



**Copenhagen
Business School**
HANDELSHØJSKOLEN

Process and Service Orientation in ERP Software

Petra Schubert

**Centre for Applied Information and Communication
Technologies – CAICT
Copenhagen Business School**

Norbert Frick

**Institute for IS Research
Department of Computer Science
University of Koblenz-Landau**



Agenda

- **Study design**
 - Theoretical background of the study
 - Facts and Figures
- **Findings**
 - Processes
 - Services
 - Operation
- **A glimpse into the future**



ERP Future Lab Koblenz

- Test environment for ERP vendors
- Test environment for ERP users
(support for evaluation process)
- Environment for student works
(e.g. E-Shop/ERP integration)
- Study on network effects for business
collaboration
- Focus: Interoperability

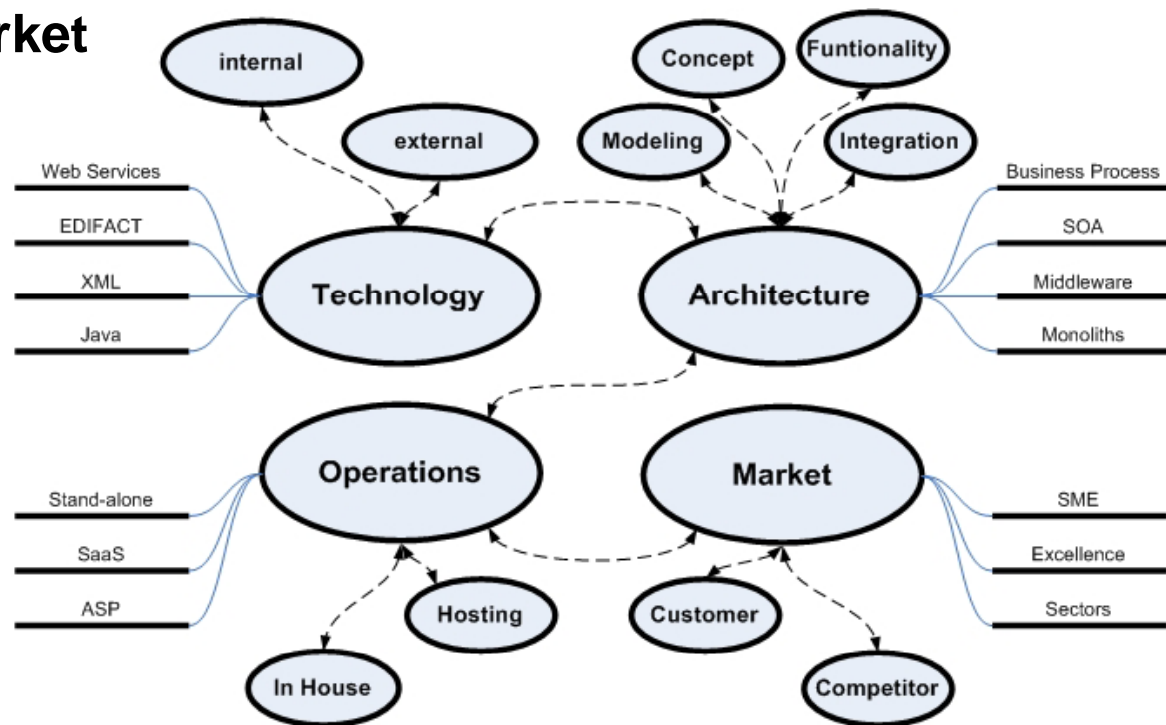




Study design 1/2 – Theoretical Background of the Study

■ Aspects of ERP Systems

- Architecture
- Technology
- Operations
- Market





Study design 2/2 – Facts and Figures

- **Company interviews: 130 in Germany**
- **Responses: 32**
 - **Response Rate: 24.6 %**
- **Participants: e.g. Microsoft, Oracle, SAP, IFS, PSI, SageBäurer and many more**
- **39 questions concerning 4 aspects:**
 - **Architecture**
 - **Technology**
 - **Operations**
 - **Market**



Findings

- **Agility – Processes**
 - Modelling
 - Code Generation
 - Standards
- **Agility – Services**
 - SOA
 - SOA capable
- **Agility – Operations**
 - SaaS



Agility – Processes

- Divide between demand of users for systemized process design and modelling availability of vendors
 - 51% of vendors offer modelling possibilities
 - With existing tools
 - With self-deployed modelling techniques
 - 25% enable code generation from visual modelling
 - Offers range from workflow rules to class diagrams
 - 25% of vendors support process standards
 - Internal as well as cross-company processes
- “ERP systems are too complex to make business process modelling worthwhile”
(vendor citation)***



Agility – Services

- **Services established as important component in ERP systems**
 - **53% use services within their system architecture**
 - **28% as integral service oriented architecture (SOA)**
 - **25% as SOA capability**
- **Main purpose: offering functionalities externally**
 - **Reason: no uniform understanding of SOA (big vendors)**
 - **Reason: new concept means new programming**
 - **Result: re-use of legacy systems possible**

***“We can’t do SOA, we are SOA”
(vendor citation)***



Agility – Operations

- SaaS established as operational model
- 31% of vendors state: SaaS possible
- Initiatives of big vendors such as SAP or Oracle enforce trust in security and integrity of SaaS offers

***“We provide in-house, ASP and SaaS but neither ASP nor SaaS are desired by customers.”
(vendor citation)***



Results – Future Requirements of ERP Software

- **Pragmatic approach**
 - Graphical processes a common feature
 - Industry standards not necessary
 - Reuse of “old” systems as pragmatic approach
- **Conceptual design**
 - Code generation a nice-to-have
 - Agile architecture as basis for agile processes
 - Hosting solutions struggle for acceptance

***“As far the market goes, it’s:
evolution not revolution!”
(vendor citation)***



A Glimpse into the Future 1/3

- **Proximity to customers vs. technological leadership**
 - 65% of vendors see their strength in technological advancements (see Web Services, SOA, etc.)
 - Only 18% value proximity to customers
 - SaaS technological buzzword, but the concept of SaaS will put a distance between vendors and customers
 - Large vendors like Microsoft or SAP want to enforce their customer contact with the help of partners

Divide between the two developments constitutes a great challenge for the next years



A Glimpse into the Future 2/3

■ Consolidation vs. growth

- 37% of vendors believe in continuing market consolidation
- Especially big vendors will continue to “buy” market share
- 59% of vendors want to increase their market share
- Who buys and who is bought?

Divide between the two developments constitutes a great challenge for the next years



A Glimpse into the Future 3/3

■ Market development

- Smaller vendors with standard software for SMEs will have to increase their efforts
- Possible protective measures for smaller vendors
 - Enforce niche excellence

***“From our viewpoint the trend towards specialization on sectors will continue”
(vendor citation)***

- Greater customer proximity

***“It will be more important to link with others in the future”
(vendor citation)***



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Thank you for your attention!

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