

IDC MarketScape: Asia/Pacific SaaS and Cloud-Enabled SMB/Midmarket Segment ERP 2024 Vendor Assessment

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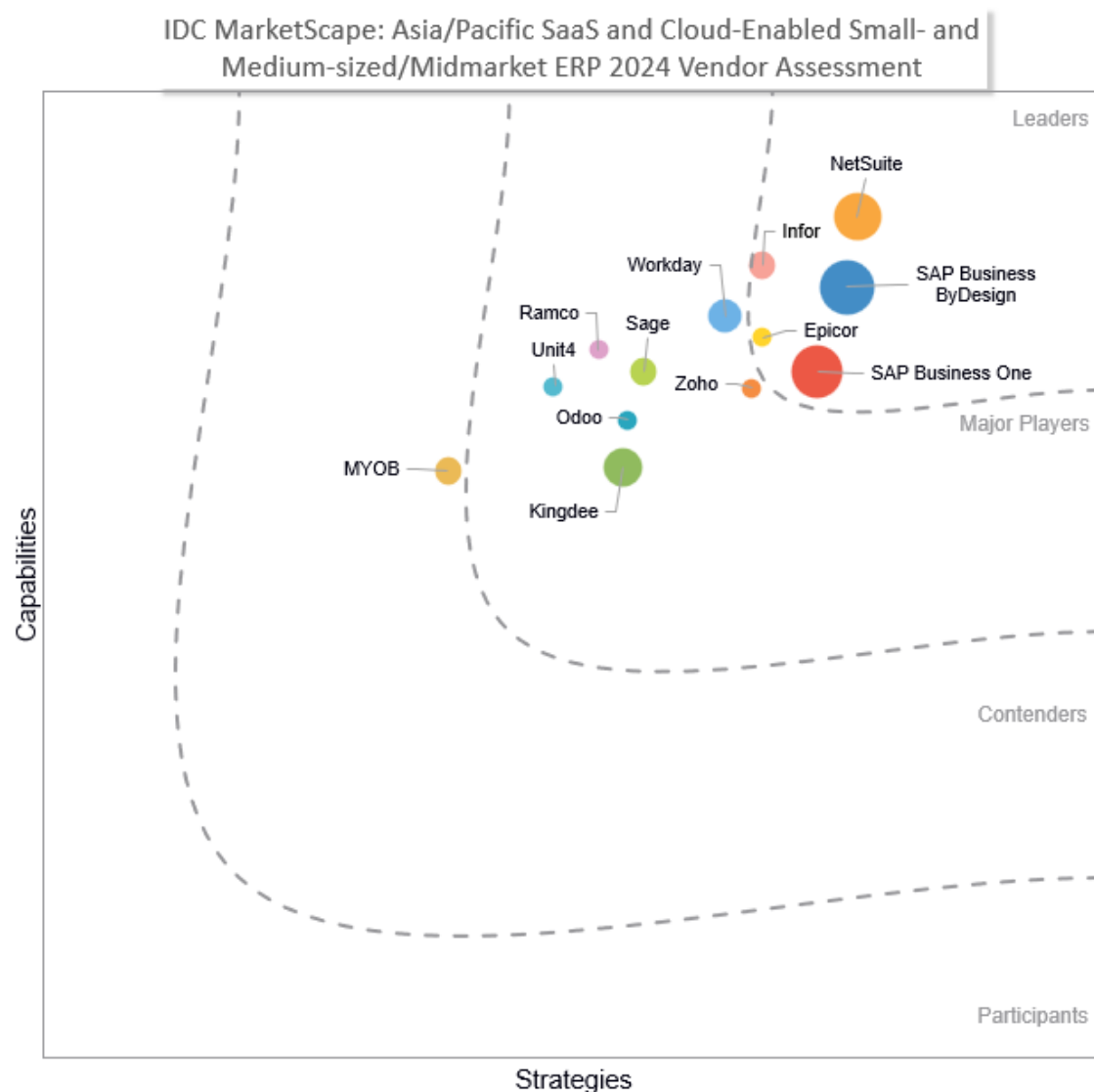
Daniel-Zoe Jimenez

THIS MARKETScape EXCERPT FEATURES: EPICOR

IDC MARKETScape FIGURE

FIGURE 1

IDC MarketScape Asia/Pacific SaaS and Cloud-Enabled SMB/Midmarket ERP Vendor Assessment



Source: IDC, 2023

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

IN THIS EXCERPT

The content for this excerpt was taken directly from Asia/Pacific SaaS and Cloud-Enabled SMB/Midmarket Segment ERP 2024 Vendor Assessment (Doc #AP49713023). 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

Shift Toward Cloud-Based Platforms

Small and medium-sized businesses (SMBs) (<500 employees) and midmarket companies (500–999 employees) in Asia/Pacific are increasingly migrating their workloads to the cloud as they realize its benefits in achieving cost efficiency, scalability, remote work accessibility, and overall business agility. According to *IDC's Software and Public Cloud Services Spending Guide Forecast 2023*, the vendor revenue of Asia/Pacific (including Japan) (APJ) software and public cloud services is expected to grow from US\$77.5 billion in 2022 to US\$143.3 billion in 2026 at a compound annual growth rate (CAGR) of 16.6%.

IDC research shows that while investing in cloud technologies, out of the total planned cloud spending, companies (SMBs and midmarket segment) will increase their expenditure on software as a service (SaaS) in the next 12 months. This shift toward SaaS reflects the growing demand for flexible and customizable software solutions and centralized decision making that can support business operations across various industries. Cloud-based enterprise resource planning (ERP) enables remote access to business data and applications, enhances collaboration among teams, provides global accessibility, and enhances overall efficiency and agility for businesses of various sizes. In fact, *IDC Asia/Pacific Future SMB and Midmarket Survey, 2023* shows that ERP applications will be among the top priority investment areas for 17% of companies in Asia/Pacific.

Optimizing Business Operations with ERP

ERP solutions encompass a range of functionalities, including finance, human resources (HR), supply chain management (SCM), manufacturing, customer relationship management (CRM), and more. Such software solutions integrate, streamline, and optimize various business processes and functions across a company into a unified system, enabling businesses to make informed decisions and respond effectively to market changes. As the digital economy progresses, the finance, manufacturing, supply chain, sales, and asset management functions will play a larger role in driving business growth and success. Also, as companies grow, their operations will get complex and require more efficient and streamlined processes.

In our conversations with operations, IT, and business leaders of SMBs and midmarket companies, we found that the following ERP capabilities were in high demand:

- **Integration.** Most companies have varied applications deployed to meet their specific requirements, which become an integral part of their business over time. One of the attributes customers stated that robust ERP should have is its ability to seamlessly connect multiple systems, enabling a holistic view of the business performance. The flexibility and speed of integration with less IT support are also fundamental to businesses of this size to better react to dynamic market conditions.
- **Customizability.** Another attribute of a robust ERP system is its customizability. A flexible ERP must accommodate the unique needs of businesses of different sizes. The ability to easily customize the system without extensive IT support allows businesses to tailor ERP systems to

their specific processes and workflows that can help them maximize efficiency and productivity.

- **Analytics and reporting.** One of the core aspects of a perfect ERP system is its ability to provide comprehensive analytics and reporting capabilities. This can allow businesses to aim for valuable insights into their operations, identify trends, and make data-driven decisions. ERP solutions that offer customized reporting options and extensive, user-friendly dashboards with real-time insights can enhance the decision-making processes of SMBs and midmarket companies.
- **Anywhere, anytime access.** ERP solutions that provide remote or on-the-go access through mobile devices allow employees to make informed decisions even when they are not in the office or are working remotely. It helps employees and business functions stay connected no matter where they are, enabling them to respond quickly to market changes and make timely decisions, ultimately driving growth and success.
- **Interface usability.** SMBs and midmarket companies often do not have highly skilled resources and cannot invest heavily in training to learn complex software interfaces. Therefore, it is crucial for ERP tools to provide a user-friendly interface that is easy to navigate and understand. An intuitive interface reduces the learning curve and empowers users to analyze data faster.

The goal of this document is to provide potential SMB and midmarket customers with a list of ERP software companies with established APJ presence. We have profiled and assessed their capabilities and strategies to support technology buyers with their purchase decisions.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

- Vendors must have a modern cloud offering, such as SaaS or a cloud-enabled solution.
- The ERP system must have a general ledger as part of the system.
- The vendor should be active in Asia/Pacific and have presence in at least two markets 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).
- Vendors must have at least 30–50% of their revenue from large enterprise organizations or SMB organizations of 10–999 employees.
- Vendor inclusion also includes market presence and information the vendors provide us with and IDC's market share and forecast efforts in the ERP applications.

ADVICE FOR TECHNOLOGY BUYERS

Choosing a perfect ERP that meets both business and industry needs can be a complex task for small, medium-sized, and midmarket companies because of their lack of resources in terms of skill and personnel. ERP systems are also rapidly evolving as vendors strive to create adaptive and intelligent solutions that deliver value to their customers. Vendors in this space are increasingly investing in research and development (R&D) to redesign and enhance their applications with technologies, such as AI. The process of choosing the best vendor and deployment partner may take a while. Tech buyers should pay attention to the following considerations while purchasing ERP software:

- **Scalability.** While evaluating ERP vendors, consider the scalability and functionality of the tools. A robust ERP tool must have the capabilities to scale as your business grows (i.e., it must accommodate increased data volumes, users, and transactions without significant disruptions). Additionally, if your company plans for global expansion and increasing the number of employees, the system should support increased complexity and diverse requirements.

- **Deployment.** Ensure that chosen vendors and their partners have the required knowledge and expertise and follow best practices and standardized approaches. This will help ensure a smooth implementation process and minimize potential disruptions to existing systems.
- **Localization and multilingual support.** Asia/Pacific has a diverse range of languages, cultures, and regulations, so ERP vendors must provide localization and multilingual support. Ensure that the chosen vendor complies with local laws and accounting practices, ensuring legal compliance and smooth operations in the markets you operate.
- **Governance and compliance requirements.** Given the cultural diversity in the Asia/Pacific region, ensure that the chosen ERP solution is flexible to accommodate diverse regulatory environments, such as financial regulations and accounting standards, taxation, HR compliance, security and data privacy, and trade laws. Above all, the ERP solution you choose should include features that help businesses identify, assess, and mitigate risks associated with noncompliance.
- **Pricing.** To avoid vendor lock-ins, look for suppliers that offer options, flexibility, and pricing structures that can be tailored to your company's requirements. Additionally, several ERP suppliers offer free trial and freemium versions of their products, particularly for small and medium-sized enterprises. This can help you test the software before making a purchasing decision. Additionally, consider the scalability of the software to ensure it can accommodate your business growth without requiring significant changes and upgrades.
- **Customization needs.** Consider the customizability of the software, including if it needs technical knowledge or can be done by nontechnical employees in your company. Examine the open source capabilities, configurations, and application programming interfaces (APIs) offered by vendors. These can aid in modification to meet your unique business requirements. Consider the long-term effects of customization, such as potential challenges in the future when upgrading or connecting with other systems.
- **Industry fit.** It is crucial to evaluate whether the vendor has experience working with companies in your industry and if their solution can effectively address your unique challenges. Ensure the vendor's offering complies with the rules and specifications unique to your industry.
- **Innovation.** Consider an ERP system that offers continuous innovation by incorporating emerging technologies, such as AI, ML, natural language processing (NLP), and generative AI (GenAI). This can help you enable personalized and customized experiences within the ERP system, in addition to task automation. This can help you stay competitive in the evolving digital landscape.

FEATURED VENDOR PROFILE

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

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 Asia/Pacific SaaS and cloud-enabled SMB/midmarket segment ERP applications.

Founded in 1972, Epicor has headquarters in Austin, Texas, with offices across Asia/Pacific, including ANZ, China, Hong Kong, Malaysia, Indonesia, Singapore, Taiwan, Thailand, and Vietnam. Epicor provides ERP solutions to midmarket companies. Epicor Industry ERP Cloud functionality includes CRM, enterprise content management, planning and scheduling, project management, BI and analytics, financial management, production management, quality management, service and asset management, SCM, risk management, sales management, and ecommerce. The company's solutions aim to address the specific needs of businesses in the manufacturing industry that focuses on industrial machinery, fabricated metals, electronics and high tech, medical devices, furniture and

fixtures, automotive, aerospace and defense, consumer goods, and rubber and plastics. The company acquired KBMax in 2021, a configure price quote (CPQ) solution, to enhance its sales functionality, and in 2022, Epicor acquired Grow, a BI platform. Recently, the company acquired Scheduling Plus, an employee scheduling and payroll tracking software; and Elite Extra, a leading provider of cloud-based last-mile delivery solutions.

Quick facts about Epicor:

- ERP product name: Epicor Industry Cloud ERP
- Employees: 4,500 employees
- Total number of clients: Over 23,000
- Globalization: Global presence with offices in 34 countries
- Multilanguage support: 30 languages, including Simplified and Traditional Chinese, Thai, and Vietnamese
- Ideal customer size: Midmarket companies (500–999 employees)
- Mobile: Available for IOS and Android devices
- REST API: Yes
- Pricing model: Consumption-based pricing, tiered pricing
- Partner ecosystem: Over 351 partners globally (76 reseller partners across the AP region)

Strengths

- **Brand perception.** Epicor has a strong brand image globally with deep industry knowledge and expertise, particularly in the manufacturing sector. Several customers interviewed by IDC stated that Epicor's expertise in the manufacturing subsectors has allowed them to streamline their operations and improve efficiency.
- **Integration and customization.** Several customers stated that Epicor enables them to customize their ERP to meet the needs of their business. Additionally, the integration capabilities of the tool allow them to adjust and integrate the software with other processes without the need for external consultants.
- **User interface (UI).** Several referenced customers mentioned that the UI has been convenient, easy to use, and understand on its own. The intuitiveness of the interface makes the tool easy to navigate.

Challenges

- **Customer support.** Some customers raised issues with Epicor's ability to provide timely support at times. Although the support provided by Epicor is usually fast, some customers stated that there is still room for improvement, as sometimes they had to go through multiple touch points to arrive at an implementable solution.
- **Implementation.** Some customers mentioned that the implementation took a bit longer than expected, especially through third-party partners. Most customers mentioned that they experienced communication problems from the vendor during the implementation process. One customer said that Epicor communicated major updates via email and that they would appreciate more direct contact from the vendor.
- **Product road map communication.** Although the platform keeps getting better over time, several customers highlighted the lack of vendor's product update communication. One customer noted that product road maps and updates communicated are sometimes difficult to understand. This reflects the need for Epicor to provide more proactive communication from the vendor with respect to product development, vision, and new technology features.

Consider Epicor When

Consider Epicor when you are a midmarket company focused on manufacturing, distribution, building supply, automotive, and retail industries.

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 with 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, behaviors, 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 human capital management (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 UI. ERP solutions are available as on-premises, hybrid, and cloud SaaS deployments.

Related Research

- *The Cloud Adoption Strategies and Buying Behavior of Small and Medium-Sized Businesses and Midmarket Companies in Matured Versus Emerging Markets* (IDC #AP49171323, March 2023)
- *Asia/Pacific Cloud Adoption Trends in 2023 and Beyond for Small and Medium-Sized Businesses and Midmarket Companies* (IDC #AP50245723, March 2023)
- *Market Analysis Perspective: The Growing Demand for Cloud Enterprise Resource Management Solutions for SMBs in the Asia/Pacific* (IDC #AP48817322, November 2022)

Synopsis

This IDC study provides a thorough assessment of market-leading software-as-a-service (SaaS) and cloud-enabled small and medium-sized business (SMB) and midmarket segments' enterprise resource planning (ERP) applications and discusses the criteria that are most important for companies to consider when selecting a solution.

"SMBs and midmarket companies in Asia/Pacific are redefining possibilities, navigating change, and illuminating a path to sustainable success in the digital age. These businesses are realizing that embracing ERP solutions can be catalysts for transformation. An efficient and modern ERP solution must enable SMBs and midmarket companies to increase their capacity to innovate, compete, and grow indefinitely," says, Supriya Deka, senior market analyst, IDC Asia/Pacific Small and Medium-Sized and Digital-Native Businesses.

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. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

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