

## IDC MarketScape

# IDC MarketScape: Asia/Pacific Manufacturing Cloud Enterprise Resource Planning 2021 Vendor Assessment

Sampath Kumar Venkataswamy  
Sharma

Stephanie Krishnan

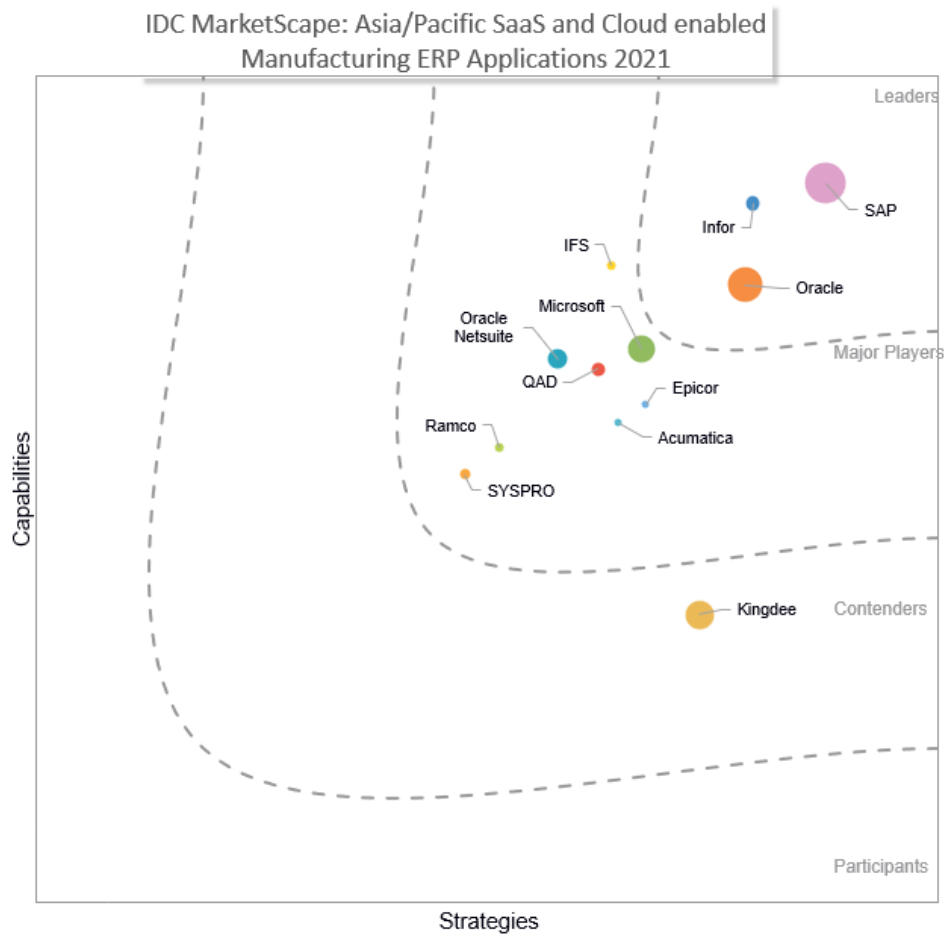
Ravikant

**THIS MARKETSCAPE EXCERPT FEATURES: INFOR**

**IDC MARKETSCAPE FIGURE**

**FIGURE 1**

## IDC MarketScape: Asia/Pacific Software-As-A-Service and Cloud-Enabled Manufacturing Enterprise Resource Planning Applications 2021 Vendor Assessment



Source: IDC, 2021

Please see the Appendix for detailed methodology and market definition.

## IN THIS EXCERPT

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The content for this excerpt was taken directly from IDC MarketScape Asia/Pacific Manufacturing Cloud Enterprise Resource Planning 2021 Vendor Assessment (Doc #AP46741021). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Advice for Technology Buyers, Featured Vendor Profile, Appendix and Learn More. Also included is Figure 1.

## IDC OPINION

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### Focus on Cloud Technologies

According to IDC Asia/Pacific Manufacturing Insights, cloud infrastructure, software, and platforms is one of the top 3 technology areas in which organizations are currently investing. The case for centralized decision making and data monitoring has further accelerated the shift from on-premises to cloud applications. IDC estimates that the spend on public cloud is expected to reach US\$122 billion by 2024 at a compound annual growth rate (CAGR) of about 27%, indicating a sustained focus on cloud-enabled software applications. Organizations have also indicated that enterprise resource planning (ERP) is the one of the top 3 enterprise applications that would increase in the cloud space.

More importantly, the decision to migrate an enterprise application needs to be supported by a holistic framework that allows organizations to look at the associated interdependencies. One of the key aspects highlighted in this research is the need for standardization. It is imperative that despite initiating a digitalization drive, organizations need to have an eye on the future and understand the importance of processes that can help them scale and expand further.

### Manufacturing and Operational ERP

There are several variables across value chains, segments, enterprises, and even individual locations within companies and manufacturers that utilize ERP systems as the backbone to run their businesses. Manufacturing ERP systems incorporate operational modules, including order management, finance, procurement, enterprise asset management (EAM), production, and supply chain, to maximize operational efficiencies. Manufacturers benefit from the integration of core finance and operational capabilities so operational transactions with a financial impact are reflected directly in financial modules.

Given the fact that the product complexity and associated functionality maps are quite high, some of the key areas that were highlighted as part of our customer conversations are around the following elements:

- **Integration and flexibility.** Most of the organizations have a diverse set of applications that have been deployed to meet some of their focused challenges. Over time, these applications become integral for operational sustenance. One of the key attributes of a robust ERP application is its ability to connect these multiple sources to bring about a holistic view of the enterprise landscape. The speed and ease of connecting are also fundamental factors that allow manufacturers to better react to the changing market needs.

- **New product development.** Changing customer expectations and needs have impacted traditional product development road maps. More and more organizations are looking at a dynamic and real-time approach to reduce the time to launch new products and services.
- **Data-driven decision making.** One of the core aspects of a digital organization is its ability to leverage value chain data to arrive at solutions that are built on data platforms that are both credible and supported by historical trends.
- **New revenue streams.** Leveraging revenues after the product sale is another area that organizations are increasingly looking at. The servitization model and accompanying trends will continue to fuel the rapidly changing manufacturing landscape, which is driven by real-time data insights and consumption patterns. Gearing up for this opportunity would also require a seamless integration with all the enterprise application modules that span from the customer experience (CX) to supplier development.
- **Aligning value chain functions.** Current business imperatives and market conditions are influencing the need to balance supply and demand metrics. Understanding the impact of upstream on its downstream and vice versa will be critical to ensure business continuity and operational resilience. The role of data will be critical to ensure that the gaps are addressed to effectively create a highly coordinated value chain.
- **Automating processes.** Data retrieval and order reconciliations without manual interventions would save a considerable amount of time and effort in handling routine transactions. Technologies, such as Internet of Things (IoT), big data and analytics (BDA), and artificial intelligence (AI), will be crucial in embedding real-time data metrics for informed and faster decision making. Capturing data across assets, resources, product usage, and performance is integral to value chain efficiency and productivity. More and more organizations are looking for algorithms that can be trained based on the user data and transactions that are being handled. The idea is to make sense of structured and unstructured data sets to ensure that the insights generated are holistic and comprehensive.

The objective of this document is to provide potential software customers with a list of manufacturing ERP software companies that have taken great strides to address the changing requirements listed earlier. We have profiled and assessed their capabilities to support the complicated area of manufacturing ERP.

## IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

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The vendor inclusion list for this IDC MarketScope is intended to include the most prominent ERP vendors focused on the manufacturing industry. To be included in this IDC MarketScope, vendors had to meet three criteria:

- The vendor should be active in Asia/Pacific and have presence in at least two countries in the region, defined by North Asia (Japan, South Korea), Greater China (China, Hong Kong, and Taiwan), Southeast Asia (Singapore, Malaysia, Thailand, Indonesia, Vietnam, and the Philippines), South Asia (India, Pakistan, Sri Lanka, Bangladesh), and Australia and New Zealand (ANZ).
- The vendor should regularly appear in a manufacturer's consideration set and be in the top 20 software providers within the region.
- The vendor's manufacturing ERP systems had to qualify as software as a service (SaaS) or cloud-enabled and were already serving clients.

## ADVICE FOR TECHNOLOGY BUYERS

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The choice of a suitable enterprise application that meets both industry and organization needs can be quite complicated and crucial to meeting productivity expectations. The transition from paper-based and Excel-driven systems to an enterprise-level application can be quite daunting, but it is a necessary step in the digital transformation journey. The product options, along with their supporting functionalities, should be core to creating an intelligent solution that will help in planning the delivery of products and services. The vendors part of this assessment have been investing in IDC's 3rd Platform technologies and innovation accelerators to create a highly adaptive and intelligent solution that can deliver value to their clients. Selecting the right vendor and deployment partner could be a lengthy and drawn-out process, with a specific focus around the following aspects:

- **Culture transformation challenges.** Make sure that the key users and stakeholders, such as manufacturing, quality, sourcing, sales, and so forth, are fully committed to the migration efforts. Create a core team that can understand and drive the implementation efforts internally and under the purview of the executive leadership.
- **Deployment framework.** The requirements need to be documented, and the implementation stages need to be agreed upon before the deployment processes are initiated. Understand the use cases and associated dependencies to reduce issues after the deployment stage while ensuring that the implementation partners are aligned with the overall road map.
- **Localization.** Language support and accounting practices need to be factored in before choosing an application. Country regulations and customization needs at the industry level also need to be considered to ensure that the migration from on-premises to cloud services does not impact the enterprise's operations.
- **Customer support.** Rely on a vendor that has a customer support and service presence in the region. Quite often, domestic implementation support would aid in addressing the challenges that span beyond the shop floor. Also consider the regional and local norms.
- **Pricing and costing.** Reconcile costs that go beyond the product purchase; cloud deployments incur subscription costs and associated customization efforts that can push out the ROI estimates. Also, explore options that minimize vendor lock-in issues, and provide the flexibility to switch over to other application providers in case of performance or pricing issues.
- **A clear use case.** Understand the limitations of the product, making sure that you overlay a business logic layer over the available functionalities. The gap between the ideal state and actual state needs to be ascertained during the pilot stages to reduce the disconnects during the production runs.
- **Implementation partners.** Organizations need to be clear about the middleware layers and the integration partners that would create the links between the enterprise applications and stand-alone modules. Ensure that the vendors and their VARs have the required domain expertise and understand global best practices with standardized approaches.
- **Customization needs.** Open architecture can be quite beneficial in customizing process fields, but excessive customizations can be detrimental during over-the-air (OTA) upgrades and patches.

## FEATURED VENDOR PROFILE

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This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape and provides a summary of the vendor's strengths and opportunities.

## Infor

Infor is positioned as a leader in IDC's 2021 MarketScape for Asia/Pacific SaaS and Cloud-Enabled Manufacturing ERP Applications Vendor Assessment.

Founded in 2002, Infor is headquartered in New York. It provides ERP solutions predominantly for midmarket companies, with bases in larger enterprises and small and medium-sized businesses (SMBs). Infor has a substantial presence in the ERP, financial transaction, and SCM spaces with a suite of applications that aid end-to-end manufacturing management.

Infor delivers industry-specific Infor CloudSuite offerings to support aerospace and defense (A&D), automotive, chemicals, distribution, equipment (dealers, service, and rental), fashion, food & beverage (F&B), high-tech, and industrial manufacturing, and SMB manufacturing. Infor CloudSuite offerings run in Amazon Web Services (AWS) cloud, and much of the CloudSuite capabilities can also be delivered on-premises according to customer needs.

Some quick facts about Infor:

- ERP product name — Infor CloudSuite
- Number of employees — 17,000 worldwide
- Total number of clients — 65,000 globally
- Number of years in the SaaS market — 10 years
- Asia/Pacific localizations — 9 localizations for Asia/Pacific and 62 global localizations
- Asia/Pacific manufacturing focus — automotive, chemicals, distribution, fashion, F&B, industrial manufacturing
- Ideal customer size — caters to organizations across the board but has a higher distribution among midmarket companies
- SaaS — multitenant
- Maximum number of active users in a single organization/deployment — from 25 to over 10,000 users
- Partner ecosystem — more than 220 channel and 100 alliance partners in Asia/Pacific

### *Interesting Facts*

Infor has a heavy focus on research and development (R&D), which is substantiated by investments. Infor's R&D spend over the past five years has been 16% of its revenue. Prioritizing predominantly on microservices and industry-specific services, its CloudSuite offerings now account for nearly a third of its total revenue.

### *Strengths*

Infor's strengths are:

- **Technology investments.** Large investments and acquisitions supporting technology-enabled product development have been among Infor's key strengths.
- **Innovation.** Infor developed Coleman AI for cognitive workflows within systems. It also utilizes Birst business intelligence and analytics on top of the data lake capabilities. Industry-specific capabilities and speed of deployment have been tagged as the major benefits that customers

received, whereas the industry-specific functionalities make cloud ERP implementations more efficient and less complex.

- **CloudSuite.** Industry-specific capabilities and speed of deployment have been labeled as the major benefits that customers receive from Infor, whereas industry-specific functionalities make cloud ERP implementations more efficient and less complex while yielding a faster ROI. Aside from being just a manufacturing suite, CloudSuite has subvertical suites that are purpose-built for particular industries (e.g., automotive), with the key processes, functions, and attributes required for the sector built into the solutions.

## Challenges

Infor's challenges are:

- **Reporting.** Users noted there were challenges with reporting and viewing data in multiple ways. Infor acquired Birst to address the reporting and business intelligence deficiencies within the Infor CloudSuite.
- **Long deployment cycles.** Users have indicated that implementation times can be quite long and can prolong the go-live duration. Infor has been mitigating this with Infor Implementation Accelerators that offer pre-configuration and content options that can reduce deployment cycle times.
- **Partner ecosystem.** Several users noted the Infor partners that helped them with implementation are not cloud-educated and do not understand best practices. In addition, the partners are not well educated on when to use one of the three versions of the manufacturing ERP product.

## Consider Infor When

Consider Infor if you are looking for a simple and seamless solutions with industry-specific functionalities and strong capabilities around BDA and AI.

## APPENDIX

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### 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 represent 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 inputs 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.

After an initial evaluation of software vendors serving this market, which included each vendor's high-level application capabilities and existing manufacturing ERP client base, IDC's Asia/Pacific Manufacturing Insights team extended formal invitations to software vendors to participate in our study. Discussions with references included the systems utilized and their perception of the vendor and software in terms of technical support, account management, marketing message, level of value delivered versus price paid, ease of integration, UI, innovation, intelligent workflows, and ROI. In addition, references also provided areas of improvement and recommendations that can help vendors in planning their future deployments and product features.

## Market Definition

This IDC MarketScape evaluation focuses on SaaS and cloud-enabled manufacturing ERP solutions. 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 the manufacturing industry. These processes manage resources, including people, finances, capital, materials, suppliers, production, supply chains, customers, products, projects, contracts, orders, and facilities.

Manufacturing ERP includes product-centric organizations across four distinct value chains:

- AOVC — includes the chemicals, metals pulp, and paper industries
- BOVC — includes the consumer packaged goods (CPG), F&B, fashion, and life sciences industries
- EOVC — includes the automotive, A&D, and industrial machinery industries
- TOVC — includes the electronics and semiconductors (high tech) industries

Manufacturing ERP systems incorporate operational modules, including order management, finance, procurement, EAM, production, and supply chain, to maximize operational efficiencies. Manufacturers see benefits from the integration between core finance and operational capabilities so that operational transactions with a financial impact are reflected directly in financial modules. 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 UI. Manufacturing ERP solutions are available as on-premises, hybrid, and, increasingly, cloud SaaS deployments.

## LEARN MORE

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### Related Research

- *IDC FutureScape: Worldwide Manufacturing 2021 Predictions – Asia/Pacific (Excluding Japan) Implications* (IDC #AP47215221, February 2021)
- *IDC TechBrief: Artificial Intelligence Applications in Shop-Floor Operations* (IDC #AP46587920, October 2020)
- *Driving Supply Chain Visibility with Platform-Driven Intelligent Automation* (IDC #AP46807420, September 2020)
- *IDC MarketScape: Worldwide SaaS and Cloud-Enabled Operational ERP Applications 2019 Vendor Assessment* (IDC #US45098119, June 2019)

### Synopsis

This IDC study provides an assessment of the leading software-as-a-service (SaaS) and cloud-enabled manufacturing enterprise resource planning (ERP) software solutions in Asia/Pacific and discusses the most important criteria for manufacturers to consider when selecting a system.

"We have been seeing increased traction from on-premises to cloud enterprise applications in the last couple of years. The changing manufacturing landscape and significant interest toward remote monitoring and maintenance continue to be among the major drivers for organizations choosing cloud-based ERP applications," says Sampath Kumar Venkataswamy, research manager, IDC Asia/Pacific Manufacturing Insights.

## About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

## IDC Asia/Pacific Headquarters (Singapore)

83 Clemenceau Ave  
17-01 UE Square, West Wing  
Singapore 239920  
65.6226.0330  
Twitter: @IDC  
blogs.idc.com  
www.idc.com

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