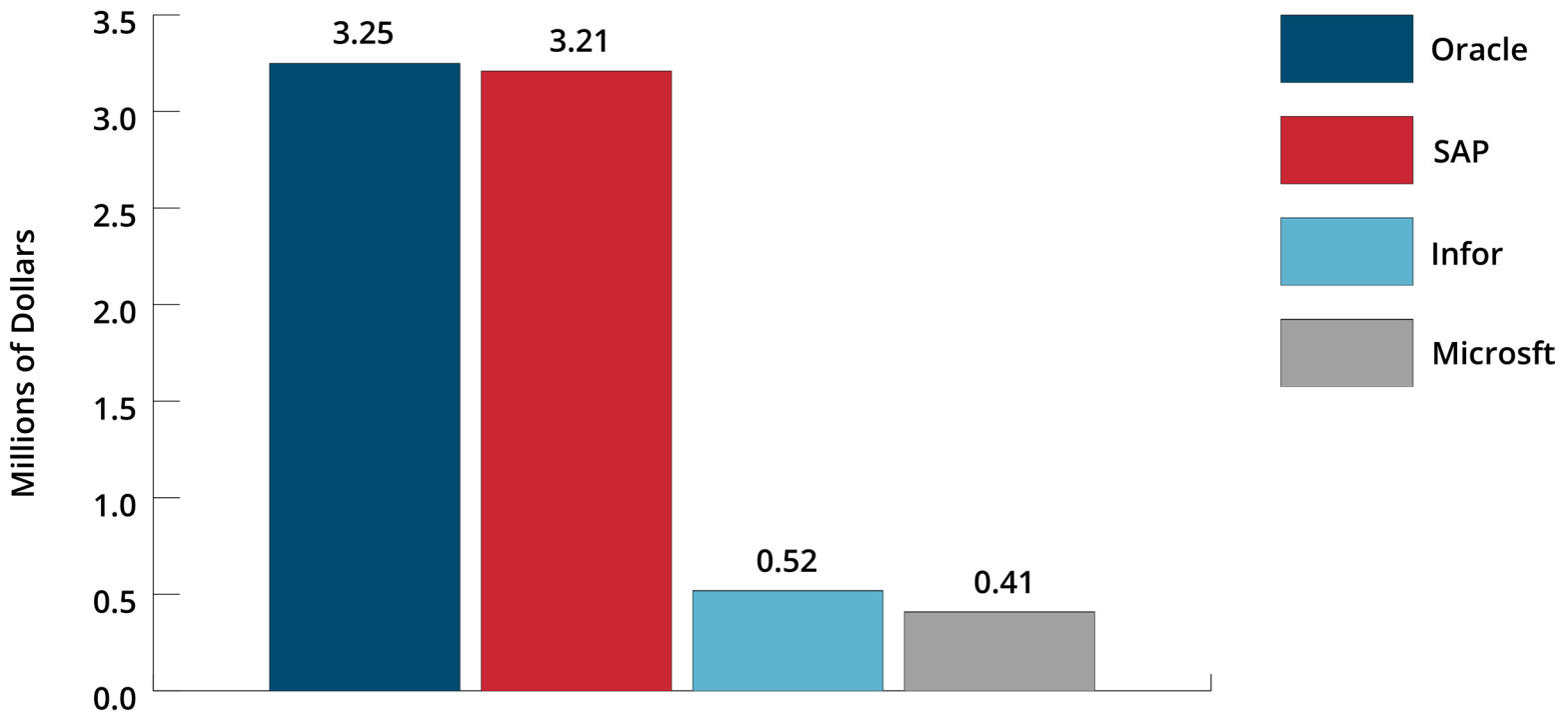
A company's unrealistic expectations regarding total cost of ownership is often the first domino to fall in an ERP failure. This leads to failure because companies end up cutting corners on activities that are critical success factors.

PROJECT DURATION

Given the amount of resources, time and money dedicated to an ERP project, even the slightest delays will affect the budget. To avoid delays, be sure your project plan includes overlooked activities, like requirements gathering, system design, testing and ERP data migration.
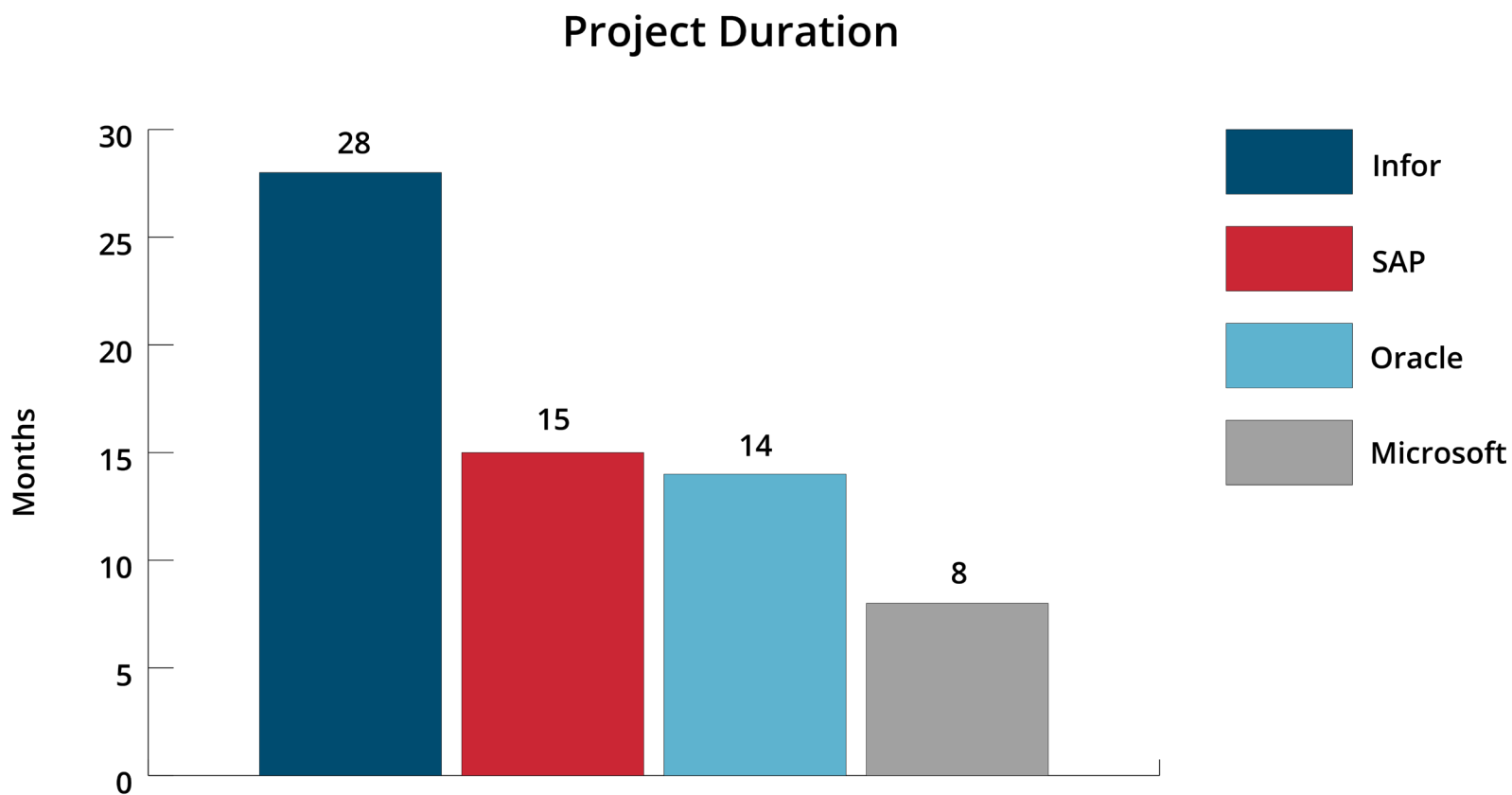
Organizations that completed implementation of an Infor product had the longest project durations.

The Infor products that were implemented included Infor LN, Infor SyteLine, Infor CloudSuite, Infor M3 and Infor Visual. Organizations implementing these products purchased an average of 263 licenses.

However, fewer licenses did not translate into a shorter project duration. This likely is because Infor has seen an influx of enterprise-level clients implementing multiple applications in phases. These clients must configure advanced functionality to meet complex requirements, which takes time.

Organizations that completed implementation of a Microsoft product had the shortest project durations.

Microsoft's channel partners have caught up with their development of IP applications. The channel partners are expanding their client base with more pre-configured, niche functionality. This functionality requires less configuration which reduces implementation time.

Project Duration

Legend:
- Infor
- SAP
- Oracle
- Microsoft

Y-axis: Months (0, 5, 10, 15, 20, 25, 30)

Bar values:
- Infor: 28
- SAP: 15
- Oracle: 14
- Microsoft: 8

CONCLUSION

While you may want to select a well-known ERP system, the best solution depends on your unique business needs. A better question is, "What are the best ERP systems for my future-state processes and organizational goals?"

In other words, before beginning ERP selection, you should define a digital strategy. Consider the pain points of your current IT infrastructure and determine what needs to change to support your objectives.

This will help you develop a business case convincing executives to make the investment. Be sure to highlight not only the benefits of ERP software but also the costs and risks.

While an ERP implementation can bring many business benefits, they entail significant risk. Fortunately, you can mitigate risk by focusing on business process reengineering and organizational change management.

Panorama's ERP consultants help organizations prepare their people and processes for ERP selection. Contact us to learn how you can prepare for a successful selection.

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 and Software Expert Witness Testimony.