##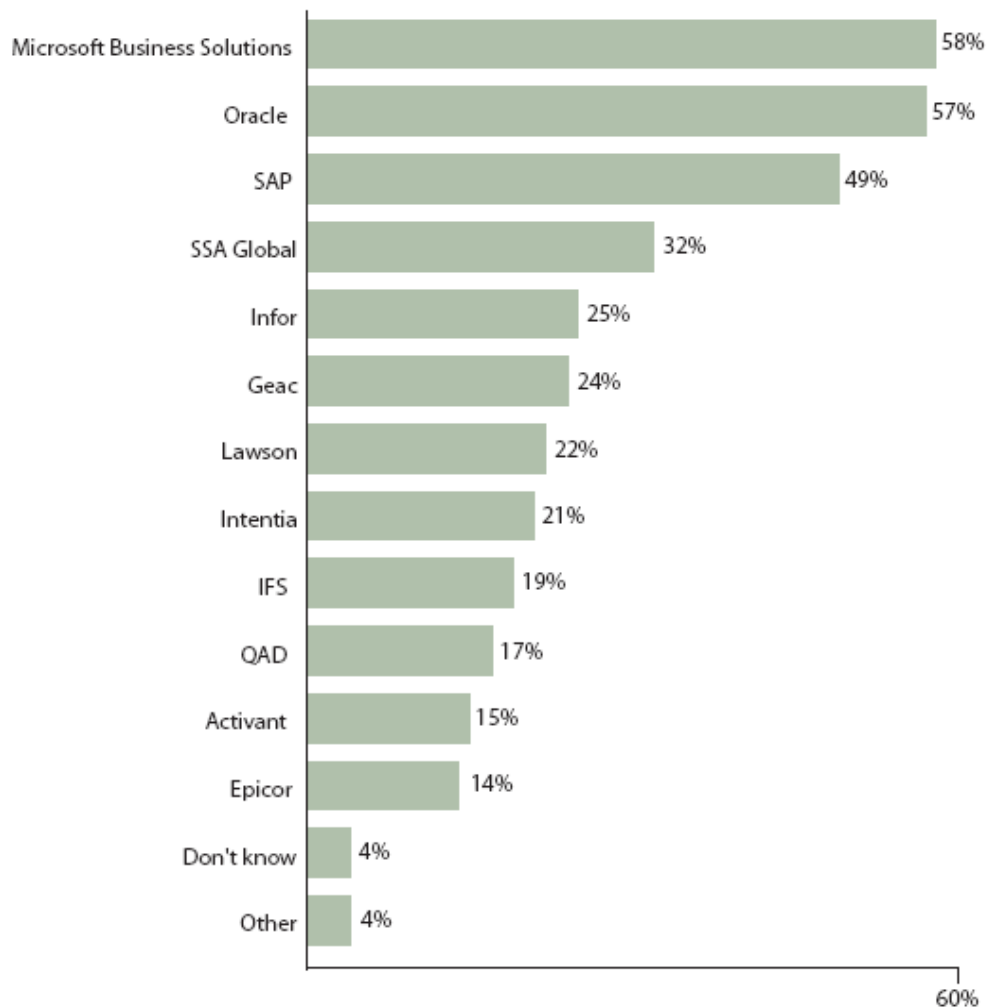 *AMR Research Report Shows Microsoft Business Solutions Top Choice for Enterprise Resource Planning Solutions in Market Poised for Huge Growth[i]*

A recent AMR Research Report on "Enterprise Resource Planning (ERP) Spending in 2005 – 2006" shows Microsoft Business Solutions (MBS) leading all other ERP vendors on evaluation lists for ERP software purchases.

When asked which vendors would be considered for ERP applications during the next year, surveyed companies chose **MBS**, Oracle, and SAP in the top three positions. Results offer strong support for our concept of the ERP "**Three Horse Race**".

Figure 7: ERP vendors on evaluation lists during the next 12 months

Vendor	Percentage
Microsoft Business Solutions	58%
Oracle	57%
SAP	49%
SSA Global	32%
Infor	25%
Geac	24%
Lawson	22%
Intentia	21%
IFS	19%
QAD	17%
Activant	15%
Epicor	14%
Don't know	4%
Other	4%

Key learning from the research is growth of the overall ERP market—more than 70% of organizations surveyed plan to increase their ERP spending in 2006. The research also shows that 15% of a company's total employees are licensed to use the company's ERP system, indicating opportunities for new clients, new seats and new portal users.

AMR Research Executive Summary

According to AMR Research's survey of nearly 300 IT executives, companies are poised to significantly increase their ERP spending in the coming year: 71% of the companies AMR spoke with expect their ERP budget to grow in 2006, with the average increase 14.6%. Because the ERP market is global and highly diversified, there are many drivers behind these spending plans:

- Thousands of Small and Midsize Businesses (SMB) are expecting to purchase new midmarket ERP applications to replace outdated Manufacturing Resource Planning (MRP II) systems. These systems are technologically obsolete, difficult to maintain, and incapable of supporting emerging business practices or global financial and regulatory requirements.

- Many large companies are transforming themselves from highly decentralized divisional or geographic organizations to much more integrated, global businesses. This often requires replacing their older distributed systems with new ERP suites that can be deployed as a single global instance or as several regional instances.

- The gradual improvement in the global economy allows companies to shift their IT focus from cost cutting to revenue creation and operational efficiency. Many ERP projects that began in the 1990s were interrupted by the recession long before the planned global deployment was finished. These projects are now restarting, extending the reach of the corporate ERP system to the rest of the organization.

- ERP vendors have invested heavily, through acquisitions and internal development, to expand their product lines in areas such as Supply Chain Management (SCM), Customer Relationship Management (CRM), Product Lifecycle Management (PLM), and Business Intelligence (BI). Many of these "ERP extensions" have strong functionality and a much more compelling integration story for buyers that have already invested in ERP suites. This expanded product footprint is causing companies to shift application spending from the best-of-breed software vendors to their primary ERP provider. In addition to these application products, some of the ERP vendors are also starting to sell infrastructure platform software, such as SAP with NetWeaver or Oracle with Fusion Middleware.

It is clear from the survey that ERP spending is growing rapidly across all market segments among large and small organizations. Given this trend, one of the most interesting findings in this survey is that only 15% of employees are currently licensed for ERP. AMR Research believes that most employees will eventually need access to the central business system in order to do their jobs, which suggests that many organizations are still early in their ERP rollouts and have a great deal of license, services, and infrastructure spending ahead of them.

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[i] _Source: AMR Research Market Analytix Report: Application Spending Series, The Enterprise Resource Planning Spending Report, 2005 – 2006, by Bob Locke, Jim Shepherd, and Wendy Davis_