Optimization Trends In ERP Usage
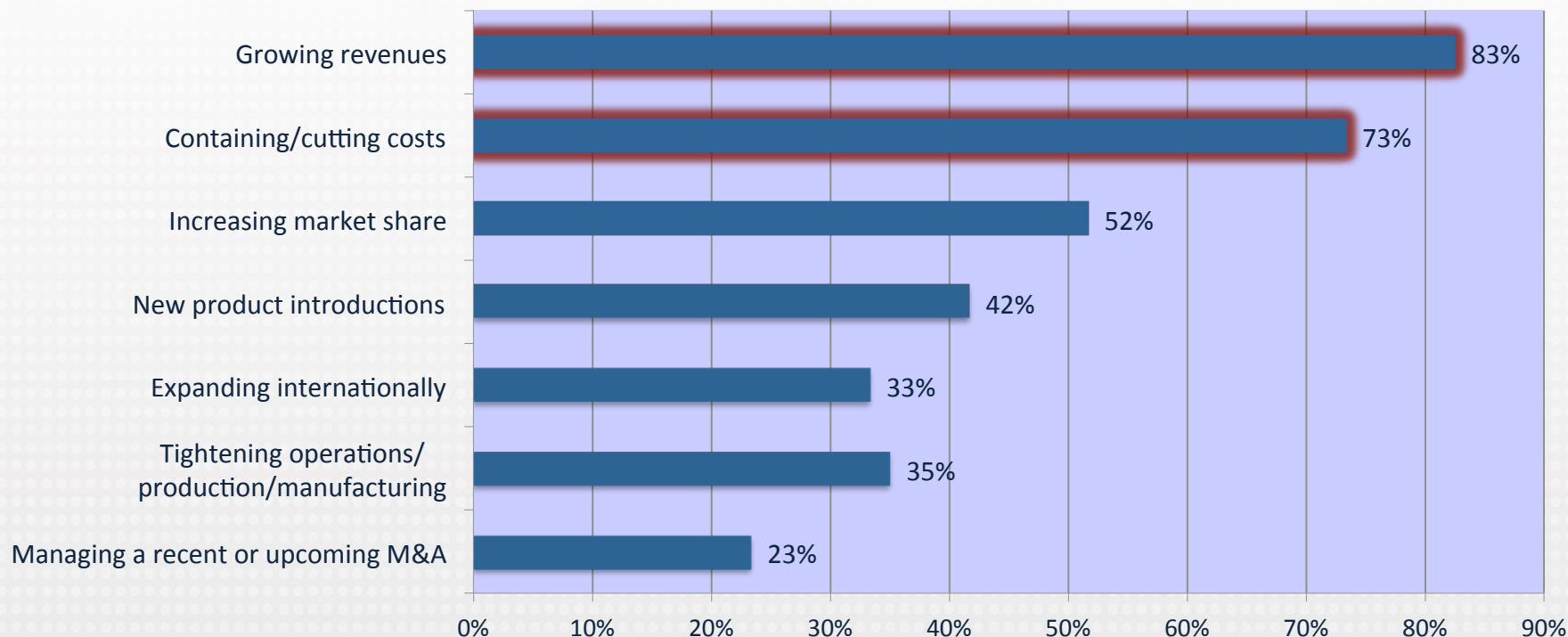
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Program Overview

➢ Gatepoint Research invited 1,273 selected operations, manufacturing, finance, supply chain, IT, and MIS executives to participate in a survey themed *Optimization Trends In ERP Usage*.

➢ Candidates were invited via email and 120 executives have participated to date.

➢ Survey participants are overwhelmingly senior decision-makers; 99% work at Director level or above; 71% of responders are VPs or CxOs.

➢ 45% of responders work for corporations in the Fortune 1,000.

➢ 100% of responders participated voluntarily; none were engaged using telemarketing.

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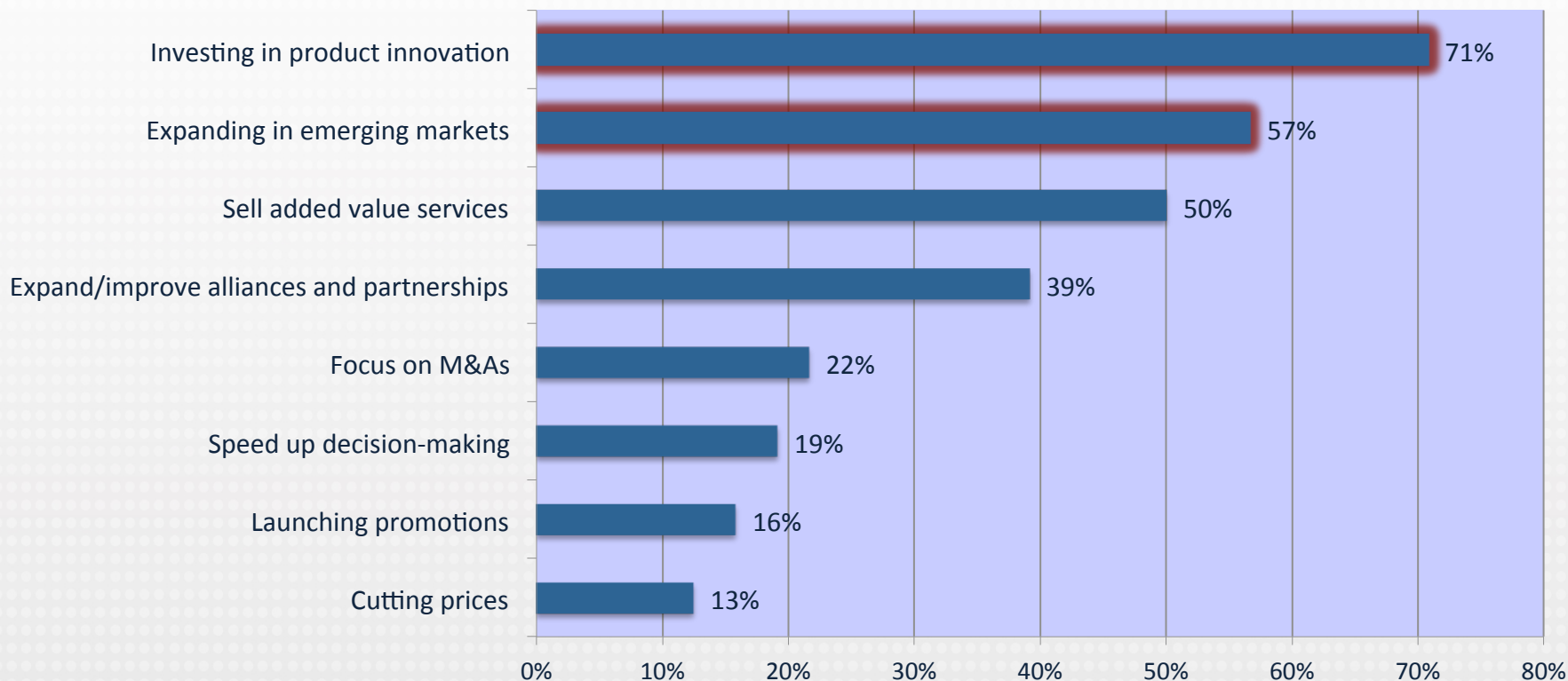
Observations and Conclusions

➢ Financials are what keep executives up at night: growing revenue (83%) and cost cutting (73%) are the highest priorities for the next 18 months.

➢ To grow revenue, most responders feel they should focus on product innovation (71%) and expanding in emerging markets (57%).

➢ 74% of responders are looking to optimize their production process; demand forecasting (49%) and inventory management (44%) show the most potential for process improvement.

➢ Manufacturing operations are increasingly complex – 38% report that their operations are very or extremely complex.

➢ Nearly a third (29%) forecast a trend towards even greater complexity; 87% rate addressing its challenges as 3 or above on a 5 point scale.

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What are your company's priorities for the next 18 months?

Horizontal bar chart showing company priorities:
- Growing revenues: 83%
- Containing/cutting costs: 73%
- Increasing market share: 52%
- New product introductions: 42%
- Expanding internationally: 33%
- Tightening operations/production/manufacturing: 35%
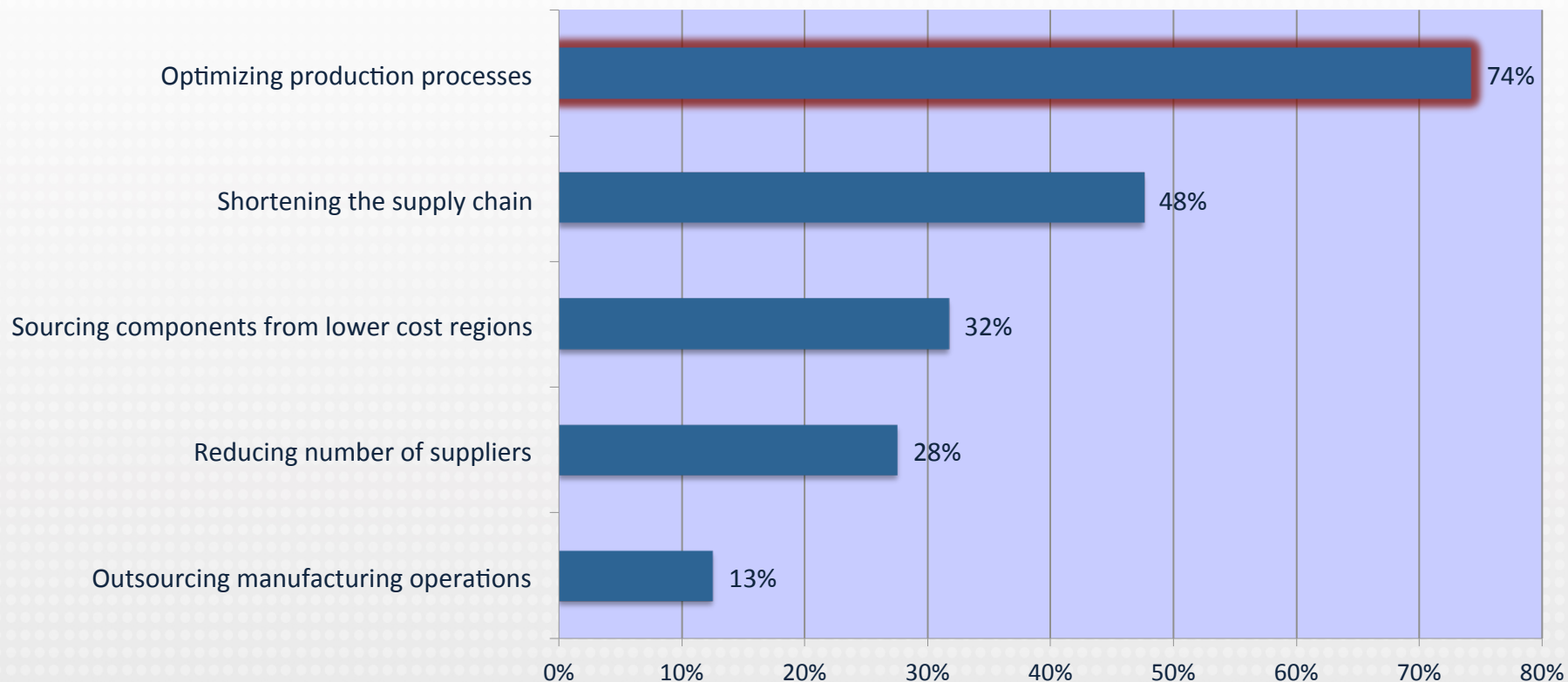- Managing a recent or upcoming M&A: 23%

Revenue and cost cutting top the list of priorities for the next 18 months.

Which of the following tactics are used to grow revenue?

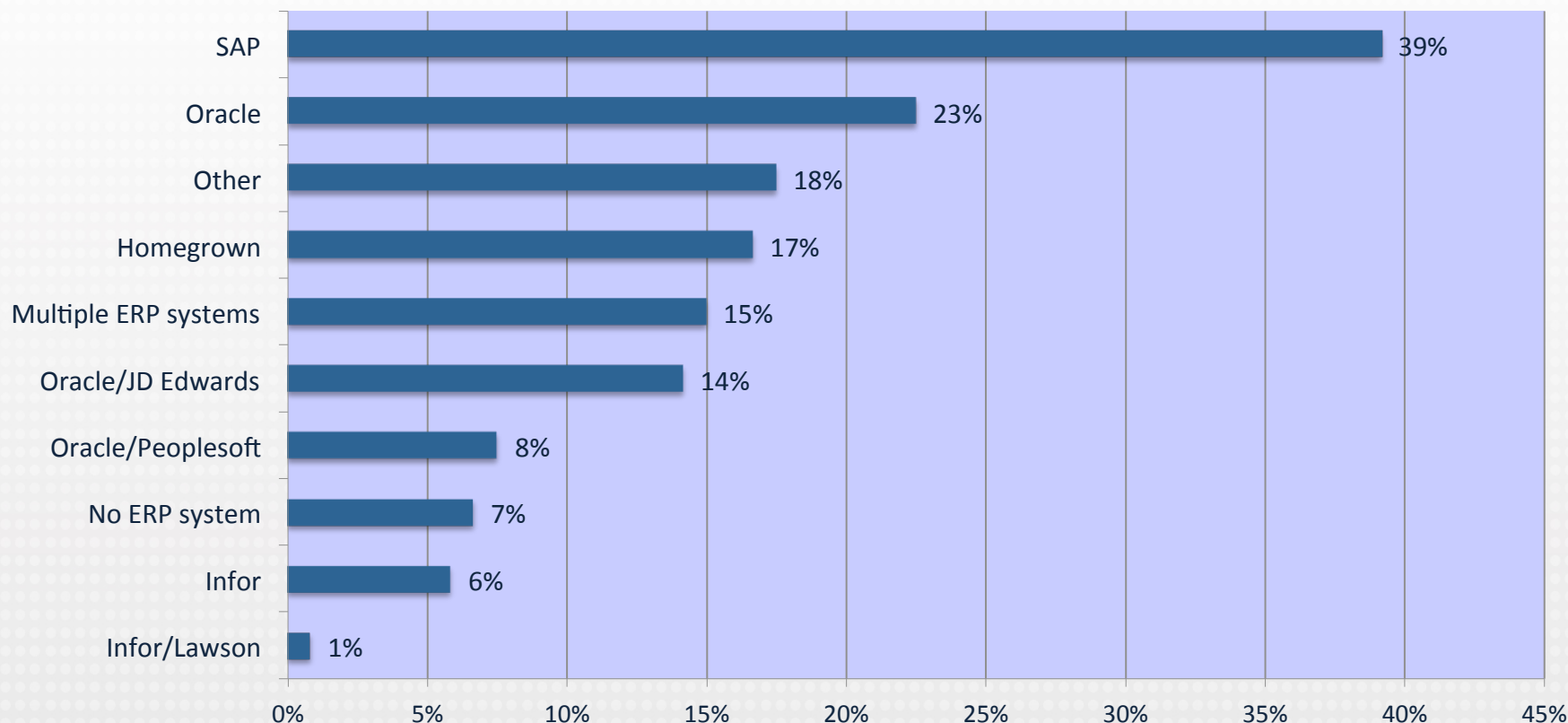| Tactic	Percentage
Investing in product innovation	71%
Expanding in emerging markets	57%
Sell added value services	50%
Expand/improve alliances and partnerships	39%
Focus on M&As	22%
Speed up decision-making	19%
Launching promotions	16%
Cutting prices	13%

Responders focus on product innovation and expanding in emerging markets in order to grow revenue.

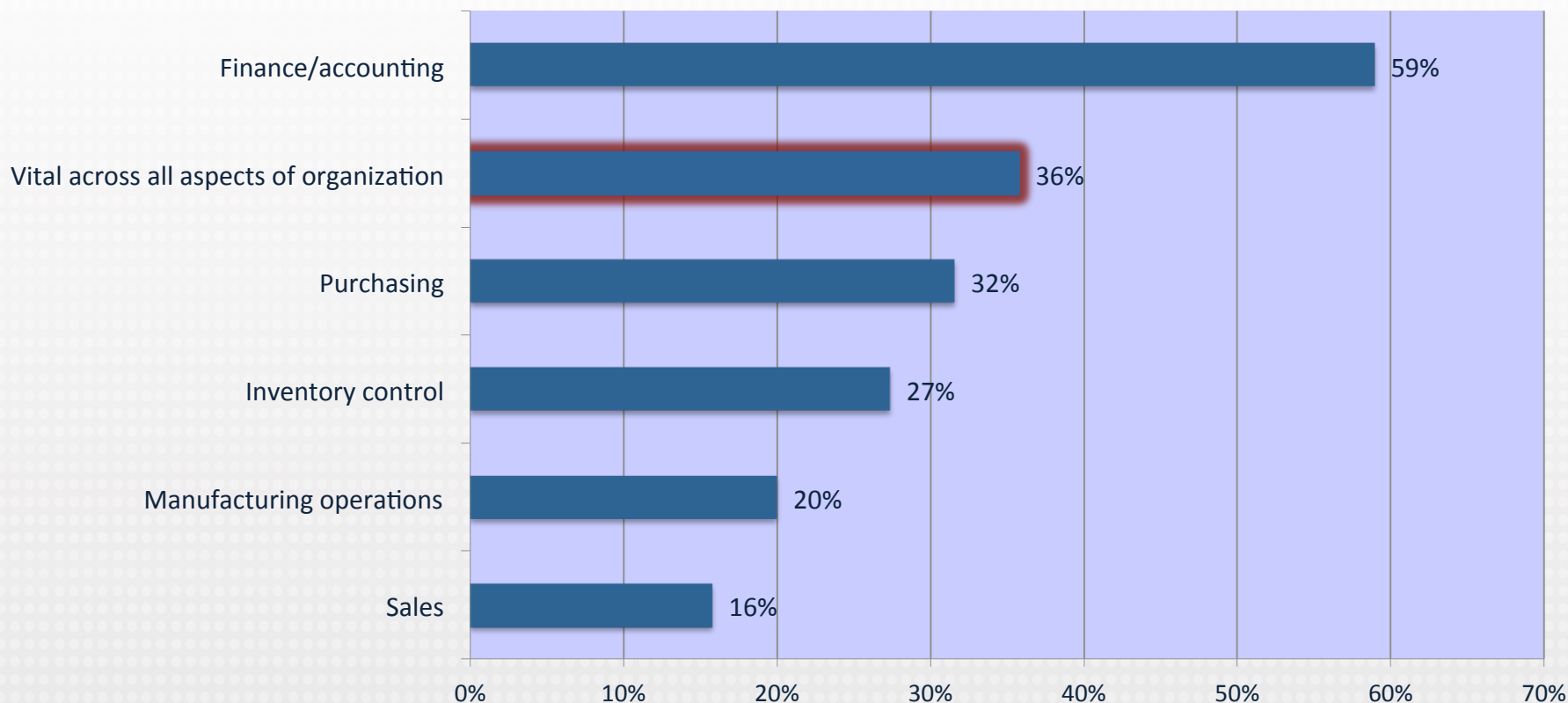# Regarding your manufacturing operations, which of these are you exploring?

Category	Percentage
Optimizing production processes	74%
Shortening the supply chain	48%
Sourcing components from lower cost regions	32%
Reducing number of suppliers	28%
Outsourcing manufacturing operations	13%

74% of responders are looking to optimize their production process.

What ERP system(s) do you use?

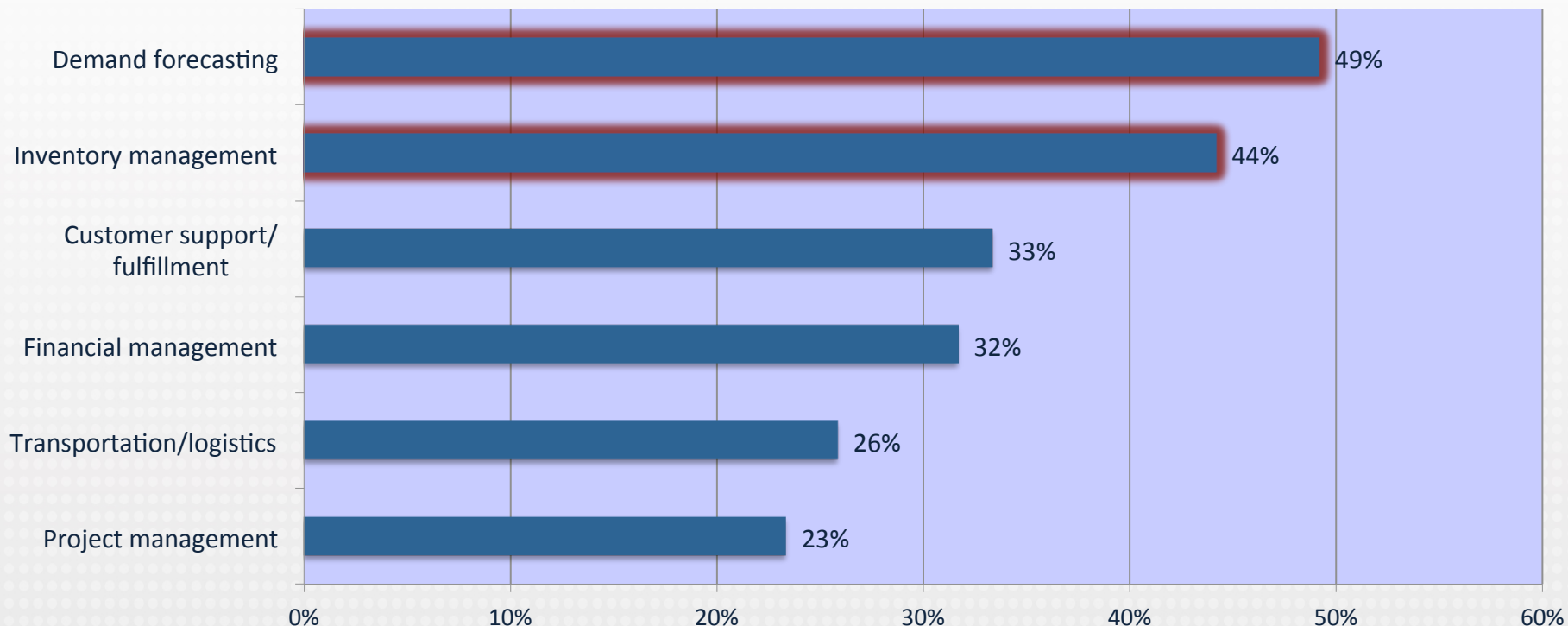| ERP System	Percentage
SAP	39%
Oracle	23%
Other	18%
Homegrown	17%
Multiple ERP systems	15%
Oracle/JD Edwards	14%
Oracle/Peoplesoft	8%
No ERP system	7%
Infor	6%
Infor/Lawson	1%

Responders use a wide variety of ERP systems, spread throughout the market.

Where does your organization get the most benefit from your ERP?

Finance/accounting	59%
Vital across all aspects of organization	36%
Purchasing	32%
Inventory control	27%
Manufacturing operations	20%
Sales	16%

0% 10% 20% 30% 40% 50% 60% 70%

39% of responders report that their ERP system is vital across all aspects of their organization.

Which of the following processes offer the best potential for improvement?

Demand forecasting — 49%
Inventory management — 44%
Customer support/ fulfillment — 33%
Financial management — 32%
Transportation/logistics — 26%
Project management — 23%

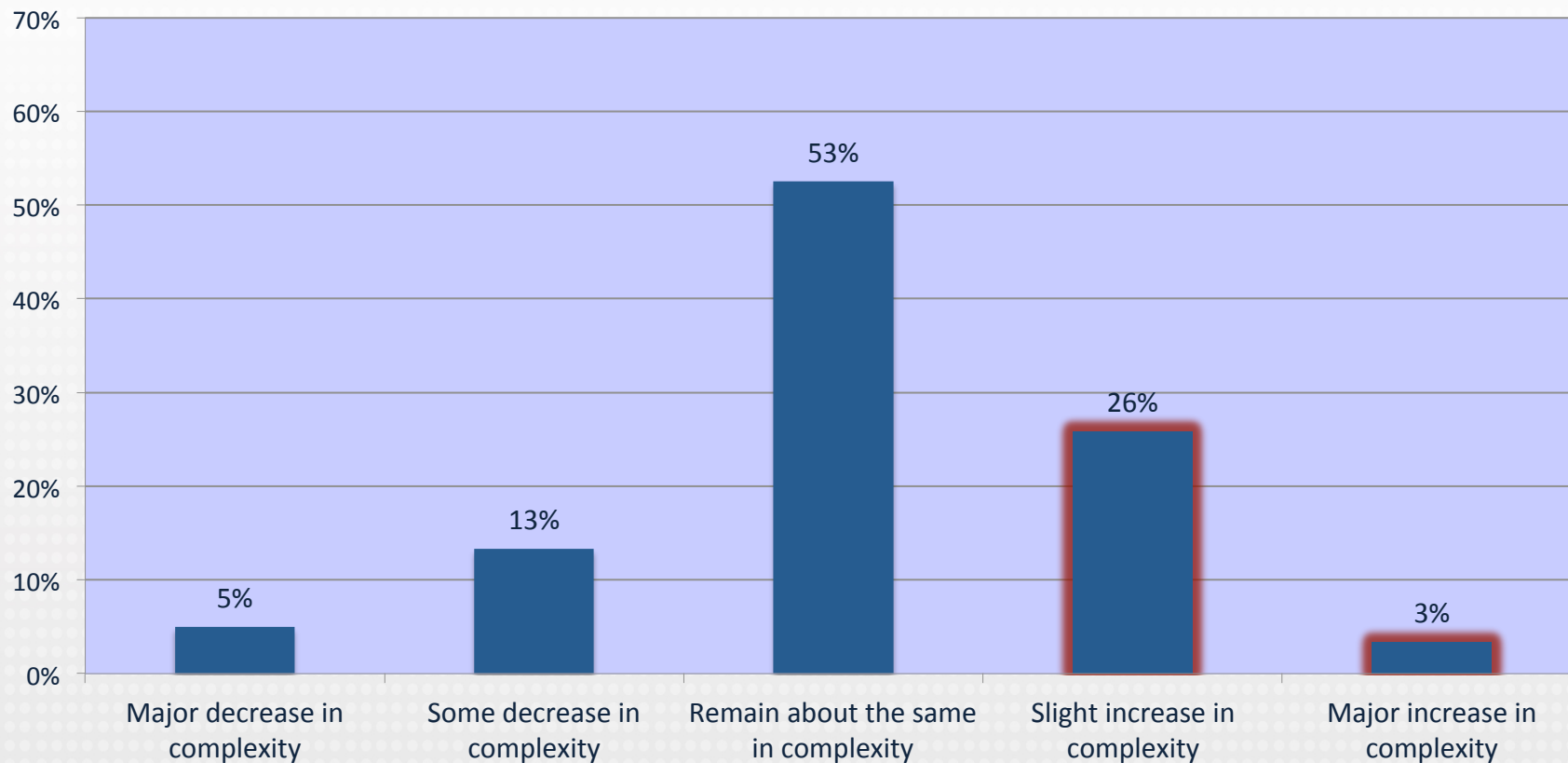*Demand forecasting (49%) and inventory management (44%) show the most potential for process improvement.*

How complex are your manufacturing operations?
(Rate on a scale of 1-5, 1 = minimal complexity, 5 = extremely complex)
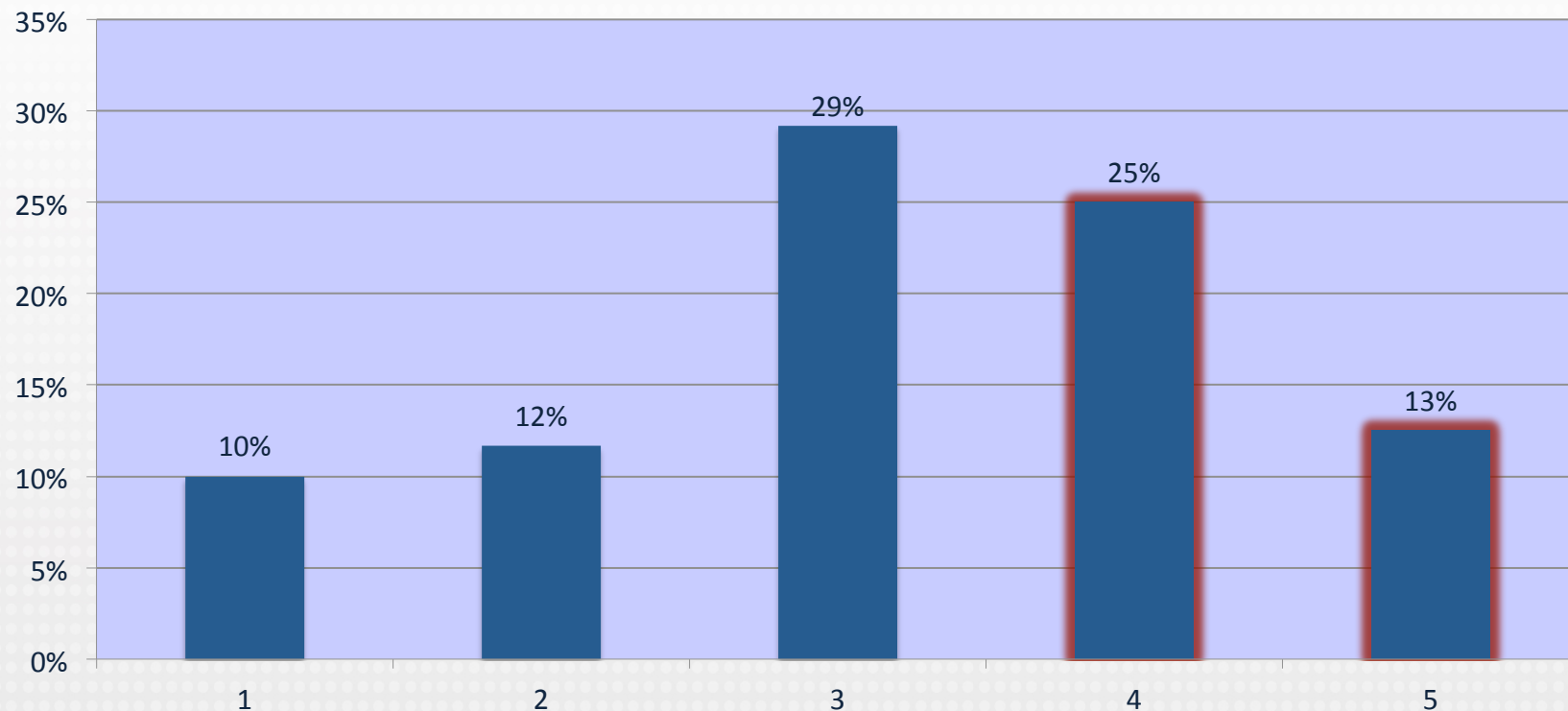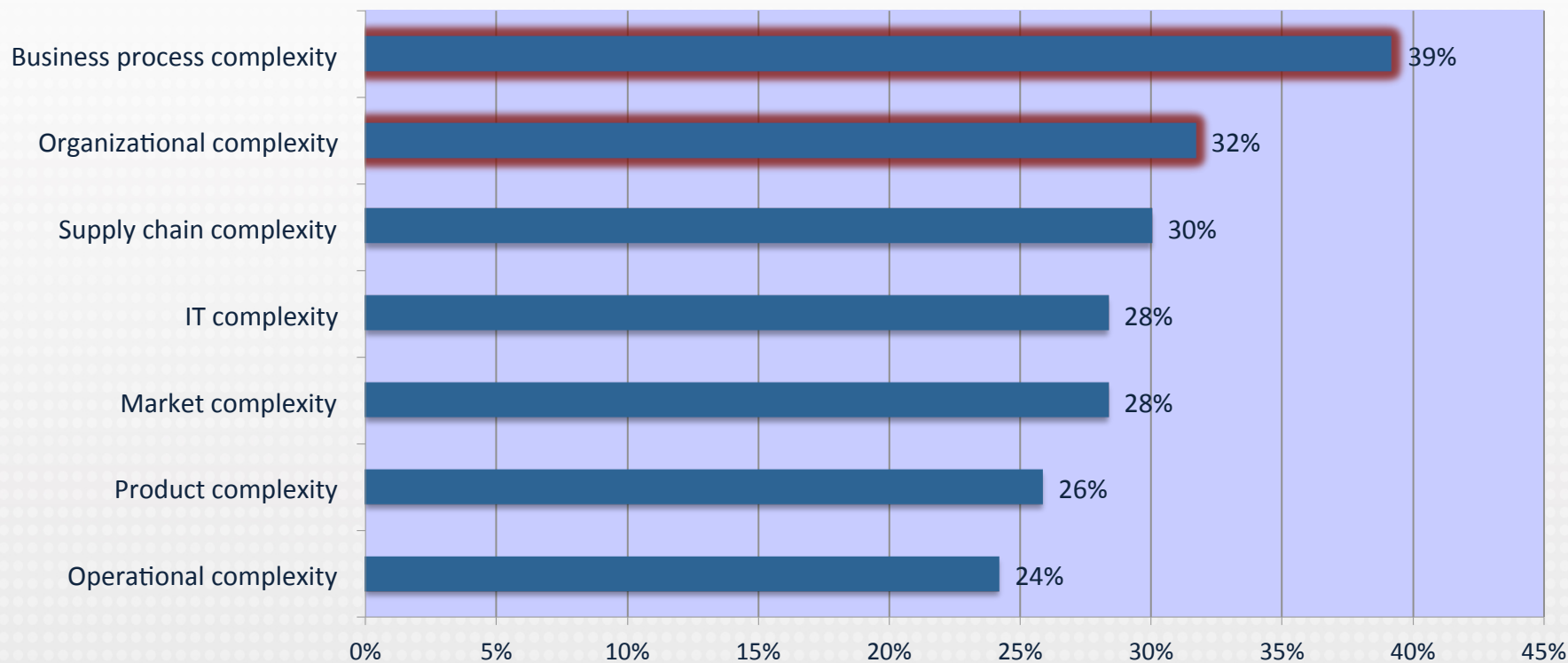
Manufacturing operations are increasingly complex –
38% report that their operations are very or extremely complex.

What is the current trend in the level of complexity of your operations?

Major decrease in complexity: 5%
Some decrease in complexity: 13%
Remain about the same in complexity: 53%
Slight increase in complexity: 26%
Major increase in complexity: 3%

29% of responders forecast an increase in the complexity of their operations.

Which areas of your operations may experience the greatest growth in complexity?

Area	Percentage
Business process complexity	39%
Organizational complexity	32%
Supply chain complexity	30%
IT complexity	28%
Market complexity	28%
Product complexity	26%
Operational complexity	24%

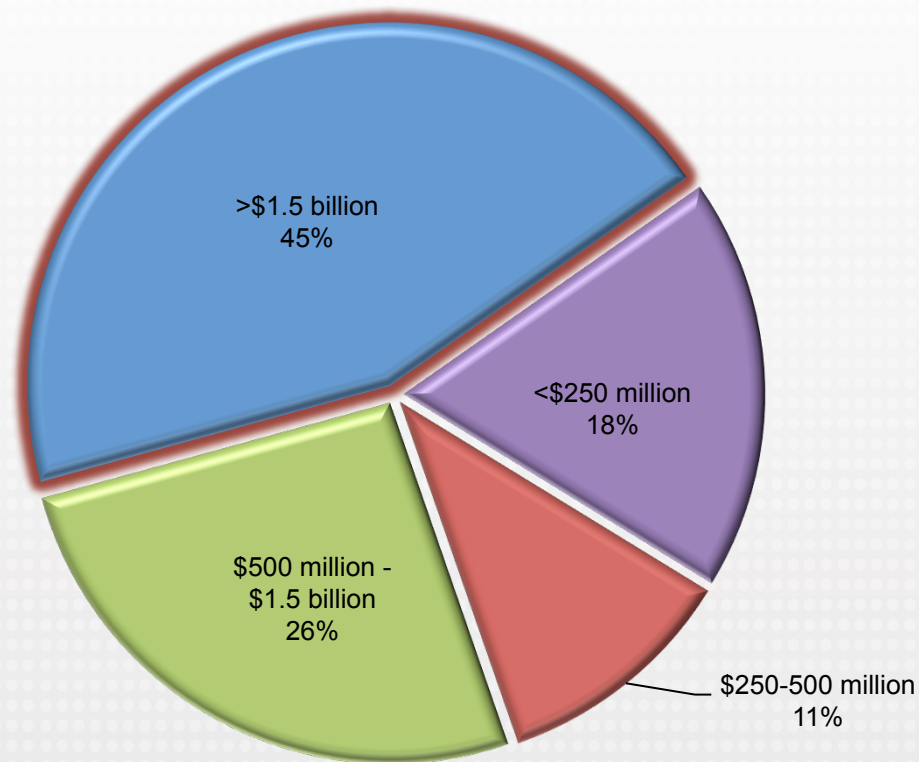*39% see their greatest growth in complexity in business processes; 32% in organizational complexity.*
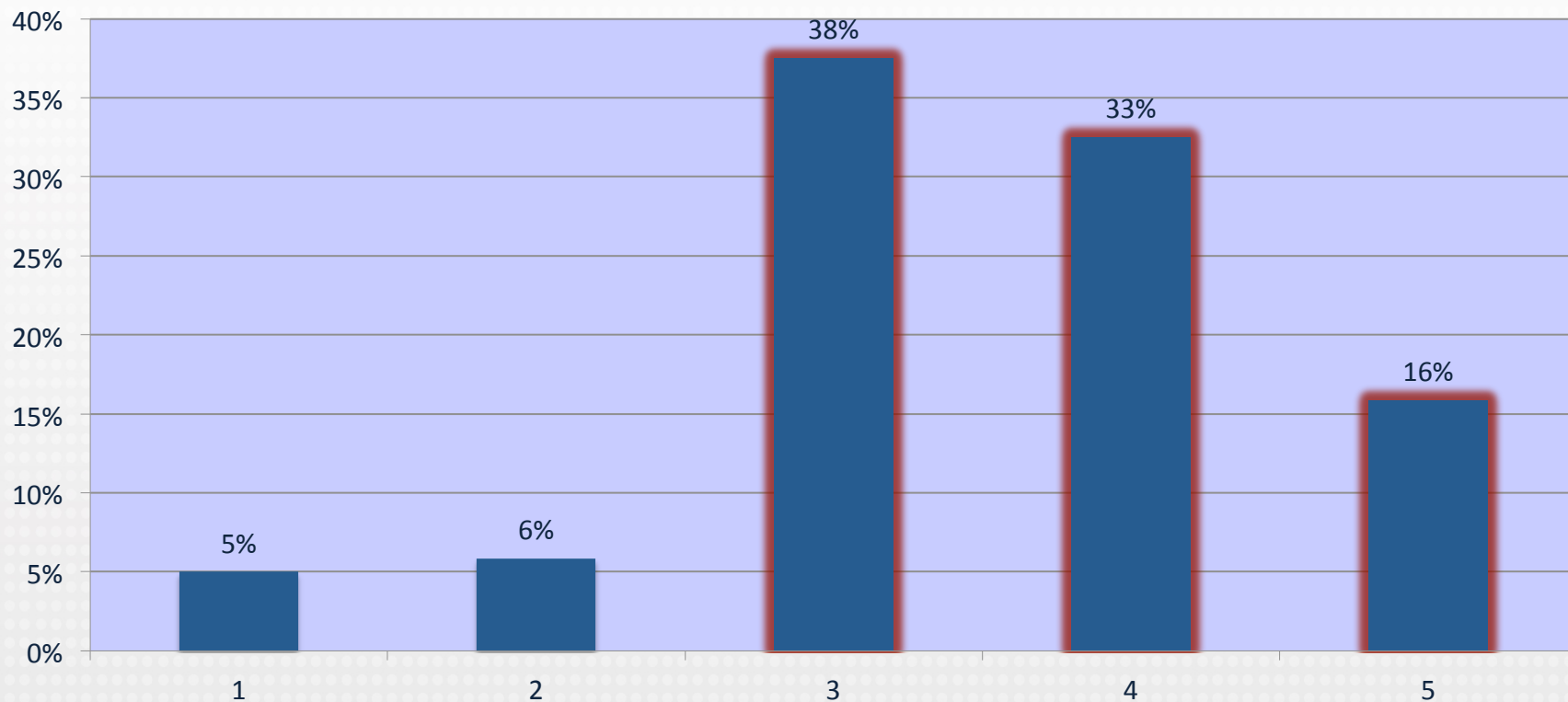
Profile of Responders: Revenue

Pie chart:
- >$1.5 billion — 45%
- <$250 million — 18%
- $500 million - $1.5 billion — 26%
- $250-500 million — 11%

45% of responders work for corporations in the Fortune 1,000.

Profile of Responders:
Job Level

Pie chart showing:
- CxO 45%
- Manager 1%
- Director 29%
- VP 25%
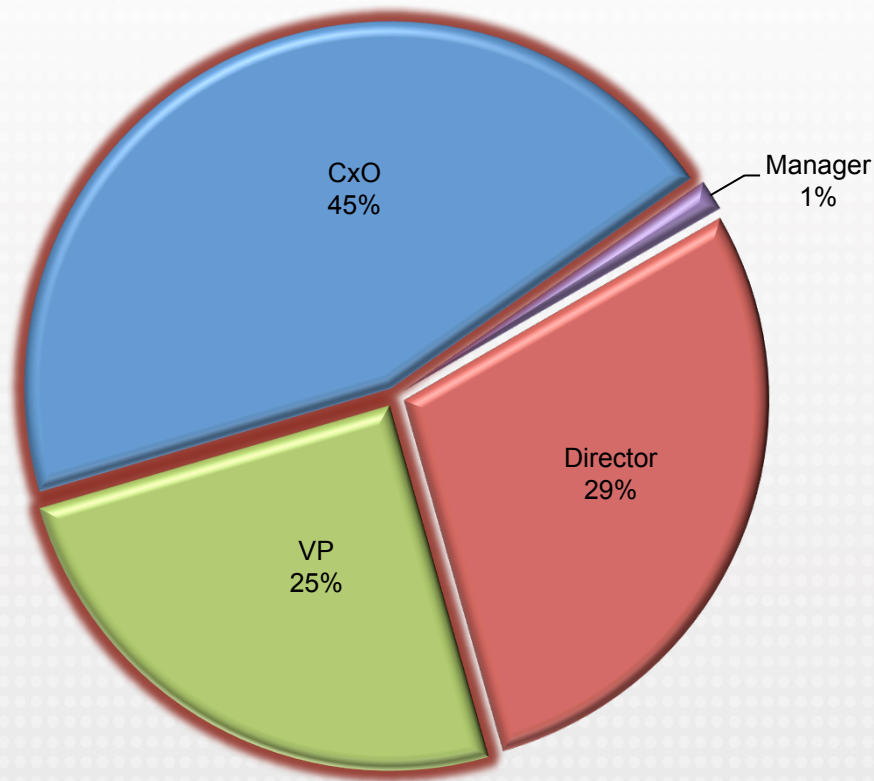
71% of responders work as VPs or CxOs.

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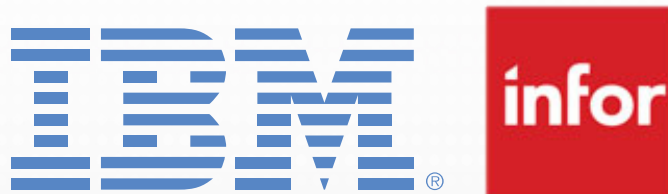
Infor offers an ERP system designed specifically to optimize manufacturing operations in order to make the organizations they support more flexible and competitive. By offering an integrated hardware and software solution, the Infor Manufacturing Solution built on IBM Power System helps make best-in-class manufacturing possible. Infor Manufacturing Solution built with IBM Power Systems combines IBM POWER7 and IBM i with affordable enterprise software tailored to help transform business processes, backed by Infor services and support to make deployment and management simple.

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