

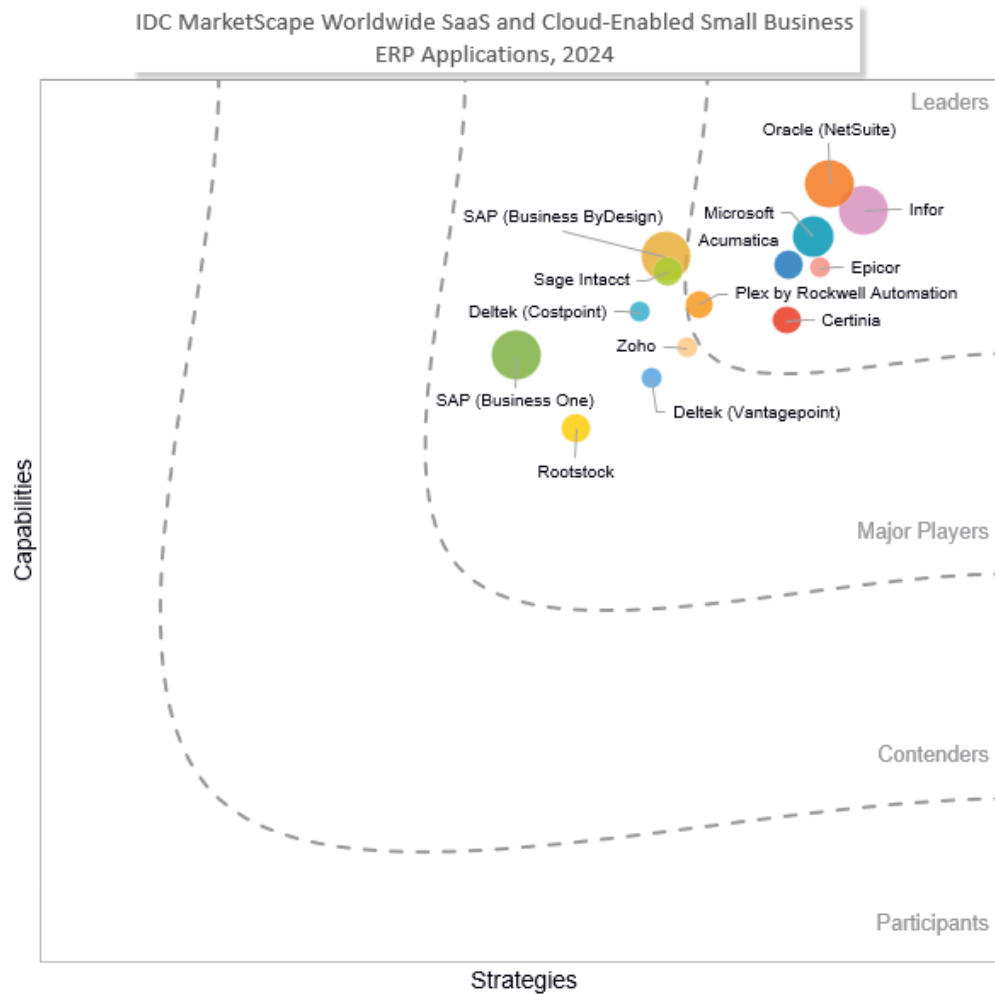
IDC MarketScape: Worldwide SaaS and Cloud-Enabled Small Business ERP Applications 2024 Vendor Assessment

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IDC MARKETSCAPE FIGURE

FIGURE 1

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



Source: IDC, 2024

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

IDC OPINION

Small businesses are navigating a chaotic environment on both the business landscape and the IT sides. As 2023 drew to a close, small businesses were far from drawing the curtain on economic instability and questions surrounding new advancements in AI and automation. Small businesses today are facing the challenge of running growing entities with slim staffs while also battling inflation, interest rate hikes, and labor shortages – in addition to getting their heads around how, exactly, they can capitalize on the roller coaster that is GenAI technology.

But rapid change can also be good. Swift and dramatic changes in automation capabilities have the potential to transform the often-manual working processes of small businesses that have lean staffs and less capital, enabling them to automate time-intensive, paper-based processes and therefore boost efficiency and reduce human error. Automation also enables employees at small businesses to focus on more captivating and strategic work, which can increase employee happiness and retention. Employee retention is crucial at small businesses as they lack the bandwidth of their enterprise counterparts for recruiting, onboarding, and training.

Savvy small businesses see technologies such as robust ERP systems, complete with automation and AI capabilities, as tools to not only weather growing pains and economic storms but help them come out more resilient once those storms pass. In fact, 78% of small businesses – those with 1-99 employees – plan to increase their technology spending in the next 12 months according to IDC's February 2023 *Small and Medium Business Survey* – that's a higher percentage than medium-sized businesses (100-999 employees) where 60% planned to increase tech spending. Smart small businesses are taking a measured, methodical approach to solving today's challenges using technology.

And many are starting with a robust ERP system that can meet their needs as they grow. In fact, 50% of small businesses listed financial management and business operations tools such as ERP solutions as a top technology priority for their company in the next 12 months, according to IDC's February 2023 *Small and Medium Business Survey*. These businesses are seeking to move away from entrenched, error-prone manual processes such as operating in excel spreadsheets. They are turning to ERP systems to boost speed and efficiency, gain actionable insights and, perhaps most importantly, unlock access to a single source of data truth.

Current Considerations in Small Enterprise ERP Systems

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

- **Employee and management buy-in is key:** While small businesses benefit in that they are more agile with fewer massive legacy systems and red tape to deal with, many small businesses are older. In fact, over half, 51%, have been in business 10 years or longer, according to IDC's February 2023 *Small and Medium Business Survey*. Many small businesses have an ample amount of nontechnically-savvy employees. While nearly 40% of small businesses list moving key data such as spreadsheets and/or document repositories into an ERP system as a top technology priority in the next 12 months (see IDC's February 2023 *Small and Medium Business Survey*), changing set ways isn't easy. Learning new or seemingly advanced technologies that will dramatically change an employee's day-to-day

work may be overwhelming and intimidating. Adopting new methods of business requires top leadership buy-in and staff education on why and how these business process changes will pay off over time.

- **It's better to conform your business processes to the vendor's system:** In general, 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. When implementing a new technology, take the time to change your business process when needed to better fit with the system. This will pay off in the long term with fewer strains on your limited IT resources to find workarounds. It will also enable a small business to more easily take advantage of new features and functionality from the vendor's system – which is exactly what a small business needs from its vendor as it doesn't have the resources to build these internally.
- **Set aside ample time for training:** Start training key employees on the system before the implementation process even begins. A month-long crash course isn't the way to go – especially for a small business with a lean staff. One small business ERP customer likened implementing a new ERP system to having spinal surgery while still having to walk. Employees will likely be using a combo of old systems or processes while learning a completely new ERP system, so be cognizant of this and allow ample time for employees, especially power users, to get up to speed. Backfill by hiring temporary employees or contractors at your small business to handle essential tasks, such as payroll, so that permanent employees focus on learning the next system. On that note, remember when selecting a new system that employee's processes are critical; when evaluating a new ERP system, remember that the more the employees' user experience (UX) conforms to their daily workflow, the better the user experience.
- **Focus on 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.
- **Be an AI and automation skeptic:** Time to insight is critical in the digital world. Automation should be utilized everywhere, coupled with the data to make the right decisions and analytics to make data easier to comprehend. In addition, predictive capabilities can benefit an organization overall. However, small businesses should work to separate AI buzz from reality. The last thing a small business has time for is to beta test a new automation or AI capability by finding and reporting bugs in a glitchy system. AI and automation should be baked into the vendor's offering and ready to go. Ask for demos of such advanced technology as well as

references of clients that have used a vendor's touted AI or automation capabilities and ensure your nontechnically-savvy staff can use and understand the capabilities as well.

- **Be clear on help:** As a small business, you likely don't have ample in-house technical resources to quickly address issues and deal with implementation, integration, or maintenance issues. What are the precise SLAs for customer service at the ERP vendors you are evaluating? Is it worth it to pay more for faster or more robust service? And make sure you use an implementation partner not only recommended by your ERP vendor but one that has completed several implementations with businesses of the same size and in the same industry as yours.
- **Think (very) long term:** Small businesses grow and change rapidly. Therefore, small businesses should not buy systems that simply meet their needs this year or even next. Instead, they should try and envision where their business will be (and where they want to be) three, five, or even more years down the line and seek ERP systems that will work with that future iteration of their business. On that note, it is critical to examine how often the ERP technology vendor updates its product. If infrequently, what does that mean to the pace of innovation your organization needs to take on to move successfully in the digital world? This is a crucial area to understand in both the short term and the long term.

Current Trends in Small Enterprise ERP Systems

Current small ERP system trends include:

- **Flexible licensing:** Small businesses are growing quickly and have smaller budgets than enterprises. A fee structure that works for them now may not be as effective by just a year down the line if their employee count, revenue, sales, and more change dramatically. Many small businesses are attracted to ERP systems that offer various levels of licenses from light up to advanced or power users, with several levels in between. Some ERP systems will work with small businesses on fee structures that fit their needs as their businesses change – as they tend to change much more quickly than enterprise organizations.
- **AI/Automation:** When IDC asked small and medium-sized business (SMB) technology decision-makers earlier this year which forward-looking technology areas will be priorities for SMBs in the next 12 months, ChatGPT was gaining press (and worldwide usage) and it showed in the results. Process automation, which can be fueled by AI programs by removing human tasks to save money, increase speed and reduce error, ranked as the number 1 forward-looking technology priority across all SMBs (global and the United States), as well as both small and medium-sized businesses. In addition, 28% of all SMBs are already using AI within their technology departments to manage technology. The pace of innovation is increasing, and small businesses are realizing this. ERP vendors focused on AI, ML, NLP, chatbots, RPA, and GenAI are critical partners to consider for the digital future.
- **A multifaceted ERP:** Many small businesses that are implementing ERP systems are doing so for the first time and are in the beginning of their DX journey. That means they may also need other technologies such as CRM, HCM, and mobile capabilities. Small businesses are receptive to vendors that offer many capabilities in one package as it can help them avoid integration headaches from point solutions that they don't have the IT manpower to handle. It can also save them time researching other point solution providers and dealing with multiple contracts and bills. Bundled offerings also typically provide cost savings. To that point, small businesses also want systems that can grow with them as they grow and that can offer additional or more robust capabilities as their needs change so that they do not need to rip and replace a system a few years down the line.

- **Industry expertise:** As small businesses don't have the internal time, money, or resources for heavy customizations, many veer toward ERPs that specialize in their specific industry – particularly if their industry is complex or highly regulated such as government contractors, healthcare, or discreet manufacturing.

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

- 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, small organization customers (with at least 30-50% of their revenue from small business organization of 10-99 employees) based on the information vendors provide us with, and our market share and forecast efforts in assessing the enterprise resource planning applications market.

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 tie 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 PROFILES

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.

Acumatica

After a thorough evaluation of Acumatica's strategies and capabilities, IDC has positioned the company in the Leaders category within this 2024 IDC MarketScape for worldwide SaaS and cloud-enabled small business ERP applications.

Acumatica Cloud ERP is designed for small and medium-sized businesses. Its workflows span the full suite of business management applications, and the system is built with open APIs for ease in the integration with other software. Acumatica's consumption-based licensing model is unique in that it charges for resources used, not per user. Acumatica's flexible deployment options enable customers to operate Acumatica as a SaaS instance hosted on Amazon Web Services (AWS), as a private instance hosted on the customer's own cloud, or as a hybrid of both options. Acumatica's target verticals include construction, distribution, manufacturing, and retail. In the past few years, Acumatica has grown from 100 employees to 600+ worldwide.

Quick facts about Acumatica include:

- **Employees:** 600+
- **Total number of clients:** 10,000+
- **Industry focus:** Construction, distribution, manufacturing, and retail
- **Ideal customer size:** 10-500 employees
- **Average implementation time:** 3-6 months
- **SaaS and cloud:** Customers can operate Acumatica as a SaaS instance hosted on Amazon Web Services, as a private instance hosted on the customer's own cloud, or as a hybrid of both options.
- **Partner ecosystem:** 577

Strengths

- **Hosting flexibility:** Acumatica offers hosting flexibility that many rapidly growing small businesses need as they evolve and grow. It offers cloud ERP with on-premises capabilities so customers can host on their own private cloud, or clients can use AWS to host or use a hybrid of the two.
- **Fee structure:** Acumatica charges by consumption or resources used, not per user or by seats or licenses. This is attractive for small businesses that are budget conscious and do not want to pay the price of a full license for a light user who may only use the ERP system occasionally, such as for payroll.
- **Partner network:** Acumatica also boasts a strong partner network of nearly 600 partners. Small businesses without large in-house IT resources often need a network of strong, knowledgeable, and reliable partners to help with integrations, customizations, and implementation.

Challenges

- **Support:** Customers note that they are directed to go through their VAR for support, which means support is only as good as the local VAR. Therefore, the small business must thoroughly vet and maintain a strong relationship with its local VAR.
- **More inclusive road map:** Customers note that many updates are focused on specific verticals. They believe Acumatica could focus more on bolstering the basics such as interfaces and modules. In addition, references believe a solid focus on CRM would be very beneficial so the clients don't look to an outside solution such as Salesforce.
- **Growing pains/brand perception:** While Acumatica is growing rapidly – it has grown from 100 to 600+ employees in a matter of a few years – many references say it is still not a widely known system among their industry peers. One reference noted that while Acumatica is growing rapidly, its profile hasn't risen at the same rate. More marketing by Acumatica will help assist in brand recognition.

Consider Acumatica When

Small businesses in the construction, distribution, manufacturing, and retail sectors that are evolving rapidly and want an ERP system with flexible hosting models and a strong partner ecosystem and fee structure that doesn't charge per seat but by usage/resource used/volume of activity should consider Acumatica.

Certinia

After a thorough evaluation of Certinia's strategies and capabilities, IDC has positioned the company in the Leaders category within this 2024 IDC MarketScape for worldwide SaaS and cloud-enabled small business ERP applications.

Certinia is a native SaaS ERP system that specializes in services businesses. Built on the Salesforce platform, Certinia customers can benefit from the intelligence, automation, and general enhancements Salesforce currently provides and routinely improves, such as CRM analytics and AI/ML through Einstein Discovery. Certinia is focused on the needs of service businesses with a nontraditional look/feel due to focus on customer/service-based capabilities versus transactions/ledgers. Therefore, it offers many project-based tools such as planning and analysis, project management, time and expense management, resource management, customer collaboration, and customer success.

Quick facts about Certinia include:

- **Employees:** 1,000
- **Total number of clients:** 1,400+
- **Industry focus:** Professional and business services, SaaS and software, IT, high-tech, healthcare IT and technology services
- **Ideal customer size:** 500-2,000 employees
- **Average implementation time:** 60 days to 9 months
- **SaaS and cloud:** Built on Cloud Enterprise App platform (Salesforce)
- **Partner ecosystem:** 27

Strengths

- **Salesforce native:** Customers of Certinia utilize the Salesforce backbone. This is a significant benefit for small services businesses with a lean staff and smaller budgets. Certinia small business clients can take advantage of the current and continuous innovations Salesforce offers, including AI/ML with Salesforce's Einstein AI capabilities. Being built on Salesforce also means Certinia clients use a single database, one common object model, and get access to the same security and UX for cloud ERP, professional services automation, customer success, CRM apps, and any other applications in the Salesforce ecosystem.
- **Industry expertise:** Certinia exclusively caters to service-based industries and thus offers features and functionality that are unique to these businesses such as project management, time and expense management, and resource management. This is particularly important for small businesses without significant resources to optimize their ERP system to their unique services industry needs.
- **Potential lower total cost of ownership:** Being built on Salesforce can lead to fewer potentially expensive integrations and faster user adoption for employees already well versed in the Salesforce look and feel and user interface (UI). ERP user ramp up time and adoption is especially important for small businesses without a large base of IT or technically-savvy employees.

Challenges

- **Brand awareness:** Certinia recently rebranded and clients say it is still building awareness under its new name. Others say employees that use the system still call it by its old name:

FinancialForce. The new name is an attempt by Certinia to communicate that it offers more than financial capabilities.

- **Licensing:** Some customers have said they wound up paying for capabilities they did not need and were unable to change their agreements. Others note that the vendor is moving toward requiring upgraded plans to gain access to some capabilities that were once part of the core product.
- **Ease of use/flexibility:** Customers report wanting more functionality in areas such as timing in the resource planning tool and enabling multiple employees to work flexibly on one assignment. References also are requesting more in ease and flexibility of reporting tools.

Consider Certinia When

Small to medium-sized businesses in the services industry using Salesforce CRM or that plan to use Salesforce CRM should consider using Certinia.

Deltek (Costpoint)

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

Deltek's Costpoint ERP solution is built on 40 years of industry expertise for government contractors of all sizes. Delivered as an all-in-one solution, Costpoint connects project data and processes while bringing innovation and time-saving automation across the entire project life cycle – from accounting to shop floor. With built-in functionality and a compliant framework, Costpoint helps government contractors meet complex regulations while earning a reputation for delivering successful projects on time and on budget.

Deltek's Costpoint ERP delivered in Deltek's cloud offers government contractors greater flexibility and scalability, allowing the company to adapt quickly to industry demands. Costpoint is the industry's only cloud-based ERP solution that provides an accounting and financial platform for sustainable growth with built-in compliance benefits. Costpoint delivered in Deltek's GovCon Cloud (GCC) provides industry-mandated cybersecurity controls that cover scaling, patching, monitoring, and securing data. For businesses in highly regulated government industries, such as aerospace and defense, Costpoint delivered in Deltek's GovCon Cloud Moderate (GCCM) enables businesses to meet DFARS contract requirements, which helps accelerate DCAA/DCMA and CMMC compliance initiatives.

Quick facts about Deltek include:

- **Employees:** 4,200
- **Total number of clients:** 30,000+ customers
- **Globalization:** Deltek Costpoint's non-ITAR solution can be accessed globally and is in use by many multinational organizations. However, it is only deployed in the United States due to its focus on U.S. government contracting.
- **Industry focus:** Deltek's solutions are primarily for aerospace and defense; architecture and engineering; construction; consulting; CPA and accounting; energy, oil, and gas; government contracting; marketing and advertising agencies; and nonprofits.
- **Ideal customer size:** Small, medium-sized, and enterprise organizations

- **Average implementation time:** Implementation varies depending on the size and scope of the project; however, the average implementation time is six months for Costpoint-specific products.
- **SaaS and cloud:** Deltek Costpoint uses multitenant architecture on the infrastructure and application layers but not on the database layer. Deltek Costpoint Cloud runs on AWS and AWS GovCloud.
- **Partner ecosystem:** 350+

Strengths

- **Brand image:** Deltek is widely regarded as a premier ERP system for companies that deal with the complexities of government contracts. This is especially important for small businesses as the system adds credibility as they seek to grow through mergers and acquisitions. Customers have also noted that being on Deltek has helped them win contracts and joint ventures as potential business partners are impressed that a small business is using Deltek.
- **Efficient and speedy invoicing:** Small businesses note the system helps them bill correctly and efficiently. Incorrect invoicing/billing can delay payments by several weeks, which many small businesses cannot endure. Easy, fast, and reliable invoicing is essential for high-growth companies.
- **Frequent UI updates/open APIs:** Small business clients note that Deltek Costpoint is constantly refining UI and UX, such as making improvements to menu structures. This is especially meaningful for small businesses without a deep bench of IT or tech-savvy employees. Customers also praise the open APIs.

Challenges

- **Licensing:** Small businesses note that outside of core licensing, other products are charged based on employee head count, not the number of employees using the feature or functionality. References noted this fee structure is more costly than necessary.
- **Rising competition:** More broad ERP systems that in the past have not been industry or government specific are venturing into the public sector and government contractor markets, making Deltek more exposed to pressure from a more competitive market.
- **Cloud hesitancy:** Highly regulated industries such as government, finance, and healthcare have notably been more reluctant to move to cloud-based ERPs. This is especially prevalent for government contractors with manufacturing systems/processes with internal intelligence they want to protect.

Consider Deltek (Costpoint) When

Consider Deltek (Costpoint) if you are a small government contracting business seeking an industry-specific ERP system that will add credibility to your company name and help you win business.

Deltek (Vantagepoint)

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

Deltek is the recognized global standard for project-based businesses across professional services and government contracting industries, serving more than 30,000 customers with industry-specific software and information solutions.

One of those solutions is Vantagepoint, a project-based ERP solution delivered in the Deltek Cloud that offers CRM, resource management, project management, project accounting, financial management, and business intelligence (BI) for professional services firms. Vantagepoint is an industry-specific solution designed to make it easier for project-based businesses to make better, more informed decisions. It aids small businesses with project delivery and productivity. By hosting Vantagepoint in the Deltek Cloud, customers have a variety of security and compliance features and tools such as encryption, multifactor authentication, and monitoring and alerting systems at their disposal.

Deltek Vantagepoint solutions are tailored to the professional services industries. Vantagepoint provides a single solution for the complete project life cycle, from the initial conversation that can be managed in CRM through to project planning, delivery, and financial management. Vantagepoint also integrates with other software tools in the standard A&E and consulting technology stacks. In addition, customers can build, deploy, and manage cloud-based integrations to and from Vantagepoint with Deltek Unionpoint, allowing companies to manage the data they need while eliminating friction between their solutions.

Quick facts about Deltek include:

- **Employees:** 4,200
- **Total number of clients:** 30,000+ customers
- **Globalization:** Deltek Vantagepoint runs on three continents.
- **Industry focus:** Deltek solutions are primarily for aerospace and defense; architecture and engineering; construction; consulting; CPA and accounting; energy, oil and gas; government contracting; marketing and advertising agencies; and nonprofits.
- **Ideal customer size:** Small, medium-sized, and enterprise organizations
- **Average implementation time:** Deltek Vantagepoint implementations vary based on the business size — three to five months for small businesses, six to eight months for midsize to large businesses, and 12-18 months for enterprise.
- **SaaS and cloud:** Deltek Vantagepoint uses multitenant architecture on the infrastructure and application layers but not on the database layer. Deltek Vantagepoint runs on AWS.
- **Partner ecosystem:** 350+

Strengths

- **Professional service expertise:** Deltek Vantagepoint's solutions are tailored to the professional services industries and align with terminology and processes that professional services firms understand. This lowers the ERP learning curve for resource-strapped small businesses that want to get up and running with minimal training and ramp up time. Vantagepoint's industry-specific focus also minimizes costly customizations of the system.
- **Supports growth:** Vantagepoint serves small, medium-sized, and very large professional services companies, meaning the solution is able to scale as small businesses grow. Current customers range from a few employees (5-10) to global enterprise organizations with thousands of users. The system also enables growing businesses to see project data across offices, geographic location, and service lines. This is key for managing and accessing data as small businesses can grow quickly.

- **Time and expense mobile app:** Customers give strong praise for Vantagepoint's time and expense mobile app. They say it is especially convenient for those employees who travel frequently and only use the system for time sheets and expense reports.

Challenges

- **Pricing:** Price-sensitive small businesses may gravitate toward less expensive ERP systems on the market. While Vantagepoint offers more functionality, some small businesses may not feel they will need the breadth of offerings Vantagepoint provides for several years.
- **Accounting functionality:** Some customers note the accounting aspects of the system are clunky and that they have had to design workarounds to use the accounting feature in a way that works for their businesses.
- **Licensing:** Some customers wish there were more license options for lighter users who only use the system for basic functionality such as time sheets and expenses. Deltek does offer licensing models specific to travel and expense users.

Consider Deltek (Vantagepoint) When

Consider Deltek if you are a small project-based professional services firm that seeks an ERP system focused on your industry and that can serve your company now and as it grows and evolves.

Epicor

After a thorough evaluation of Epicor's strategies and capabilities, IDC has positioned the company in the Leaders category within this 2024 IDC MarketScape for worldwide SaaS and cloud-enabled small business ERP applications.

Epicor offers vertically tailored solutions for businesses in the automotive, building supply, distribution, manufacturing, and retail industries. Epicor offers both on-premises and cloud-based ERP systems. Epicor's composable-based platform enables small businesses to add capabilities and modules in the future. Epicor customers can run their ERP fully in the cloud, fully on premises, or a hybrid combination of the two. New features and functionality include configure price quote with Epicor CPQ, and Epicor Grow, a low-code, no-code BI platform that enables customers to connect, extract, clean, blend, filter, store, and visualize data in reports and dashboards. Beyond developing solutions for specific verticals, Epicor goes deeper into defined subverticals, providing functionality that maps to the complex requirements of each industry and subvertical.

Quick facts about Epicor include:

- **Employees:** 4,500
- **Total number of clients:** Over 13,000 SaaS, over 18,000 on premises
- **Industry focus:** Automotive, building supply, distribution, manufacturing, and retail
- **Ideal customer size:** Companies with revenue between \$10 million and >\$1 billion
- **Average implementation time:** 3-4 months
- **SaaS and cloud:** By the end of FY23 (September 30, 2023), Epicor estimates migrating 1,272 on-premises customers to the Epicor Industry ERP Cloud. 57% of net-new customers in 2022 deployed Epicor in the cloud
- **Partner ecosystem:** 351 partners

Strengths

- **Hybrid offering:** Epicor enables customers to deploy its ERP completely on premises, in the cloud, or a hybrid variation of the two. This is attractive to many small businesses that don't want to fully commit to the cloud immediately but may want to in the future.
- **Modular structure:** Composable modular ERP systems are an attractive alternative to custom-developed software products due to their minimal dependence on full-stack development talent, which many small businesses lack. Users can choose the features and modules they want to include in their ERP system and swap or add more as they grow and evolve. This is often more attractive than a large packaged solution for small businesses with limited budgets.
- **Vertical and subvertical specific:** Epicor not only focuses on creating ERP offerings for automotive, building supply, distribution, manufacturing, and retail industries but goes also deeper by building tools to meet the unique and complex requirements of subverticals within each industry.

Challenges

- **Reporting:** Customers note they would like a reporting tool that is more user friendly and with a more robust querying interface. One Epicor customer reported that developers at his business "spend a lot of time rewriting queries to get them to work." Another said Epicor's "... solution for tailor-made reporting is not as friendly as other ERP software." And another notes that employees need to constantly check that links aren't broken.
- **Integration:** One customer said that while it's easy to input data from other systems, it's hard to get it out. Another finds that integration was poor a couple of years ago but has improved recently with the vendor's introduction of RESTful APIs.
- **Inconsistent customer support:** Customers told us they receive varied levels of customer support. One customer found escalating issues was the only way to get answers.

Consider Epicor When

You should consider Epicor if are a small to midsize business in the automotive, building supply, distribution, manufacturing, and retail industries with unique and complex requirements and want a budget-friendly ERP system that you can scale by adding a range of available modules.

Infor

After a thorough evaluation of Infor's strategies and capabilities, IDC has positioned the company in the Leaders category within this 2024 IDC MarketScape for worldwide SaaS and cloud-enabled small business ERP applications.

Infor's cloud ERP solutions aim to deliver industry-specific capabilities without extensive customizations or integrations by combining the Infor cloud platform built on Amazon Web Services and Infor OS innovation services. By subscribing to Infor's cloud-native service for business applications, organizations experience regular updates that deliver the latest advances in functionality.

Infor has worked with enterprise-level and small and medium-sized businesses for 30+ years.

Quick facts about Infor include:

- **Employees:** 17,000+
- **Total number of clients:** 60,000+ customers

- **Globalization:** Infor CloudSuite is a global solution that supports approximately 80 countries representing well over 90% of the world's global GDP. Infor is in 10 regions and 27 availability zones from AWS. Infor customers include large enterprise brands that use cross-region and thus multifarm and multitenant deployments.
- **Industry focus:** Primarily for discrete manufacturing (industrial manufacturing, automotive, and aerospace and defense contractors), process manufacturing and distribution (food and beverage, fashion, and distribution companies)
- **Ideal customer size:** Infor's focus spans from expanding SMBs with revenue of less than \$30 million to over \$30 billion.
- **Average implementation time:** Implementation time is highly dependent on the scope of the customer implementation (simple may take three to four months while larger, multisite enterprise deployments may take longer to complete). Average implementation time to go live is six to nine months.
- **SaaS and cloud:** Infor has multitenant architecture on the infrastructure, database, and application layers.
- **Partner ecosystem:** 2,000+

Strengths

- **Document management:** Customers like Infor's document management features including Infor's feature for proof of delivery that automatically pulls proof of delivery into the cloud. This saves time by enabling employees to access and send proof automatically. That system also enables businesses to upload Word and Excel files and attach them to the data element they are associated with to the files. For example, a supplier business partner agreement can be attached to the business partner file. This eliminates paper-based, manual processes.
- **R&D investment:** Infor has invested approx. 18% of revenue in R&D over the past five years. Its parent company Koch also invests heavily in R&D. Koch and its subsidiary companies have greatly profited from its technology-related investments. Customers noted this commitment to and funding for R&D is a significant factor for their decision to invest in Infor technology.
- **Industry expertise:** Infor's CloudSuite ERPs are developed for specific industries such as distribution, fashion, automotive, food and beverage, and industrial manufacturing, minimizing often expensive customization to meet the needs of a specific industry's requirements.

Challenges

- **Training and education:** Some customers say they would like Infor to provide more training and educational resources. Guidance on new technology is especially important for small businesses that don't have the in-house IT expertise to quickly get up to speed on new technologies and that can't afford to hire outside help for training on specific programs.
- **UI/navigation:** Customers note more intuitive UI would help end users in the field complete tasks more quickly. In late 2023, Infor introduced a new Portal experience, bringing in new configurable role-based Workspaces that reduce clicks and bring more insights into action.
- **Improved BI:** Some customers are using outside programs for business intelligence as they say the Infor BI offering is not intuitive, is older, and has performance issues. Infor noted, over the past year, it has focused on improving the overall performance of the platform, including fully moving to the AWS stack, implementing cloud-to-cloud connectors that eliminate middlemen in the connection process, and new features like additional widgets and bookmarking to help provide a more seamless experience.

Consider Infor When

Consider Infor if you are a small business in the manufacturing or distribution field that wants a system that can scale with your company as you grow and that has the backing and financial resources to commit to R&D.

Microsoft

After a thorough evaluation of Microsoft's strategies and capabilities, IDC has positioned the company in the Leaders category within this 2024 IDC MarketScape for worldwide SaaS and cloud-enabled small business ERP applications.

Dynamics 365 Business Central provides a comprehensive business management cloud ERP solution connecting finance, sales, service, supply chain, projects, operations, reporting, and analytics for small and medium-sized businesses. Business Central provides built-in reports that enable businesses to get real-time cash flow, identify financial patterns, analyze trends, and aid in planning. Customers can connect reports, charts, and Power BI (Microsoft's business intelligence tool) to data from across accounting, sales, purchasing, and inventory teams. Business Central connects with the Microsoft 365 applications that many small businesses already use, such as Outlook, Word, Excel, and Teams.

Microsoft Dynamics 365 AI offering, Copilot, works across both CRM and ERP to generate AI-based product descriptions. AI is also used throughout Business Central to anticipate business needs and improve decision-making. Business Central also includes Microsoft AI Copilot for both CRM and ERP, with time-saving capabilities like AI-generated marketing text suggestions and bank reconciliation. AI is also used throughout Business Central to anticipate business needs and improve decision-making.

Quick facts about Microsoft Business Central include:

- **Microsoft employees:** 221,000
- **Total number of Business Central online clients:** More than 30,000
- **Industry focus:** Small to midmarket organizations (5-300+ users), available in 155 countries (20 more available in June 2024) and regions worldwide (Approximately even split between service-centric and product-centric industries, including professional services, financial services, hospitality, process manufacturing, wholesale/distribution, retail, and nonprofit.)
- **Ideal customer size:** Small to midmarket organizations (10-500 employees)
- **Average implementation time:** 1-4 weeks for smaller organizations and months for larger organizations.
- **Partner ecosystem:** 4,500 transacting partners on Business Central online; 3,100 partners selling Business Central

Strengths

- **Familiarity/ease of use:** Business Central works with the Microsoft 365 applications many small businesses already use every day, such as Outlook, Word, Excel, and Teams, allowing them to collaborate and communicate in the flow of work without duplicate data entry or switching between applications. For example, businesses can process deals from opportunity, to quote, to invoice, to cash within Outlook. This ease of use and familiarity is a major competitive advantage when serving small business employees with limited IT expertise.
- **Embedded AI and ML capabilities:** Microsoft Copilot in Business Central provides AI assistance using natural language technology and to automate repetitive tasks. For example,

Copilot enables product managers to create AI-generated marketing text suggestions. Automation is attractive to small businesses with smaller teams and fewer resources, especially amid today's labor shortages. According to the National Federation of Independent Businesses, a U.S. organization representing interests of U.S. SMB owners, 43% (seasonally adjusted) of all small business owners reported job openings they could not fill in 3Q23.

- **Agility in moving from on premises to cloud:** Customers of Business Central can opt to deploy in the cloud or on premises, with a single code base. Business Central customers that initially opt for on-premises deployment can later elect to move to the cloud while preserving all history, extensions, integrations, and other elements without needing an additional license.

Challenges

- **Strict licensing:** Several customers noted that there was no or very little room for negotiations or flexibility in licensing fees or options. One small business noted that it must negotiate through a third-party implementation provider. Another reported: "The process is quite difficult. You don't have any say in the matter. Your only option is saying Yes or No." Since small businesses are typically more price sensitive than larger organizations, this often is the deciding factor in the ERP selection process.
- **Lack of industry expertise:** Since Business Central serves all industries, some clients note that the core-based system didn't meet their unique industry needs. Customers told us they often need outside apps and customizations to accommodate their work methods and data structures.
- **Performance:** Some small businesses report sluggish performance and load times, particularly in sandbox environments.

Consider Microsoft When

Small businesses that already use the Microsoft 365 Office suite of products or are moving to it as well as ones that place AI/automation capabilities as an immediate priority should consider Microsoft Dynamics 365 Business Central.

Oracle (NetSuite)

After a thorough evaluation of Oracle's (NetSuite) strategies and capabilities, IDC has positioned the company in the Leaders category within this 2024 IDC MarketScape for worldwide SaaS and cloud-enabled small business ERP applications.

NetSuite is a cloud-based unified business management suite encompassing ERP/financials, CRM, ecommerce, and more. NetSuite specifically caters to general business, software, services, nonprofit, manufacturing, wholesale distribution, retail, healthcare, restaurants, and hospitality, offering accounting/financial management, CRM, HCM, and PSA. It provides order capture, inventory management, project management, planning, production and procurement, shipping, billing, and support to help businesses manage the entire manufacturing and distribution flow.

NetSuite releases new features and enhancements twice a year. All NetSuite customizations are maintained and carry forward to future releases. Every customer is on the latest release.

NetSuite's SuiteSuccess editions provide practices designed for each industry and size of company. It also provides key functionality including workflows, roles, KPIs, reports, and analytics for each industry. Customers can add more advanced capabilities over time as they grow.

Quick facts about Oracle NetSuite:

- **Employees:** 164,000 (includes all of Oracle)
- **Total number of clients:** 37,000
- **Industry focus:** General business, software, services, nonprofit, manufacturing, wholesale distribution, retail, healthcare, restaurants, and hospitality
- **Ideal customer size:** Pre-revenue to \$1 billion
- **Average implementation time:** 90 days
- **SaaS/cloud:** Cloud only
- **Partner ecosystem:** 605

Strengths

- **SuiteSuccess:** NetSuite SuiteSuccess includes industry-specific functionality that is required to run a business, along with preconfigured forms, workflows, KPIs, dashboards, and roles.
- **Scalability:** NetSuite's modular approach enables customers to scale quickly and expand their use of the system as needed and when needed.
- **Customization and integrations:** Customers report the system being highly customizable and being able to get data in a myriad of ways unique to what they want. They also report that the system easily integrates with other systems and programs.

Challenges

- **UI:** Users report that while the system is customizable, they would like to see better UI out-of-the-box without having to customize it themselves. Some say that the UI is sacrificed for the flexibility that the system allows.
- **Core functionality:** Some references have expressed that NetSuite core product lacks some robust functionality as the vendor encourages businesses to add additional "suites" or "applications" to fit their needs as they grow.
- **Difficult to forecast total cost of ownership over time:** As NetSuite encourages small businesses to suite up and add ever-evolving applications over time, some small businesses say it's difficult to forecast and budget for total cost of ownership over the long term. For small businesses, forecasting and budgeting total cost of ownership is critical.

Consider Oracle (NetSuite) When

Consider Oracle (NetSuite) if you are a small to midsize manufacturer, distributor, or retailer and want a modular ERP system that offers additional modules or "suites" to add as your needs grow and evolve as well as highly industry-specific functionality tied to your business.

Plex by Rockwell Automation

After a thorough evaluation of Plex by Rockwell Automation's strategies and capabilities, IDC has positioned the company in the Leaders category within this 2024 IDC MarketScape for worldwide SaaS and cloud-enabled small business ERP applications.

The Plex Smart Manufacturing Platform is a multitenant SaaS ERP solution that can run in private or public cloud. The Plex Smart Manufacturing Platform includes ERP, MES, MES automation and orchestration, QMS, production monitoring, asset performance management (APM), supply chain planning (SCP), and manufacturing analytics applications, which are available together as an integral system or as individual solutions. Plex's IIoT technology complements Plex ERP by offering asset

performance management for measuring machine health, lowering risk and cost. In addition, the company offers hybrid edge-to-cloud capabilities via machine connectivity delivered from Plex Automation and Orchestration (Mach2 software solution). These hybrid offerings provide complementary ERP capabilities that allow customers to visualize production data such as OEE, scrap, and productivity with implementation in as little as a day and provide a ramp to full ERP. Plex's MES Automation and Orchestration automates ERP and plant floor/workcenter processes.

Plex was born in the cloud and purpose-built for complex manufacturing workloads. The multitenant nature allows customers to scale their business across revenue growth, geographies, verticals, and business models; protect their margins; eliminate the burden and cost of hardware, infrastructure, and security; and allow them to focus on running their business, all while providing low-code edge solutions to ensure it quickly values and addresses machine- and asset-level connectivity, governance, and reporting.

Quick facts about Plex by Rockwell Automation include:

- **Employees:** 29,000
- **Total number of clients:** 2,675 customers
- **Globalization:** Plex is deployed on five continents and in 43 countries.
- **Industry focus:** Plex clients are in the automotive/EV/battery/tier suppliers, food and beverage, plastics and rubber, precision metal forming (stamping, forming, forging), industrial manufacturing, electronics/high-tech, and aerospace industries.
- **Ideal customer size:** Plex's ideal customers range in size from prelaunch start-ups to over \$10 billion in annual revenue.
- **Average implementation time:** On average, the Plex ERP implementation time is nine months, with some customers implementing in as few as two months.
- **SaaS and cloud:** Plex ERP is multitenant architecture on the infrastructure, database, and application layers.
- **Partner ecosystem:** 1,700+

Strengths

- **Multitenant approach:** All Plex customers are on the same code base that fosters an engaged customer community where customers share product suggestions along with best practices for the software, as well as manufacturing best practices. This can help small businesses solve problems and access tips and tactics for using the system without paying for additional outside expertise.
- **Robust shop floor visibility and control capabilities:** Plex's ERP system is highly praised by references for its exceptional real-time plant floor control capabilities, from sequencing to viewing wastes in time, material, and equipment. Small businesses in particular are fond of the barcode scanning functionality, citing it as easy to use and intuitive.
- **Financial tracking:** References told IDC that the financial tracking throughout their operations and into finance was much more accurate, their bills of material stayed correct, and they now had a better understanding of their costs.

Challenges

- **Dashboards and reporting:** While customers lauded Plex for plant floor monitoring, some said reporting, such as summary data views, were weaker and had to turn to outside sources for advanced business intelligence.
- **Customer support:** Plex ERP references told IDC there was a lag between the time a case is acknowledged and when the work toward the customer solution is started. To address this issue, the Plex Global Services Team enhanced its first time to response process in October 2023.
- **Industry specific:** Plex's strength lies in complex manufacturing. Small businesses that may want to branch out beyond this niche industry, as they grow and evolve, may want to consider an ERP system that caters to many verticals with additional suite functionality.

Consider Plex by Rockwell Automation When

Consider Plex if you are a small business that is attracted to a fee structure based on an unlimited user cost structure that aligns with business results versus individual licenses in a complex manufacturing environment and that aims to bring together all aspects of manufacturing into one complete view.

Rootstock

After a thorough evaluation of Rootstock's strategies and capabilities, IDC has positioned the company in the Major Players category within this 2024 IDC MarketScape for worldwide SaaS and cloud-enabled small business ERP applications.

Rootstock Manufacturing Cloud ERP is designed specifically for manufacturers and distributors. Rootstock offers extensive inventory management capabilities ranging from ordering raw materials from suppliers to delivering finished goods to customers. It includes a financial management solution that is intertwined with all business activities for the Procure-to-Pay process as well as for Order-to-Cash. Manufacturing operations are directly connected to the creation of a sales order and intertwine with the aforementioned throughout the Plan-to-Produce processes, including tracking costs at a granular level. All activities and business intelligence data are available for reporting and dashboarding from anywhere including via any connected mobile device.

Quick facts about Rootstock:

- **Employees:** 128
- **Total number of clients:** 173
- **Industry focus:** Manufacturing
- **Ideal customer size:** \$50 million to \$500 million
- **Average implementation time:** 5-7 months
- **SaaS/cloud:** Cloud only/cloud native built on Salesforce
- **Partner ecosystem:** 75 partners

Strengths

- **Salesforce native:** Customers that use Salesforce for CRM said Rootstock being on the Salesforce platform is a major benefit for several reasons including no integration is required between the Rootstock ERP system and the Salesforce CRM system. Some also noted that it is easier to find talent such as developers and other IT staff with system knowledge and

expertise as Salesforce is a common technology platform. They also like that they can leverage all the Salesforce data models, integrations, and user interfaces.

- **Customer voice:** Customers comment that Rootstock is making a concerted effort to bolster a user group and a customer advisory board. The advisory board takes feedback from clients and communicates it to Rootstock and advises executives on features and functions that clients want. Customers also say they have accessibility to executives at a much more direct level than others they have worked with.
- **Industry expertise:** Rootstock is specifically designed for manufacturers and distributors. Customers say they are impressed by the technical knowledge of Rootstock employees specific to these industries and how the software works well for the nuances of these industries. They also note that many of the staff have manufacturing backgrounds, which enables Rootstock to better assist its manufacturing clients.

Challenges

- **UI speed and responsiveness:** Customers report that the system, specifically the sandboxes, can be slow and that they at times experience latency. Others note an opportunity for improvement with process flows and to reduce clicks.
- **Lack of licensing flexibility:** Some users want more levels of licenses, especially for very light users of the system. Rootstock has improved this and added another tier. Others note Rootstock has a high minimum amount of license requirements for small businesses.
- **Support:** References noted immediate product support service is sometimes slow and delayed.. Rootstock could work to ensure that immediate issues are looked into and resolved more quickly.

Consider Rootstock When

Consider Rootstock if you are a small manufacturer or distributor seeking an ERP system that is built for and that specializes in your specific industry and that uses Salesforce or plans to implement it.

Sage Intacct

After a thorough evaluation of Sage Intacct's strategies and capabilities, IDC has positioned the company in the Major Players category within this 2024 IDC MarketScape for worldwide SaaS and cloud-enabled small business ERP applications.

Sage Intacct provides financial, planning, HR, and industry-specific operations for small to medium-sized businesses. Sage Intacct has traditionally focused on service-oriented businesses, but the Sage Intacct product has diversified into manufacturing and construction and other product/process verticals in recent years.

Sage's product set includes general ledger (GL) and cash management, AP/AR automation, purchasing, order management, inventory management, fixed asset management and lease accounting, planning, and project management. HR is provided through an integration with ADP.

Quick facts about Sage Intacct:

- **Employees:** 12,000
- **Total number of clients:** More than 23,000
- **Industry focus:** Accountants and CPA firms, biotech and life sciences, construction, contractors, financial services, franchise, healthcare, hospitality, nonprofit, professional

services, retail, SaaS and subscription, wholesale distribution (Sage Intacct distribution and manufacturing is currently available to early adopters in seven countries.)

- **Ideal customer size:** 20-2,000 employees
- **Average implementation time:** 8-12 weeks
- **SaaS/cloud:** Sage Intacct is cloud only.
- **Partner ecosystem:** Sage Intacct has over 1,300 VARs and ISVs.

Strengths

- **Reporting and integrations:** Customers say they are impressed with the reporting capabilities and the ease of reporting. Customers say integrations with other systems such as AP are simple to set up. Others say integrations have improved over time as the company has focused more on developer experience, APIs, and asynchronous processing overall.
- **Sage network:** The Sage Digital Network connects Sage customers to accountants, employees, suppliers, banks, regulatory authorities, and financial institutions, digitizing business processes and speeding communication.
- **AICPA partner:** Sage is a preferred partner to the American Institute of Certified Public Accountants (AICPA). This illustrates its strength in accounting industry standards.

Challenges

- **More transparency in product road map:** Customers note that while Sage rolls out new features each quarter, they are not provided with a road map outlining upcoming features and functionality.
- **Growing pains** Sage's sweet spot is small businesses, and it has a large portfolio of country-specific, decentralized businesses. This is changing as Sage now boasts users in over 70 countries, evolving at a moderate pace. This current moderate pace could be a barrier for businesses that plan to scale quickly and internationally over the coming years.
- **More reporting functionality in standard package:** Customers say that while reporting functionality is a strong point for Sage, they would like more of it included in the standard offering/package.

Consider Sage Intacct When

Consider Sage Intacct if you are a small to medium-sized business looking to graduate from Excel/QuickBooks for accounting and financials into a more industry-specific financial system that can automate processes, save time, and reduce manual errors.

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 small business ERP applications.

SAP Business ByDesign delivers 39 prebuilt end-to-end business processes from finance and sales to product management and purchasing on a single, unified solution. The vendor has more than 36,000 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 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

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 small businesses to tap into a massive network of unique extensions and applications.
- **Supports business process discipline:** Customers say they must follow SAP standards 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 issues should be the implementation partner, confusion remains for some customers who noted customer help representatives who did not listen to their problems, taking a few rounds of explaining to get proper assistance.
- **Speed and responsiveness:** Small businesses note that 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 small business that wants applications that are prebuilt and an out-of-the-box solution that requires you to standardize your own business processes.

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 small business ERP applications.

SAP Business One is designed as an ERP for small 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 platform, and speedy deployment. Clients choose through their partner how they want to deploy the SAP Business One. All SAP ERP products tie into the SAP BTP platform 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.

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 businesses to tap into a massive network of unique extensions and applications.
- **User interface/integrations:** Customers like the user interface and one customer 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 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:** Customers 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 small 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.

Zoho

After a thorough evaluation of Zoho's strategies and capabilities, IDC has positioned the company in the Major Players category within this 2024 IDC MarketScape for worldwide SaaS and cloud-enabled small business ERP applications.

Zoho's SaaS ERP solutions include applications for accounting, inventory management, travel and expense management, billing and subscription management, and payroll management. These solutions help support a business' finance and operations, people, customers, projects, products, and orders. In addition, Zoho's applications are built on the same underlying platform, enabling fast interoperability, data flow, and unification across systems. Typically, Zoho customers start using one of the finance products and then expand their usage to other applications within the suite.

Zoho is growing its network of payment gateways, banks, travel partners, and shopping carts. Businesses can also connect with third-party applications through APIs and the Zoho Marketplace. This can reduce the need to invest in IT resources and enables businesses to quickly implement changes and updates. Zoho's apps are available on Windows, iOS, and Android devices.

Quick facts about Zoho:

- **Employees:** 12,000
- **Total number of clients:** More than 100 million users
- **Industry focus:** Caters to businesses from various industries including IT, professional services, retail, financial services, real estate, and construction
- **Ideal customer size:** Businesses with 1-99 employees
- **Average implementation time:** Couple of hours to a week depending on the level of complexity
- **SaaS/cloud:** Zoho is cloud only.
- **Partner ecosystem:** More than 6,500 partners that are authorized to sell multiple Zoho products worldwide

Strengths

- **Integrated suite of applications:** Zoho offers a suite of 55+ applications in major business categories like finance and operations, HR, sales, and marketing. This can streamline business operations and reduce the need for implementing many siloed solutions to address each department's needs across a small business.
- **One technology stack:** Zoho uses one technology stack, which means all applications share the same database, fostering speedy data flow. Customers specifically point out seamless data flow between applications.
- **Mobile:** Zoho offers fully functional mobile applications to provide businesses with the option to access critical information remotely. Customers say the system works seamlessly on both desktops and mobile phones.

Challenges

- **Report consolidation:** Customers note they would like to be able to have a consolidation module that can consolidate reports to provide a better comprehensive picture of company performance in one spot.
- **Lack of industry expertise:** Customers note that it is a "generic" system that doesn't specialize in specific verticals and therefore doesn't offer industry-specific tools or differentiators.

- **Geared toward small businesses:** Zoho is designed for businesses with less than 100 employees; so a rapidly growing small business that will evolve and demand more functionality may quickly outgrow Zoho.

Consider Zoho When

Consider Zoho if you are a business with under 100 employees seeking a simple ERP system that uses one technology stack for seamless data flow, that is affordable, and that can easily connect with third-party applications through APIs and through a marketplace.

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.

Strategies and Capabilities Criteria

Tables 1 and 2 provide key strategy and capability success measures, respectively, related to the market of worldwide SaaS and cloud-enabled small business ERP applications.

TABLE 1

Key Strategy Measures for Success: Worldwide SaaS and Cloud-Enabled Small Business ERP Applications

Strategies Criteria	Definition	Weight (%)
R&D innovation	The vendor is providing and actively investing in a multitude of categories including predictive analytics, machine learning, artificial intelligence, natural language processing, robotic process automation, and generative AI.	28.0
Customer satisfaction strategy	The vendor ensures customer current satisfaction and assessment of current offering and strategy.	14.0
Delivery	The vendor exhibits customer satisfaction with delivery on customer road map, industry requirements, and digital requirements.	16.0
R&D pace and productivity	The vendor demonstrates pace of R&D, including investment as a percentage of revenue, and strategy for investing; and peer-to-peer analysis of development efforts.	4.0
Growth	The vendor exhibits strong partner/ecosystem growth, revenue growth, and geo/industry expansion prospects.	21.0
Cloud strategy	The vendor exhibits plans for multitenancy at the application, database, and infrastructure layers, along with a strong cloud road map.	8.0
Architecture vision	The vendor has a strong strategy to improve its application's architecture, including its APIs, developer community, and integrations.	9.0
Total		100.0

Source: IDC, 2024

TABLE 2**Key Capability Measures for Success: Worldwide SaaS and Cloud-Enabled Small Business ERP Applications**

Capabilities Criteria	Definition	Weight (%)
Functionality or offering	The vendor demonstrates ability to offer specific essential capabilities including a GL, AP, AR and billing, order management, P2P, financial close, treasury and cash, fixed asset management, expense management, inventory, governance and compliance, innovation, automation, and intelligent ERP workflows.	46.0
Range of services	The offering is well supported and/or enhanced by a large portfolio of complementary offerings and supports customers and end users around the globe.	6.0
Customer service delivery	The offering is delivered today in the way that matches customers' preferences for adoption/consumption.	12.0
Pricing model	The vendor demonstrates its range and flexibility of pricing and contract models in line with customer input and current industry standards.	3.0
Architecture	The vendor demonstrates scalability, integration, and flexibility.	8.0
Cloud capabilities	The vendor has demonstrated cloud security, cloud change management, and extensibility.	5.0
Customer satisfaction	The vendor has demonstrated a level of customer satisfaction in the form of customer's ratings for ease of use, implementation, value delivered, technical integrations, and application responsiveness.	20.0
Total		100.0

Source: IDC, 2024

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Synopsis

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

"Organizations of all sizes embracing the digital world are focused on 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."

"Savvy small businesses see technologies such as robust ERP systems, AI and automation, and more as tools to not only weather growing pains and economic storms but to help them come out more resilient once those storms pass," said Katie Evans, research director, IDC's Worldwide Small and Medium Business Research. "But it's imperative that small businesses find the right ERP fit for their industry, size, unique business challenges and strengths, staff makeup, budget, and goals."

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