

When a company decides to go in for ERP it is faced with the difficulty in choosing the service provider. Almost all of them are identical. An ERP vendor will be able to succeed in the market only if the services are up to industry standards and the product has something more to offer when compared with the nearest competitor.

Total Solutions: Old Wine in a New Bottle

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1. Introduction

In the history of software, few debates are more enduring than the perennial question of buying an integrated application suite vs. taking a best-of-breed approach. Far from being a settled matter, the discourse if anything has become more intense in the last year or two. Large enterprise software vendors such as [SAP America](#) and [Oracle](#) have announced additional modules and capabilities designed to round out their core enterprise resource planning (ERP) functionality to meet manufacturers' every need.

On the other hand, current economic conditions are driving manufacturers of all sizes to focus on implementing more discrete application components for a quicker return on investment. Many corporate financial officers are less likely to allocate funding for big-bang software projects with so many ERP modules still sitting unused on the shelf. Also, the new extensible markup language (XML) and other technologies that collectively comprise Web services promise to ease integration pain, if not today then in the very near future.

Indeed, the combination of current economic conditions and the Web services technology are giving rise to a new label for the enterprise wide integration. The term "total manufacturing solutions" is an up-and-coming buzzword, but it means basically the same thing as "integrated software solution" or "integrated suite." The idea is that a single vendor offers a suite of applications that aim to meet every possible software need a manufacturer might have. For example, [Invensys PLC](#), uses the motto "Bob to boardroom" to describe the ability to get data from "Bob" the shop floor engineer all the way up to the executive suite.

The integrated strategy was especially popular in the late 1990s, when executives found it much easier to put their hands on the money needed for such "big-bang" rollouts. With the entire manufacturing enterprise standardized on technology from one vendor, efficiency would skyrocket, costs would decrease, and headcount could be reduced. At least, that was the theory.

However, many of those massive implementations stalled after the basic functionality was put in, leaving companies disillusioned and suffering the consequences of paying for unused licenses and functionality. Many executives vowed to concentrate on shorter implementations with the promise of faster payback.

2. *Integration Points*

Still, there is much to recommend the integrated solution approach. Going with one vendor greatly reduces complexity, in terms of both technology and human interaction. Using an integrated suite is arguably less costly than taking a best of breed approach, which can require an enormous effort to integrate the disparate components as well as legacy systems. Volume improves pricing. The more licenses and modules you purchase from a single vendor, the more attractive costs are likely to be.

Mid-market manufacturers find integrated solutions particularly compelling, according to Scott Rich, Vice President of Marketing for Lilly Software Inc., an enterprise software vendor in Hampton, N.H. "The middle tier does not have the funds or the IT staff to do the integration of multiple applications," says Rich. But while cost starts off as the top issue for manufacturers considering going with a single vendor, "then they realize how beneficial it is to have a fully integrated suite of applications where all the departments are sharing the same data and collaborating."

One benefit of having a single database is the ability to see in real time how different scheduling scenarios affect profitability. "Most companies that have best of breed would pass scheduling data into a different system and not have the visibility into the financial side of the house. Because our systems are integrated, you have more intelligence on where you might make more money," says Rich.

Large software vendors such as SAP, Invensys (which owns Baan) and I2 Technologies have begun to sell components of their suites rather than pushing the entire package down cash-strapped manufacturing executives' throats. But that doesn't mean they are turning away from integrated suites, says Greg Gorbach, Director of Collaborative Manufacturing Research for ARC Advisory Group Inc. in Dedham, Mass. "They would love to sell you the whole suite. But at the high end, the market is beginning to turn away from that," says Gorbach. "Instead of seeing things delivered as massive integrated applications, we'll see solutions delivered as collections of components."

This shift is an attempt on the part of vendors to counter the perception that integrated suites take far too long to implement and realize return. Even where companies elect to purchase the entire suite, practicality dictates that they roll it out one module at a time. But between the time you start the implementation and you get around to installing every last module, much has changed in your world.

"The software changes, new products come to market. Down the line you might find a product from another vendor that would suit your needs much better," says Mike Burkett, Research Director, Global Manufacturing Strategies Group, for AMR Research Inc., in Boston. One simple rule of thumb: If you don't realistically expect to implement a module for a year or more, don't buy it.