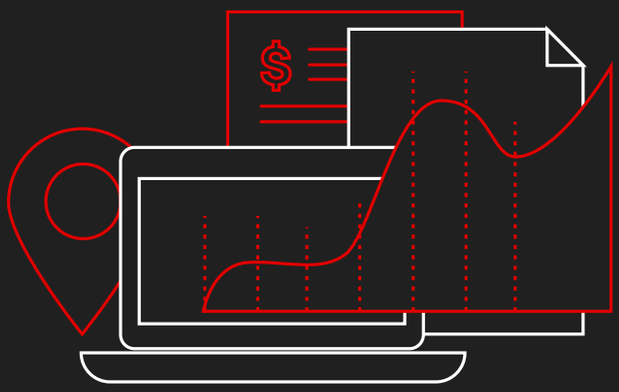
PULSE Ranorex®

ERP Usage and Challenges



One-Minute Insight Report summary:

- Most have already implemented enterprise resource planning (ERP) tools
- Most use multiple ERP tools in a hybrid cloud infrastructure and are satisfied with their deployment
- HR is the most popular type of add-on, with business intelligence (BI) add-ons the most popular planned purchase
- Improved reporting and visibility are the main perceived benefits of ERP
- Costs, ongoing management, and business and technical goal misalignment are the main challenges to ERP success
- Costs are the main differentiator for choice of vendor, while decision-makers want ERP tools to be easy to use

ERP tools promise to enable organizations to align business processes into a manageable, centralized, database, and can be augmented with add-ons for specific business purposes, such as finance and HR. But are technology decision-makers adopting ERP tools? What are the benefits and barriers to adoption?

Data collection: September 24 - October 6, 2021

Respondents: 226 tech decision-makers

Most decision-makers are already using an ERP solution, and most others plan to follow eventually

87% of decision-makers are using an ERP tool in their organization.

Is your organization currently using an enterprise resource planning (ERP) tool?

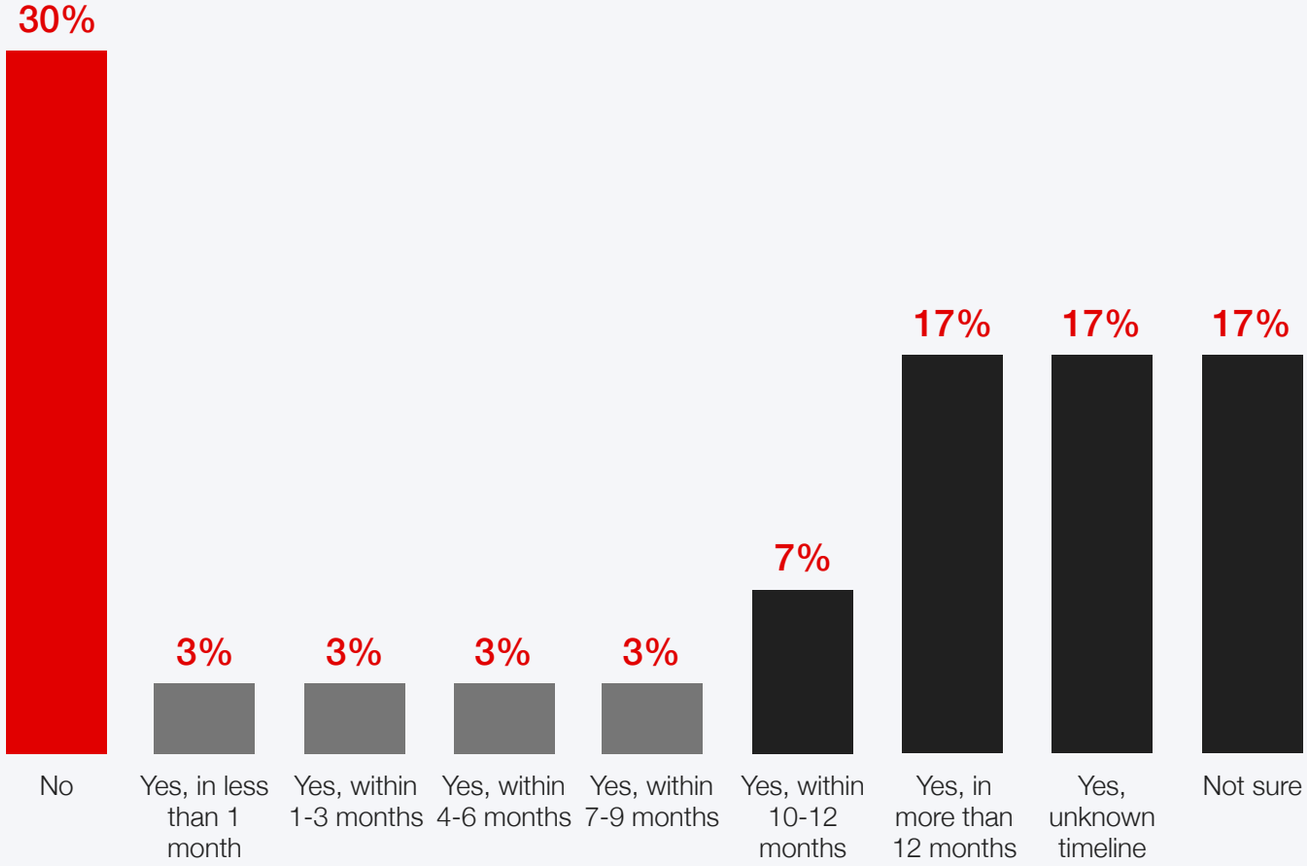
87%
Yes

12%
No

1%
Not sure

For those who aren't currently deploying an ERP tool (n = 27), 53% plan to at some point in the future.

Are there plans to deploy ERP within your organization?



“The larger the organization, the more important an ERP solution is.”

- Director, medium-sized consumer goods company

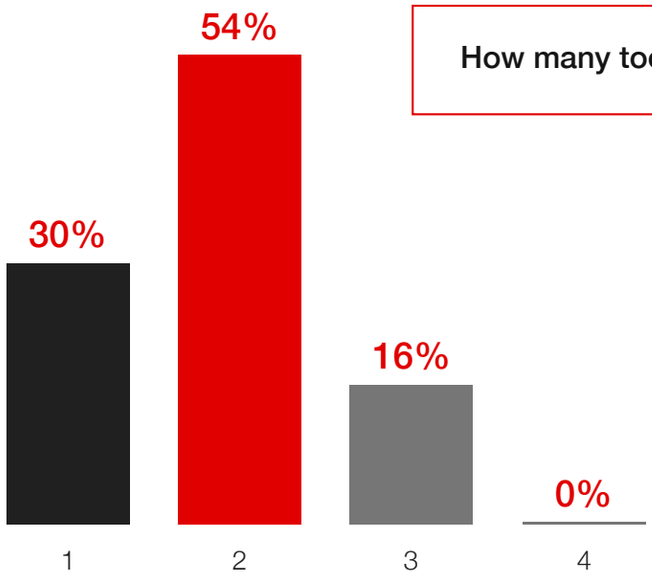
“We are developing our ERP using low-code tools.”

- C-suite, small/medium-sized transportation company

Most are using multiple ERP tools, deployed in hybrid cloud infrastructure

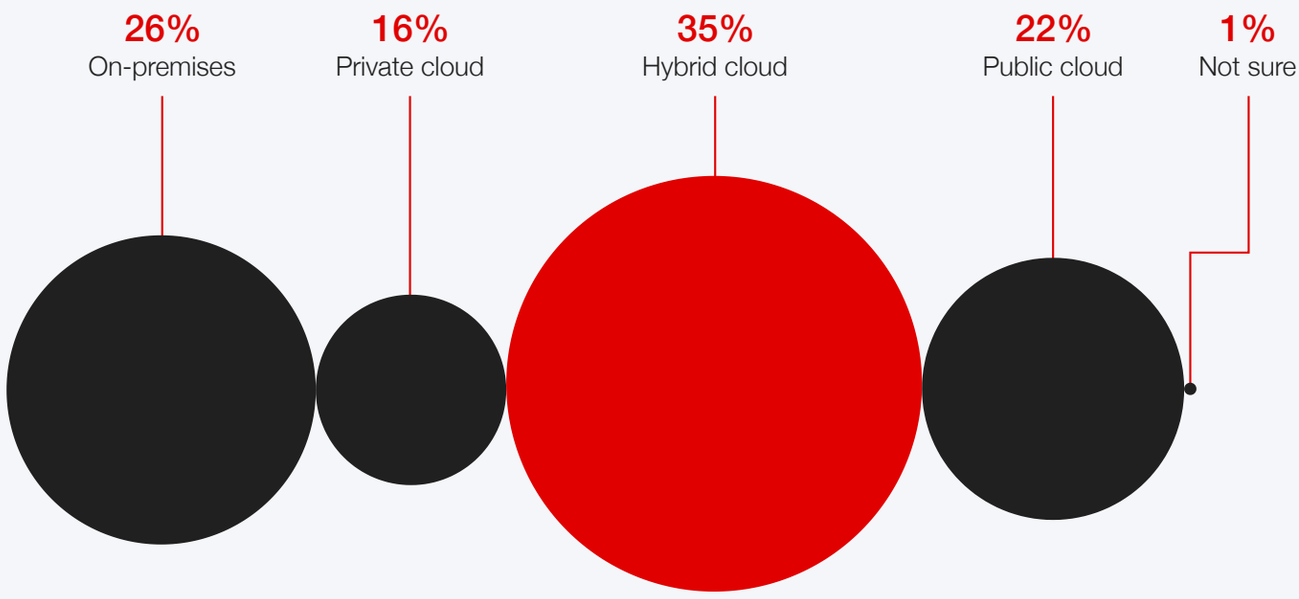
For those using an ERP tool, 70% are using more than one tool.

How many tools are you using for ERP?



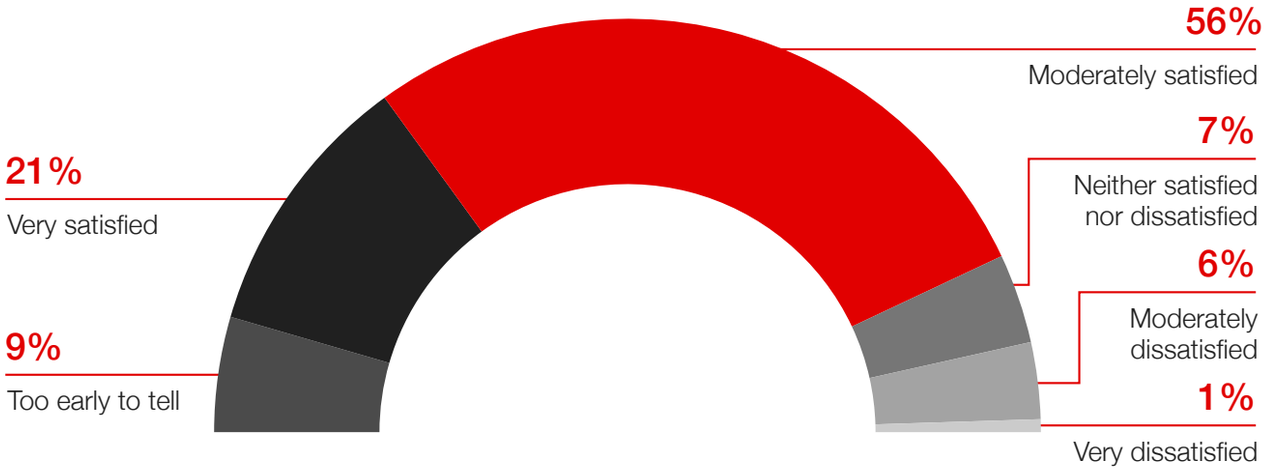
Most (35%) are deploying ERP in a hybrid cloud infrastructure, though just over a quarter (26%) are deploying on-premises.

Which of the following best describes your ERP deployment?



Over three-quarters (77%) are satisfied with their ERP deployment.

Are you satisfied with your ERP deployment?



"I would much rather run an ERP in the cloud versus hosting it."

- VP, medium-sized software company

The most common type of ERP add-on is HR, while many are planning to purchase BI add-ons

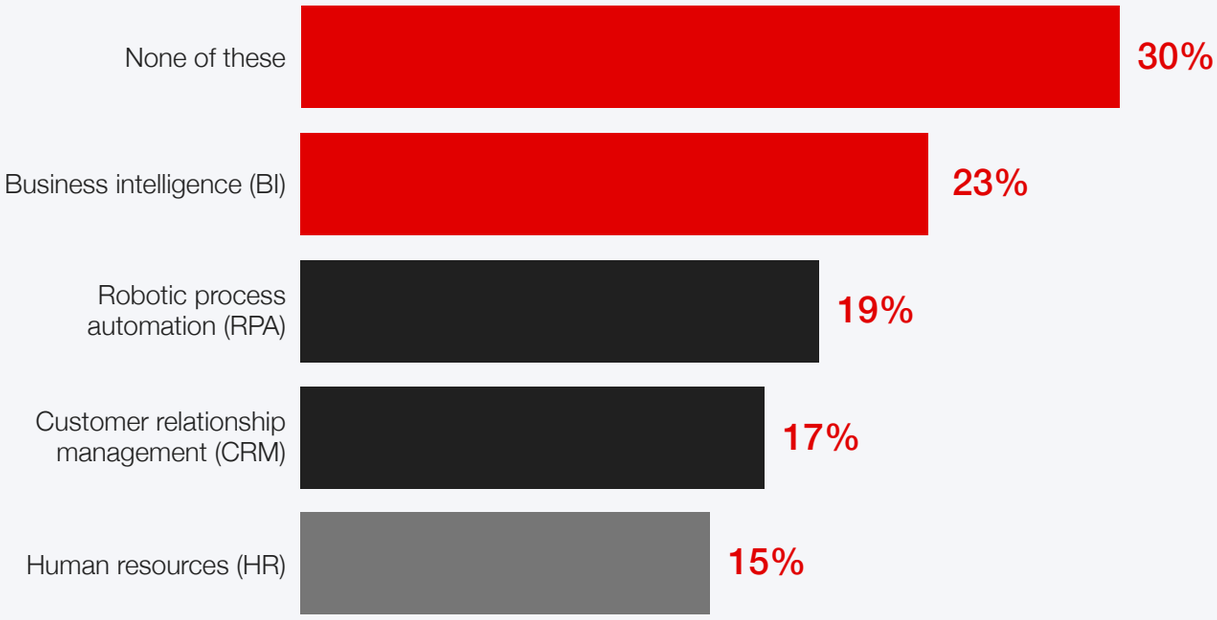
The most popular ERP add-ons decision-makers are using are human resources (HR) (63%), finance management (61%), and business intelligence (BI) (60%).

Which of the following types of ERP add-ons are you currently using?

Robotic process automation (RPA) 21%, Supply chain management (SCM) 19%,
Electronic data interchange (EDI) 14%, Marketing automation (MA) 11%
Computerized maintenance management system (CMMS) 10%,
None of these 0%, Other 0%

While many (30%) aren't planning on purchasing any ERP add-ons, for those who are, BI (23%), robotic process automation (RPA) (19%), and customer relationship management (CRM) (17%) add-ons top the list.

From the same list, are there any ERP add-ons you're planning on purchasing?



Marketing automation (MA) 15%, Finance management 13%,
Computerized maintenance management system (CMMS) 13%, Inventory management 10%,
Electronic data interchange (EDI) 8%, Supply chain management (SCM) 8%, Other 1%

"[ERP] offers add-ons which gives leverage to IT people to scale the functions easily."

- Director, large finance company

“We are currently implementing a financial ERP.”

- C-Suite, large finance company

ERP tools can improve reporting and increase visibility, and almost all agree it’s the best option for business process efficiency

The top 3 perceived benefits of ERP tools are improved reporting (53%), increased visibility (53%), and improved analysis/insights (44%).

What are your top 3 perceived benefits of ERP tools?

53% Improved reporting

53% Increased visibility

44% Improved analysis/ insights

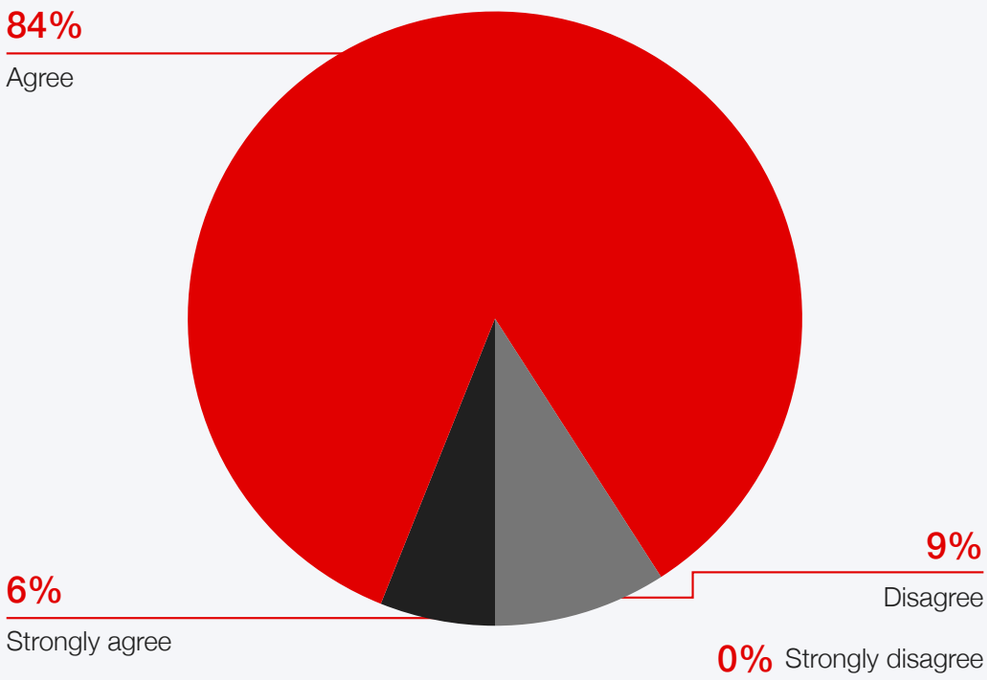
41% Improved workflow efficiency

36% Reduced costs

Centralized control 31%, Improved integrations 28%, Increased IT agility 18%, Scalability 18%, Improved customer experience 15%, Simplified tech stack 15%, Improved cybersecurity 9%, None of these 2%, Other 0%

An overwhelming 90% agree that ERP is the best option for improving business process efficiency.

To what extent do you agree with the following:
"ERP is the best option for improving business process efficiency."



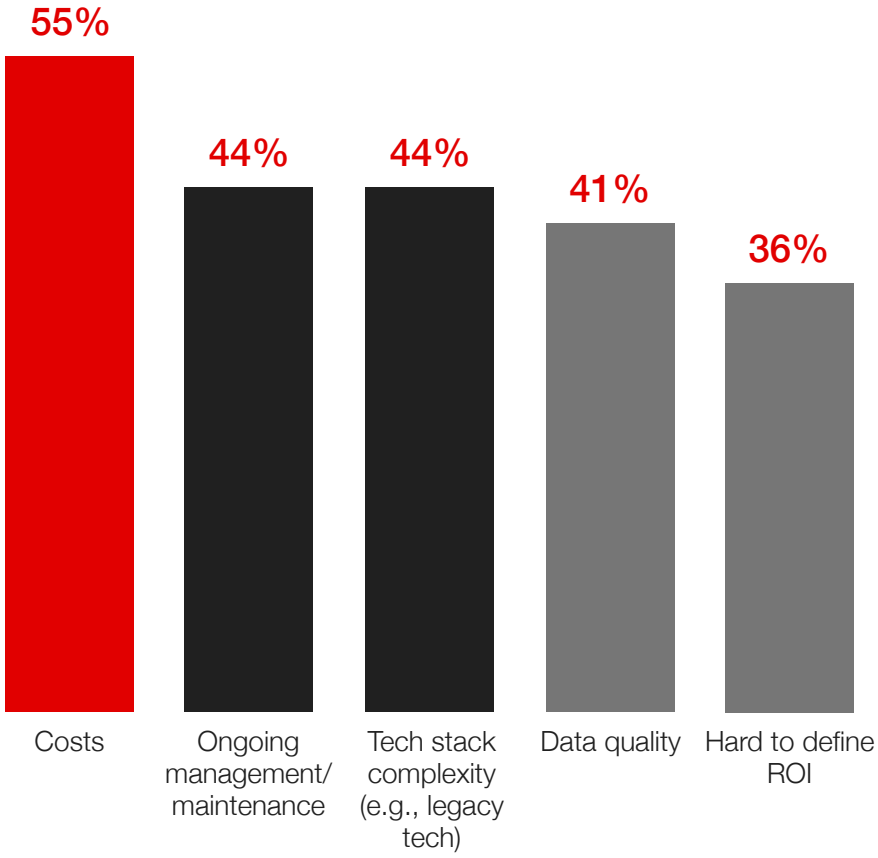
"[ERP is an] important tool for companies of any size to achieve business and operational efficiency and visibility."

- C-suite, small/medium software company

Most see costs as a challenge to ERP adoption, and point to business and technical goal misalignment as the main cause of ERP initiative failure

As for challenges, costs (55%) are the main concern for most, followed by ongoing management (44%) and tech stack complexity (44%).

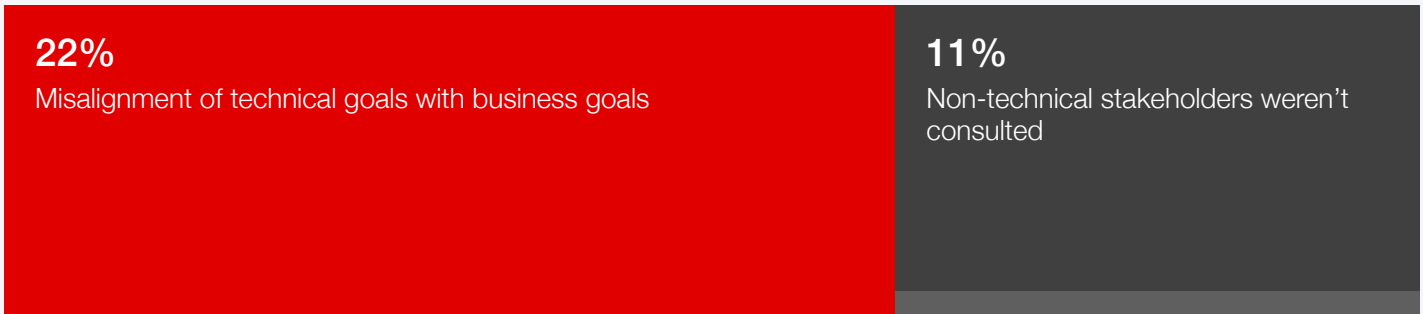
Do you see any of the following as challenges to ERP?



Assigning project management 24%, Employee buy-in 22%, Executive buy-in 14%, None of these 3%, Other 0%

And the top reason given for ERP initiative failure is a misalignment of technical goals with business goals (22%).

In your opinion, which of these factors is the main reason an ERP initiative fails?



"Change management is a critical success factor."

- VP, large arts and entertainment company

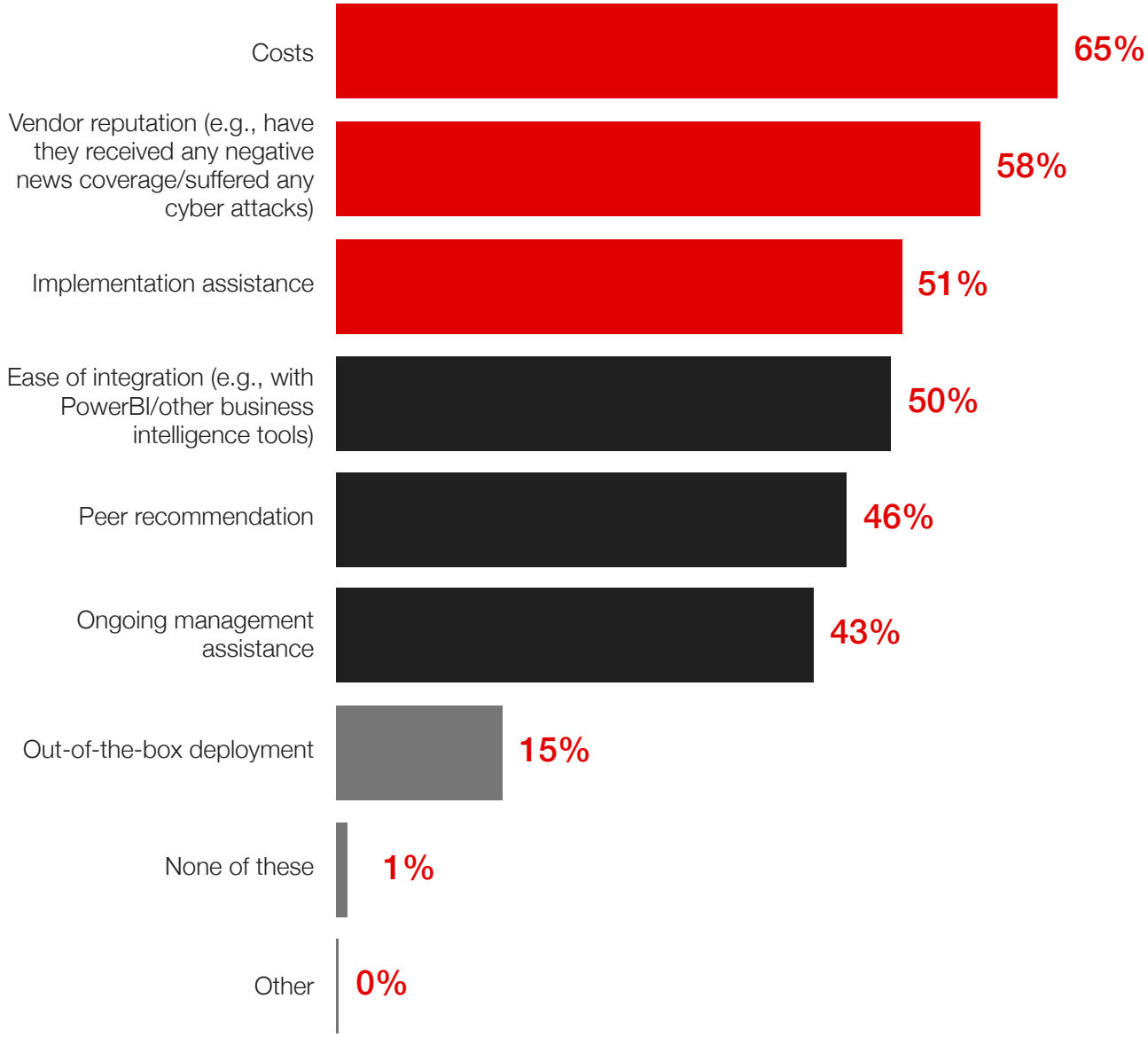
"I would change the way we have implemented our ERP and consult with more stakeholders."

- C-suite, large consumer goods company

Costs are the most important factor when choosing an ERP vendor, and ease of use is the most attractive feature

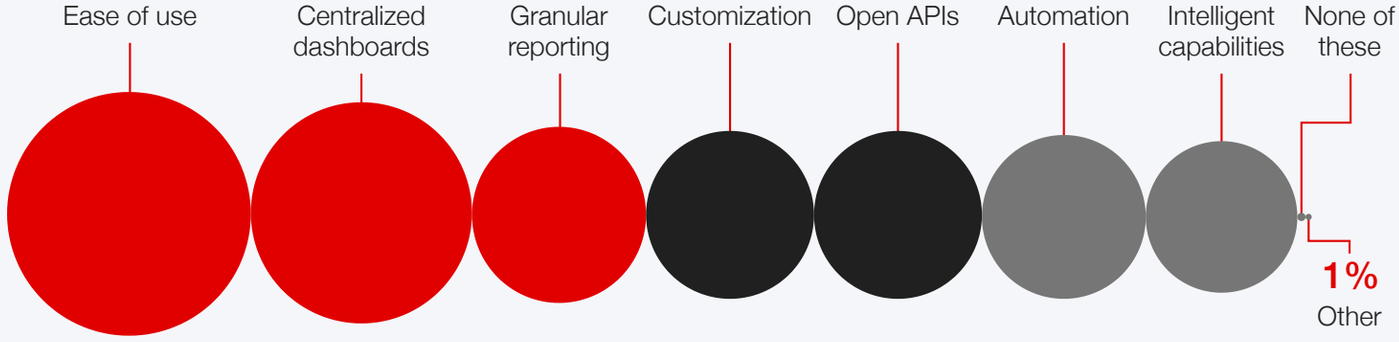
Most would choose an ERP vendor based on costs (65%), vendor reputation (58%), and whether they offer implementation assistance (51%).

Which of the following factors are most important to you when considering ERP vendors?



The most attractive features in an ERP tool are ease of use (68%) and centralized dashboards (62%).

Which of the following features are most attractive in an ERP tool?



"The barriers to switching ERP systems are very high due to the cost of implementation."

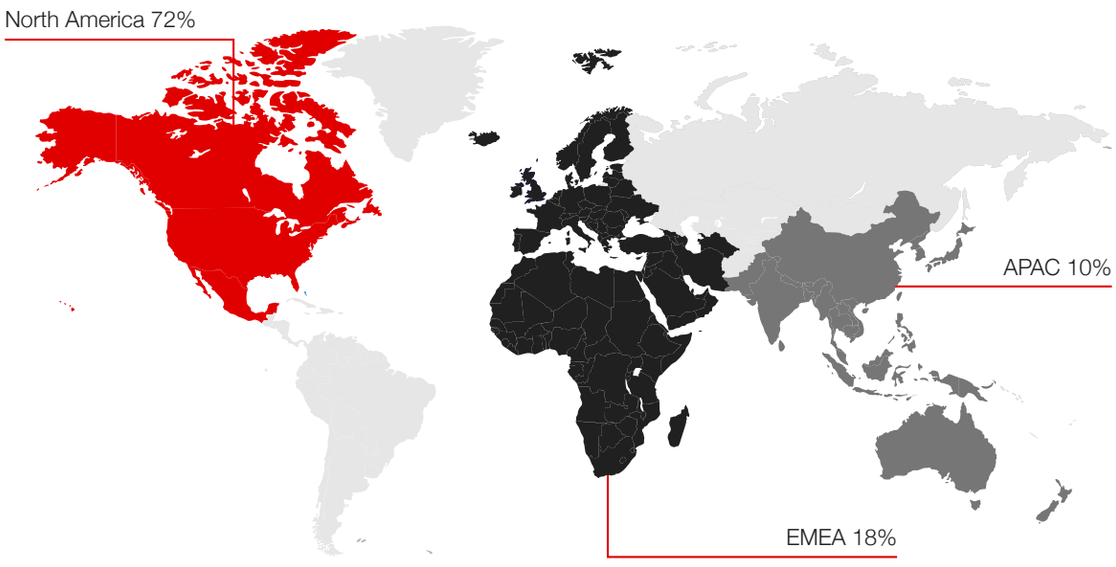
- C-suite, medium-sized education company

"We are looking for ongoing management assistance."

- C-suite, large telecommunications services company

Respondent Breakdown

Region



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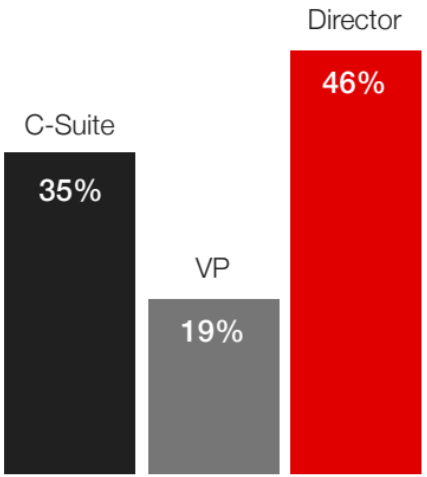
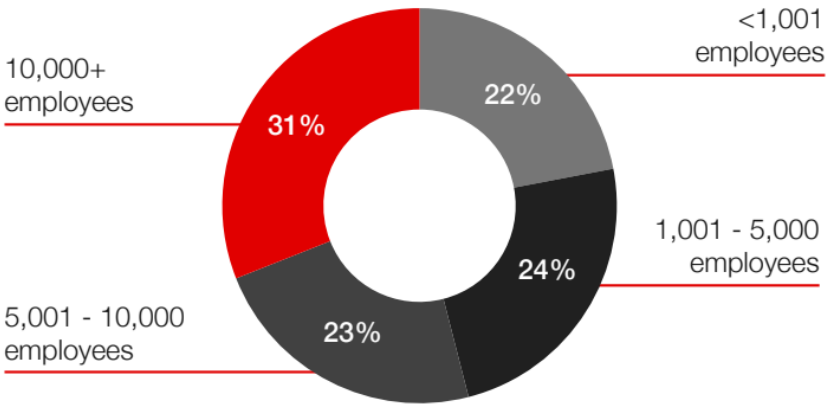
Company Size