Click a headline below to view a summary of the note.

For a description of the Research Capture Methodology, please refer to the Appendix at the end of this report.

Title:	**Reva Systems and Oracle Join Forces to Extend RFID's Business Value**		
Firm:	Aberdeen	# Pages: 5	Ref: 17332
Author(s):	Michael Dortch	Reference: 5222-AI	
Type:	General Research	Publication Date: 6 /9 /2008	

Synopsis: Radio Frequency Identification (RFID) solutions are enabling business benefits at many enterprises. Users are seeking ways to increase those benefits through greater integration of RFID technologies with key operational business applications. RFID infrastructure solution provider Reva Systems recently announced an alliance with enterprise information management giant Oracle, intended to facilitate such integration.

For its March 2007 Benchmark study, "RFID in Retail: The Truth Behind the Hype," Aberdeen surveyed more than 150 retail companies and found that the number of retailers allocating budget to RFID initiatives in 2008 was roughly double that identified by research conducted in 2007. Aberdeen used three key performance criteria to distinguish Best-in-Class retailers from other survey respondents. Based on these indicators, Best-in-¬Class retailers enjoyed the following performance improvements:
- Customer satisfaction has increased over the past two years by an average of 12%
- 94% have improved employee productivity
- 78% have increased inventory turns by an average of 5.4%

On April 29th, Reva Systems announced that it is working with Oracle to enable Oracle E-Business Suite customers to capture and leverage RFID-generated data. Specifically, Reva and Oracle are collaborating to enable Reva Tag Acquisition Processors (TAPs) to process raw RFID data and deliver only relevant and high-quality RFID information to the Oracle E-Business Suite. In addition, Reva also offers enterprise RFID management tools with which Oracle users can remotely operate and manage RFID devices and supporting infrastructures. These developments, along with similar announcements from other IT and RFID vendors, will help to multiply choices for users seeking to integrate RFID deployments with one another and key business applications.

Key Takeaways:
- Find and go after opportunities now
- Centralize RFID and other data
- Be open to change and risk
- Choose vendor partners wisely

Competitor	Focus	Sentiment
Oracle	Feature	Neutral

Title:	**OATSystems: Extending RFID's Business Value with Oracle, SAP Integration**		
Firm:	Aberdeen	# Pages: 4	Ref: 17453
Author(s):	Michael Dortch	Reference: 5225-MA	
Type:	General Research	Publication Date: 6 /13/2008	

Synopsis: On June 4th, Radio Frequency Identification (RFID) solution provider OATSystems announced integration of its Foundation Suite for RFID enablement with Oracle Applications. On the same day, the company also announced that biopharmaceutical company Cephalon had selected OATs' RFID solution for serialized shipment container tracking, extending Cephalon's SAP Auto-ID Infrastructure to support operational processes and workflows. Aberdeen research indicates that companies using or considering use of RFID are increasingly focused on the ability to integrate RFID with core operational business applications. In fact, this trend has been accelerating since 2007, when 62% of respondents surveyed for Aberdeen's Benchmark Report “Can RFID Deliver the Goods?” reported that integration was their top RFID-related cost concern.

Aberdeen research finds that Best-in-Class early adopters are enjoying significant business benefits from their RFID investments, and are seeking to extend these through greater integration. Those companies that have not yet adopted RFID are looking for clear and rapid paths to meaningful ROI. These also require integration with core business IT resources. In all cases, such integration requires proactive, comprehensive management of agile, flexible, and business-driven IT infrastructures. Best-in-Class users rely upon experienced, expert, and well-partnered vendors and systems integrators to overcome these challenges and translate RFID and other technologies into business benefit and value.

Key Takeaways:
- Find and go after opportunities now
- Choose carefully
- Centralize RFID and other data
- Measure, test and manage – comprehensively, regularly, and proactively
- Be open to change and risk
- Choose vendor partners wisely

Competitor	Focus	Sentiment
Oracle	Feature	Neutral
SAP	Feature	Neutral

Title:	**Will 2008 Finally be the Year of Plant-to-Enterprise Integration?**		
Firm:	Aberdeen	# Pages: 6	Ref: 17575
Author(s):	Cindy Jutras	Reference: 5228-AI	
Type:	General Research	Publication Date: 6 /18/2008	

Synopsis: Plant-to-enterprise integration has been a recurring theme amongst manufacturing IT solution providers for at least three years. Rockwell Automation has been no stranger to this movement. Yet for the vast majority of senior executives of manufacturers, the plant floor remains a black box into which they pour raw materials, labor, energy and capital, hoping to get product out the other end to fuel revenue streams and profits. Few corporate executives looking at the overall business have any idea what is going on out on the plant floor, and line managers on the plant floor have limited visibility into the effect their actions have on the business.

On June 2-3, 2008 Rockwell Automation brought together executives from over 30 eminent manufacturing companies and all of its major partners (IBM, Cisco, Microsoft, OSIsoft, and Dassault Systemes), to explore the convergence of information technologies and manufacturing operations. In 2008, as Rockwell continues to put context around the vast quantity of data these manufacturers are confronted with daily, will this vision of integration finally become a reality?

Rockwell has taken some specific steps to close the gap and break down some of the traditional barriers between the plant floor and the executive suite. But until recently, there was a gap where that intelligence layer belonged. The recent announcement of the acquisition of Incuity is meant to close that gap. While Incuity EMI is a useful tool across a horizontal mix of industries, its true value lies in the development of specific applications which take advantage of the tool set. Rockwell's partnership with Cisco is another important piece of the puzzle. The two companies have teamed up to deliver key initiatives aimed at providing a completely integrated network architecture, uniting production intelligence with the rest of the enterprise. The use of open standards provides the flexibility to use common components across multiple systems, and supports connectivity via the World Wide Web, providing visibility to and management of virtually any device from any location. On the design side, in December 2007, Rockwell Automation and Dassault Systemes announced their alliance to develop a joint utility that integrates Rockwell Automation's RSLogix5000 design and configuration software with DELMIA V5 Automation.

The value proposition that can be built around making manufacturing activities and real-time data transparent across multiple levels of management and varied business processes is in theory huge. Although a long-held vision, few companies have been able to bring this to fruition for a number of reasons. As Rockwell continues to deliver the tools, executives from manufacturing companies need to develop the thirst that will force them to take that drink.

Competitor	Focus	Sentiment
Rockwell	Primary	Positive
Cisco	Significant	Positive
Microsoft	Brief	Neutral
Dassault	Significant	Positive
IBM	Brief	Neutral

Title:	**Are the Barriers to SaaS ERP Breaking Down?**		
Firm:	Aberdeen	# Pages: 9	Ref: 17679
Author(s):	Cindy Jutras	Reference: 5236-AI	
Type:	General Research	Publication Date: 6 /20/2008	

Synopsis: A year ago, Aberdeen characterized Enterprise Resource Planning (ERP) as the "Last Bastion of Resistance to Software as a Service (SaaS)". Today, industry observers and the trade press imply this delivery model has gained so much traction in other software categories that it is literally "on fire." Is ERP really that far behind? With limited options available for SaaS ERP, can we get a clear picture of its status and potential?

Terms such as SaaS (or On Demand) and hosted are often misused and used interchangeably. Yet each has its own implications. Aberdeen recently collected over 1,200 survey responses in preparation for its annual "2008 ERP in Manufacturing" benchmark. While last year's July study saw a very significant jump in willingness to consider SaaS from 10% to 26%, there was a more modest increase this year to 28%. Survey participants were allowed to check all options they were willing to consider. Overall, the simple fact that 22% of respondents were not willing to consider traditional software licenses operated on-premise is a clear indication that companies are actively seeking alternatives. This percentage was quite consistent year over year.

With hundreds of thousands of ERP installations worldwide, only a fraction of one percent is deployed as SaaS. The closer an application comes to the core planning and transactional elements of ERP, the lower the adoption of SaaS models. What is the real reason for SaaS ERP lagging behind other software categories? Security and control are at the root of the resistance to SaaS ERP. In spite of increased confidence in electronic forms of communication by both businesses and consumers today, 51% of those who will not consider this deployment model for ERP cite security concerns. This, coupled with the 37% who express concern over the risk of ERP not being accessible because of downtime shows that the confidence level could be higher. The desire to control their own ERP implementation, including the upgrade process, is paramount, as well as the reluctance to relinquish control of their most basic system of record.

While 28% of survey respondents signaling a willingness to consider SaaS is by no means a majority, this number continues to grow. This bodes well for those that currently offer SaaS ERP and leaves room for perhaps more entrants into the market.

Key Takeaways - SaaS may indeed provide welcome relief to:
- Companies operating in remote areas where IT resources are scarce
- Companies in low-tech industries which find it hard to recruit and retain IT talent
- IT staffs with outdated skill sets
- Companies worried about their own aging work force

Competitor	Focus	Sentiment
SAP	Significant	Positive
IBM	Brief	Neutral
Salesforce.com	Brief	Neutral
NetSuite	Significant	Positive

Title: **Europe Outperforms North America in Employee Performance Management**

Firm: Aberdeen # Pages: 6 Ref: 17680
Author(s): Kevin Martin Reference: 5239-SI
Type: General Research Publication Date: 6 /20/2008

Synopsis: Aberdeen's May 2008 benchmark study, "Managing Employee Performance," surveyed more than 900 organizations worldwide regarding their employee performance management practices. Included in this study is data collected from 158 organizations headquartered in Europe and 610 organizations headquartered in North America. The data shows that organizations headquartered in Europe, while 20% less likely than their counterparts in North America to have a formal process for managing employee performance, are achieving greater average performance gains in key performance criteria than those based in North America.

In terms of measuring actual employee performance, European-based organizations focus mainly on goals whereas North American organizations focus primarily on performance ratings. This emphasis on goal setting is a critical component of linking individual performance to organizational objectives. To reinforce these goals and ensure both the manager and employee are aligned regarding expectations, 37% of organizations based in Europe conduct formal employee reviews twice annually (which is 42% more than for their North American counterparts) and 50% conduct informal reviews monthly or at least annually versus only 39% of their peers in North America.

As highlighted in Aberdeen's "Managing Employee Performance" Benchmark Report, organizations that automated their employee performance management process have achieved greater performance gains across all key performance indicators measured in the study. Thirty-eight percent of organizations based in Europe have automated all or parts of their performance management process, compared to 34% of North American organizations. One area of automation where European organizations appear to focus most (and do so more than their North American counterparts) centers on the use of assessments and competencies.

European-based organizations are also leading the way when it comes to integrating employee performance management with other elements of the talent management value chain. And 68% of organizations based in Europe assess the performance of their employee performance management program against its intended impact at least once annually - compared to 52% of those based in North America.

Required Actions - European-based organizations are more apt to automate employee performance management than their North American counterparts and achieve greater average performance gains in critical KPIs. Despite this, they lag Best-in-Class and Industry Average organizations in processes and workflows that support employee performance management. These organizations can improve by pursuing the following:
- Define the metrics against which your organization will measure employee performance
- Expand the pool of reviewers to include more stakeholders
- Educate employees on how their personal performance affects the organization's goals

Competitor	Focus	Sentiment
None	None	None

Title:	**Integrating PLM & ERP: It's not just a one way street**		
Firm:	Aberdeen	# Pages: 6	Ref: 17682
Author(s):	David Houlihan Chad Jackson	Reference: 5244-RB	
Type:	General Research	Publication Date: 6 /24/2008	

Synopsis: As Product Lifecycle Management (PLM) takes on a larger footprint in the enterprise application ecosystem, manufacturers have begun to attempt to better track product information across the full lifecycle. Often, this takes the form of integration between PLM and an Enterprise Resource Planning (ERP) solution. While this is the most common area for integration work cited by participants in Aberdeen Group's April 2008 “Integrating the PLM Ecosystem” report, analysis also found a clear connection to company performance, with leading companies 40% more likely than the Industry Average to have integrated PLM and ERP. But what is more interesting is the fact that as more companies integrate these solutions, the role that PLM plays both in product development and in the enterprise changes.

Specifically, Best-in-Class performers that had not completed integration between PLM and ERP also did not report having integrated other enterprise applications. Laggards, on the other hand indicate a less focused approach to integration. What does it mean? The fact is that the Best-in-Class integrate their product development ecosystems in a progressive manner that always starts with a PLM and ERP connection. After that, they then move on to integrate other systems with PLM. So in this case, it not only matters what you integrate but also the sequence in what you integrate together.

Ninety percent of the respondents that have integrated ERP and PLM are sending BOMs from PLM to ERP, and 60% are sending change orders. What sets the Best-in-Class apart; however, is the integration of supplier and cost information. The Best-in-Class are more likely than other companies to bring actual costs, sourcing data, and supplier data from ERP to PLM. However, what is most interesting is that the Best-in-Class are also four-times as likely to be developing and integrating a "should be" cost in PLM that is sent to ERP.

ERP is the traditional data backbone of the enterprise ecosystem, serving as the central data source for many companies. This role appears to be changing as PLM continues its transition from an engineering tool to a full enterprise application. PLM is becoming the System of Record (SOR) - the primary, trusted data source - for a large amount of product data. This suggests that many manufacturers are taking a "start from the source" perspective on how they manage information across the enterprise.

Competitor	Focus	Sentiment
SAP	Brief	Neutral
PTC	Brief	Neutral
Siebel	Brief	Neutral
MatrixOne	Brief	Neutral
Oracle	Brief	Neutral
Infor	Brief	Neutral
Dassault	Brief	Neutral

Title: **Oracle Issues New Release for Retailers: Key Improvements for Retail Integration and Workflow**

Firm: Aberdeen # Pages: 3 Ref: 17683
Author(s): Benjamin Ream, Sahir Anand Reference: 5248-MA
Type: General Research Publication Date: 6 /24/2008

Synopsis: On June 19th, Oracle announced the release of R13, an end-to-end suite of retail-specific applications including point of service, price optimization, assortment planning / supply chain solutions, inventory, and markdown optimization. This Market Alert assesses this development in light of Best-in-Class retail need for store, headquarter, and supply chain process and system integration.

Data from the January 2007 “21st Century Retail” Benchmark Report indicated that ERP solution penetration in the retail industry has been dominated by three major suite application providers: Oracle (24%), SAP (14%), and JDA (11%). In the last three years, Oracle has focused on providing broader offerings to retailers beyond just an ERP suite. According to early adopters of R13, Oracle is headed in the right direction. Oracle has taken an end-user, customer-centric approach in folding applications together with common interfaces such as' Workspace'. The underlying SOA-based standards and middleware components are also likely to help retailers simplify their complex architecture needs that are driven by a combination of disparate systems. When compared to previous versions of Oracle Retail, this release is in sync with Oracle's global retail growth strategy that specifically ties retail headquarters and store optimization process workflow to the individual departmental needs of retailers.

By releasing R13, Oracle has essentially thrown down the gauntlet at the feet of its competitors. While some of the competition offers similar applications and functionality, Oracle's efforts at application integration, ease of use and increased productivity should garner a competitive advantage and alter the retail IT landscape. No longer will an "end-to-end suite of applications" vault vendors as a matter of course onto the "short lists" of retailer's preferring a single suite. If their efforts prove successful, Oracle has improved their position among retail suite applications vendors. Moreover, besides IBM, Oracle, and to some extent Epicor in the mid-market, none of the other major retail application vendors are 'walking the walk' when it comes to offering retailers solutions that address their complex application integration needs, common interfaces between applications, and international expansion requirements.

Competitor	Focus	Sentiment
Microsoft	Brief	Neutral
Oracle	Feature	Positive
IBM	Brief	Positive
JDA	Brief	Positive
SAP	Brief	Positive

Title:	**Solution Landscape for Closed Loop Inventory Management**		
Firm:	Aberdeen	# Pages: 11	Ref: 17685
Author(s):	Nari Viswanathan	Reference: 5245-RB	
Type:	General Research	Publication Date: 6 /24/2008	

Synopsis:

Inventory has been and continues to be the lifeblood of supply chains, especially in times of great economic difficulties. Properly managed, it drives revenue and efficiency for companies. Aberdeen benchmarked the people, processes, technologies, and metrics associated with inventory management in March 2008 with over 200 companies taking part in the survey. Inventory management has become a mainstream planning activity with 58% of companies indicating that they have had an initiative in place for more than two years. The solution landscape in this area is also active with various vendors with each having their own strengths in certain verticals, process areas, etc. This Research Brief explores the capabilities of the software vendors focusing on closed loop inventory management.

If we take a look at the strategic actions that companies are taking to manage these pressures we see the slight differences in approaches that the distribution centric and manufacturing centric companies have. Distribution centric companies are focusing more towards improving their inventory optimization processes, improving their forecasting accuracy and replenishment strategies. On the other hand manufacturing centric enterprises are focusing in addition towards improved ability to meet customer requested order dates and lean manufacturing.

Aberdeen's April 2008 “Technology Strategies for Closed Loop Inventory Management” study identified the concept of closed loop inventory management and highlighted the Best-in-Class differentiators. The details of these process steps are as follows:
1. Demand analysis
2. Inventory segmentation
3. Inventory optimization
4. Inventory replenishment
5. Global inventory visibility
6. Event management
7. Responsive execution

Vendor managed inventory is a long-established practice that continues to grow in popularity. Fully 84% of respondents at companies with more than $1B in revenue indicate that they have suppliers manage consignment inventory for them, as do about two-thirds of mid-market respondents.

Competitor	Focus	Sentiment
Oracle	Significant	Positive
IBM	Significant	Positive
i2	Brief	Neutral
SSA	Brief	Neutral
SAP	Significant	Positive
Red Prairie	Significant	Positive
Infor	Significant	Positive
JDA	Significant	Positive
Manhattan Assoc	Significant	Positive

Title: **Working Capital Optimization: Benchmarking Best-in-Class Supply Chain and Finance Strategies**

Firm: Aberdeen # Pages: 5 Ref: 17687
Author(s): Viktoriya Sadlovska Reference: 5249-RP
Type: General Research Publication Date: 6 /24/2008

Synopsis: The June 2007 benchmark report on “Working Capital Optimization” (WCO) surveyed 400 corporations and showed that for 65% of them, WCO was a high priority at the time. The top pressure driving companies to focus on WCO is the need for financial stakeholders to improve financial metrics. This, and other pressures, are driving companies to not only reconsider their financial and inventory strategies but also look into implementing technology platforms to help mitigate the impact of inventory, enable better access to funding, and streamline and automate their AR/AP processes. The June 2008 follow-up study will further investigate trends in this area and provide recommendations based on Best-in-Class approaches to WCO in the context of broader financial supply chain management.

In last year's study on WCO, Best-in-Class companies showed significant differentiation in their use of innovative supply chain/inventory and finance strategies and technologies. Aberdeen’s hypothesis (to be tested through the survey) is that in order to improve in these two critical areas, Best-in-Class companies adopt the following strategies:
- Improve processes and automation at their AR/AP organizations
- Evaluate the financing costs and opportunity costs of their current supply chain finance arrangements and adopt new arrangements/technologies to lower these costs
- Evaluate the impact of working capital (e.g. AR- or AP-targeted strategies) on the supply chain and the end-to-end finance costs for the company, and adjust strategies if necessary
- Adopt more efficient inventory management strategies to reduce both the levels of inventory and average inventory carrying costs, while simultaneously balancing it with improving/maintaining the levels of customer satisfaction. This includes evaluating innovative inventory financing approaches and adopting the appropriate options
- Adopt the transaction automation technology to improve the overall visibility of financial supply chain events and transactions

Competitor	Focus	Sentiment
IBM	Brief	Neutral
Ariba	Brief	Neutral
i2	Brief	Neutral
JDA	Brief	Neutral
Manhattan Assoc	Brief	Neutral
Oracle	Brief	Neutral
SAP	Brief	Neutral

Title: **E-Invoicing Meets Workflow**

Firm: Aberdeen | # Pages: 7 | Ref: 17779
Author(s): Amit Gupta | Reference: 5263-RB
Type: General Research | Publication Date: 6 /27/2008

Synopsis: Aberdeen's March 2008 Benchmark Report, The E-Payables Benchmark Series: Imaging and Workflow, found that enterprises that integrate invoice receipt with workflow display significantly lower invoice processing transaction costs and cycle times than those enterprises that don't integrate invoice receipt with workflow. This Research Brief will quantify the various benefits of integration as well as how enterprises can integrate invoice receipt with workflow by developing a centralized Accounts Payable (NP) operations structure, while utilizing e-invoicing solutions such as supplier networks.

Recommended Actions - To reduce its invoice processing cost and cycle time, an enterprise should consider undertaking the following actions:
- Structure a centralized model for A/P operations. A centralized organization model has benefits beyond simple scale. Centralizing the NP operations promotes standardization of invoice receipt, imaging, and workflow operations. Additionally, alignment of A/P with procurement and treasury is easier to achieve if fewer points of contact exist, and a centralized structure supports minimum touch points between various departments. More importantly, in a centralized model integration of invoice receipt with workflow is simplified
- Utilize e-invoicing solutions. Aberdeen research found that enterprises that integrate invoice receipt with workflow are more likely to use supplier network system to receive invoices and manage workflow. The various flavors of e-invoicing systems include supplier networks, supplier portals, and direct B2B integration with supplier using EDI / XML, p-cards. While eliminating human errors during invoice receipt, supplier network solutions also automate supplier enrollment, and supplier inquiry and discrepancy resolution. Of all the available technological solutions, supplier networks are perhaps the quickest enablement tool and offer the maximum capabilities to support both the procurement and A/P department, including catalog management, PO transmission, invoice receipt and workflow, and payment processing

Competitor	Focus	Sentiment
EMC	Brief	Neutral
Ariba	Brief	Neutral

Title:	**A/P: Imaging and Workflow in Large Enterprises**		
Firm:	Aberdeen	# Pages: 7	Ref: 17795
Author(s):	Amit Gupta	Reference: 5261-SI	
Type:	General Research	Publication Date: 6 /27/2008	

Synopsis: Aberdeen's March 2008 study for The E-Payables Benchmark Series: Imaging and Workflow, found that large enterprises (those with annual revenues greater than $1.0B) display significantly lower invoice processing transaction costs and cycle times than all other enterprises. This Sector Insight will discuss the drivers of better performance at large enterprises, while providing actionable recommendations for small and medium size firms to streamline their A/P department.

A/P has long been a paper-laden function rife with inefficiencies. As a result, Aberdeen research shows that top of mind areas for A/P professionals seeking to improve the performance of the A/P department are reducing invoice processing cost and lowering the invoice-to-payment cycle time. Aberdeen's study found that the key drivers behind a large enterprise's superior A/P performance are maturity of imaging and workflow solutions deployed, strategies for invoice data capture, organizational and process capabilities, and technology enablers.

To reduce their A/P transaction costs and cycle times, small and medium size enterprises should consider undertaking the following actions:
- Implement a centralized model for A/P operations
- Utilize front-end data capture with Optical Character Recognition (OCR) technology
- Utilize e-payables solutions

Competitor	Focus	Sentiment
Microsoft	Brief	Neutral
Oracle	Brief	Neutral
Infor	Brief	Neutral
EMC	Brief	Neutral
Ariba	Brief	Neutral
Sage	Brief	Neutral
SAP	Brief	Neutral

Title: **Lights, Camera, Action: Zycus Takes the Sourcing Stage**

Firm: Aberdeen | # Pages: 5 | Ref: 17796
Author(s): Andrew Bartolini, Christopher Dwyer | Reference: 5264-MA
Type: General Research | Publication Date: 6 /27/2008

Synopsis: Amidst a flurry of activity thus far in 2008, one of the most interesting highlights in the Global Supply Management sector to date has been the launch of the Zycus Spend Management Suite 5.0 and its two new modules, Zycus iPlan and Zycus iSource. The latest Zycus release builds upon its strong spend data management legacy to offer broad strategic sourcing capabilities and is a bold move into the highly competitive world of e-sourcing. According to the January, 2007 Advanced Sourcing and Negotiation Benchmark Report, enterprises that employ advanced sourcing strategies are driving innovation and building stronger supplier relationships by making better, more-informed decisions. And they are certainly saving money.

Zycus iSource is an e-Sourcing platform that offers comprehensive e-RFx processing, objective supplier bid evaluation, and multiple e-negotiation techniques. The module also utilizes Web 2.0 technologies, interactive graphical displays, and a collaborative workflow to present a usable and intuitive interface. Zycus iPlan automates the strategic sourcing planning process with a toolbox of features to help sourcing professionals profile categories and determine the best sourcing strategy.

Zycus' Spend Management Suite 5.0 is a recent release from a best-of-breed spend analysis provider and a welcome addition to a rapidly consolidating e-sourcing market. The new offerings will capture the attention of sourcing teams looking to automate their processes or those struggling to get their e-sourcing programs to the next level. While the e-sourcing capabilities found in iSource are solid and a natural addition to its current product line, Zycus' iPlan solution represents an innovative approach for enterprises struggling to develop and then execute strategic sourcing pipelines.

Competitor	Focus	Sentiment
None	None	None

Title: **Total Compensation Management: European Companies Are Not Quite There Yet**

Firm: Aberdeen
Pages: 3 Ref: 17797
Author(s): David Weldon
Jayson Saba
Reference: 5260-SI
Type: General Research
Publication Date: 6 /27/2008

Synopsis: In April 2008, Aberdeen's Human Capital Management practice completed a benchmark study on managing total compensation programs. The data reveals that 16% of European companies achieved Best-in-Class status compared to 20% of the aggregate sample. This is an indication that European companies are not quite equal in achieving performance gains as a result of their compensation programs.

European companies perform evenly when compared to those who are headquartered outside of Europe in three out of the four metrics used to determine Aberdeen's Best-in-Class performance for this particular study. Employee retention, however, is an area where Europe lags the rest of its peers. Organizations headquartered outside of Europe are 35% more likely to have increased employee retention from the previous year as a result of their total compensation programs.

European companies are lagging in providing visibility into compensation plans and tying compensation to individual performance. The data reveals that although 57% have defined compensation policies, less than half have communicated these policies to their employees. Moreover, only 19% enable real-time access to their employees to individual compensation data; and 15% provide managers with the ability to generate compensation reports. Lastly, only 17% of these companies are able to perform gap analysis between employee performance levels and compensation awards.

Key Takeaways: European based companies are not far behind their peers in the Americas and the Asia-Pacific region. They are working on a compensation foundation that is based on defining procedures and standardizing processes for collecting data. However, in order to address employee retention issues, they need to provide batter visibility for the employees and the managers into compensation plans. Both groups need to be able to see how compensation is tied into individual performance to avoid confusion and ensure fair remuneration for labor.

Competitor	Focus	Sentiment
None	None	None

Title: **Enterprise Asset Management: Maximizing Return on Assets and Emerging Trends**

Firm: Aberdeen
Pages: 24 Ref: 17850
Author(s): Matthew Littlefield
Reference: 4190-RA
Type: General Research
Publication Date: 6 /30/2008

Synopsis: Aberdeen Group's latest research in Enterprise Asset Management (EAM) reveals that Best-in-Class companies are using asset management strategies to reduce operational cost, improve profitability and hence improve the competitive edge in the market place. In this research report, Aberdeen Group surveyed more than 160 manufacturing executives to understand the strategies and business capabilities adopted by manufacturers to maximize Return on Assets (RoA) and reduce risk from failure of critical assets. This research will also uncover emerging trends around energy management initiatives adopted by companies to reduce energy consumption costs.

In the following analysis, Aberdeen uses three key performance indicators (KPIs) to identify Best-in-Class performance. Across these metrics Best-in-Class manufacturers averaged:
- 93% Overall Equipment Effectiveness (OEE)
- 97% plant throughput
- 3% downtime

Aberdeen's survey analysis shows that the firms enjoying Best-in-Class performance share several common characteristics:
- Best-in-Class manufacturers are 50% more likely to standardize asset maintenance and reliability processes across the enterprise
- Best-in-Class companies are three-times more likely to establish continuous improvement teams to focus on condition and Reliability Centered Maintenance (RCM)
- Best-in-Class companies are two-times more likely to utilize mobile devices integrated with the asset management solution

To achieve Best-in-Class performance, companies must:
- Improve visibility into production and asset performance across the enterprise through the use of asset analytics and dashboards
- Move from a break-fix maintenance approach to a more predictive approach by adopting advanced capabilities such as RCM
- Invest in an EAM solution and establish real time interoperability between EAM and ERP

Competitor	Focus	Sentiment
IBM	Brief	Neutral
Infor	Brief	Neutral

Title:	**The 2008 ERP in Manufacturing Benchmark Report**		
Firm:	Aberdeen	# Pages: 29	Ref: 17853
Author(s):	Cindy Jutras	Reference: 4903-RA	
Type:	General Research	Publication Date: 6 /30/2008	

Synopsis: Pressures to reduce costs outweigh all other business drivers impacting Enterprise Resource Planning (ERP) in 2008. While ERP is generally viewed as a necessary infrastructure, it is also a strategic weapon in streamlining and automating business processes – while providing visibility to those processes throughout the enterprise. This report explores feedback provided by over 1200 manufacturers, and aims to serve as a roadmap to those in the manufacturing community that desire to reduce costs, improve accuracy of inventory and schedules, and develop customer responsiveness through successful ERP implementations.

Aberdeen used five key performance criteria to distinguish Best-in-Class companies. While the implementation of ERP produced a reduction in costs and improvements in scheduling across all companies, Best-in-Class companies achieved significantly better results:
- 20% reduction in levels of inventory, with 97% inventory accuracy
- 95% manufacturing schedule compliance, and 97% on-time and complete shipments
- An average of 3.3 days to close a month

Survey results show that the firms enjoying Best-in-Class performance shared several common characteristics:
- Top performers implement 30% more ERP functionality
- The success of Best-in-Class ERP implementations in 32% more likely to be owned by line of business executives
- 73% of the Best-in-Class have standardized enterprise-wide procedures for order management, procurement, production planning and execution, cash collection, and financial reconciliation

To achieve Best-in-Class performance, companies must:
- Assign ownership of ERP success to line of business executives
- Continue to broaden and deepen use of features, modules, and extensions
- Standardize common processes and ERP implementation

Competitor	Focus	Sentiment
SAP	Brief	Neutral
Infor	Brief	Neutral

Title:	**Picking the Right Business Process Tools for SAP**		
Firm:	AMR	# Pages: 2	Ref: 17239
Author(s):	Bill Swanton	Reference: 21532	
Type:	General Research	Publication Date: 6 /2 /2008	

Synopsis: SAP has long been known as the business process champion. It's evident through the company's many software and documentation tools focused on capturing or executing business process. The recent announcement of SAP's new Business Process Management (BPM) product, Galaxy, at SAPPHIRE has generated a series of inquiries from clients trying to make sure they are investing in the right technology. Adding to this confusion is the evolution of the BPM market as it becomes an important part of developing a services-oriented architecture (SOA).

The term BPM has caused a lot of confusion in the market. Many different tools have adopted the label, but they are not interchangeable. Process and enterprise architecture modeling tools can handle more abstraction, such as the business intent, architectural detail, and document portions of the process that are not supported by any system. They are the only tools that can provide a rigorous, testable model of the entire business and its connections. Human workflow and enterprise application integration (EAI) tools only focus on the parts of the process they control, often providing some level of process documentation and simulation as well as execution. They provide one-stop shopping for designing and implementing individual business processes. SAP's NetWeaver BPM (Galaxy) is on track to fit this class.

The real difference is strategic versus tactical. Modeling tools lend themselves to long-term documentation and analysis of the business, processes, and systems that implement them. Other BPM tools, such as Galaxy, let you add innovative processes on top of the basic ERP and other enterprise applications your company already has. Tactical and focused, they generate high short-term value. The reality is that there is no single solution. SAP customers in particular will probably use a variety of tools for some time to come. Standardize on a few and understand the ones to pick up for a particular project.

Competitor	Focus	Sentiment
SAP	Feature	Positive

Title:	**Wyeth Focuses on an Integrated View of Operations With SAP MII**		
Firm:	AMR	# Pages: 2	Ref: 17253
Author(s):	Wayne McDonnell Alison Smith Hussain Mooraj	Reference: 21524	
Type:	General Research	Publication Date: 6 /4 /2008	

Synopsis: An efficient manufacturing response to downstream customer demand is a core capability of a demand-driven value network (DDVN). Effective execution in manufacturing requires an integrated view of operations and ancillary functions, such as warehousing, quality, and logistics. However, in life sciences companies, an integrated view of manufacturing operations has been largely nonexistent, with the industry replete with supporting evidence of this claim. Consider the product supply cycle times measured in weeks, inventories measured in months, and stockouts reported on a daily basis as just a few examples.

Life sciences companies tend to lag other industry segments in adoption of technology that could alleviate the visibility and integration conundrum. Without an integrated view of single plant operations, extending integration to a multisite network is ineffective, if not impossible. In late April 2008, SAP unveiled the Perfect Plant Center of Excellence for life sciences, representing the company's collective efforts with its partners Tata Consultancy Services (TCS) and MES provider Werum. In this particular case, SAP worked with TCS and Werum to develop a scenario that integrates the flow of order and materials information from SAP to Werum's MES. This workflow provides visibility into the results of the production execution process through finished goods testing and release.

SAP's Perfect Plant landscape is enabled by integrating applications at the enterprise level with operational systems, such as MES and laboratory information management systems (LIMS) using SAP MII. The application facilitates integration of data and workflows between SAP and non-SAP applications alike, precluding the need for lengthy and expensive custom integrations. Life sciences companies utilizing SAP for core financial or ERP functionality should use the application's capabilities to drive business process and IT integration efforts. Wyeth Pharmaceuticals implemented SAP MII in its manufacturing operations with exactly this goal in mind.

SAP MII is still first and foremost a toolkit, and Wyeth has experienced firsthand some of its limitations. For starters, SAP MII is essentially a development platform, and does not contain plug-and-play reporting and analytical applications. This was a challenge for the Wyeth team to overcome initially. With those limitations in mind, when it comes to the ease with which clients can utilize SAP MII to create transaction-level integrations between third-party applications and SAP, the application can't be beat. For the time being, users looking to deploy SAP MII are best served by looking to partners like TCS and others to bring commercial product discipline to their deployments.

Competitor	Focus	Sentiment
SAP	Feature	Positive

Title: **Oracle Peer Forum Summit Session: Experiences With E-Business Suite R12**

Firm: AMR — # Pages: 1 — Ref: 17296
Author(s): Bill Swanton — Reference: 21554
Type: General Research — Publication Date: 6 /6 /2008

Synopsis: Members are having a hard time finding business benefit to justify R12 upgrades, but the release seems less problematic than earlier upgrades to 11i.

Out-of-Service Content

The content you have selected is part of the Oracle EBS Peer Forum, an AMR Research service that is outside of your current subscription. If you are interested in subscribing to this service, please contact your account manager.

Competitor	Focus	Sentiment
Oracle	Feature	Neutral

Title: **Five Opportunities for Success for 3PL Providers Working in Consumer Products**

Firm: AMR — # Pages: 2 — Ref: 17340
Author(s): Lora Cecere, Greg Aimi, Bill Polk — Reference: 21550
Type: General Research — Publication Date: 6 /7 /2008

Synopsis: AMR Research hosted its first Value Chain and Logistics Outsourcing Exchange during their recent Supply Chain Executive Conference in Scottsdale, AZ. At the Exchange, manufacturers and third-party logistics (3PL) providers openly shared ideas, insights, and opportunities. This report provides insights on five business opportunities for 3PL providers in the consumer products (CP) industry.

While there are no two CP companies that approach their relationships with 3PLs the same way, three high-level generalizations can be drawn: regional decisions, hybrid organizations, and current gaps. For the 3PL working with CP manufacturers, AMR offers five suggestions:
- Take the challenge
- Align on value
- Partner with your provider
- Design the right organization
- Be brave – offer new services

Relationships don't just happen—they are created and nurtured, evolving and flexing as the business changes. To make them successful, neither partner can take them for granted.

Competitor	Focus	Sentiment
None	None	None

Title:	**Industrial Value Chains: Cool Technologies To Consider**		
Firm:	AMR	# Pages: 2	Ref: 17333
Author(s):	Simon Jacobson, Michael Burkett, Jane Barrett	Reference: 21560	
Type:	General Research	Publication Date: 6 /9 /2008	

Synopsis: Globalization, innovation, and collaboration continue to be hot buttons for clients in the automotive, A&D, and industrial manufacturing sectors. Does your company have all the necessary tools to support today's virtual workplace, open innovation ecosystem, and multitier value chain? If not, you're in luck: in this article, AMR Research highlights a few technologies that are either emerging or have finally arrived to help your organization solve some specific business problems.

Key Highlights:
- Managing dealers and distributors is always a challenge, particularly in managing demand. BLUEROADS channel management helps this collaboration across channel partners, opportunity management, deal registration, lead management, and renewals
- For complex configurations in configure-to-order (CTO) and engineer-to-order (ETO) environments, BigMachines' guided selling capabilities streamline quoting and order entry by leading users to the optimal products and options based on customer needs
- Cincom's recently announced Acquire product is a next generation and then some of its current quote-to-order product. The application is aimed at bridging the gap between front-office (CRM) and back-office (ERP) systems
- There is a reemergence in the importance of statistical process control (SPC) data for brand owners to not only gain visibility into production processes, but also drive collaborative process improvements with lead suppliers. InfinityQS's eSPC product, in addition to offerings from DataNet Quality Systems and Zontec, provide this visibility through on-demand models. Taking SPC and test and assembly data a step further, SigmaQuest offers capabilities to collect and analyze quality and warranty data from both upstream and downstream entities in the supply network through an on-demand model
- The demand for manufacturing performance visibility and enterprise manufacturing intelligence continues to grow, with vendors from all corners of the market joining the fray, from plant-level Microsoft SharePoint portals, to higher level intelligence and integration frameworks like SAP's MII (formerly xMII) or Oracle's Manufacturing Transaction Hub
- RuleStream provides an engine for ETO environments
- Right Hemisphere provides an application that supports the business process workflow to create 3D visual models from a variety of native formats, including CAD. The company has a partnership to embed 3D into Adobe PDF documents as well as with SAP to deliver 3D to a broader group of cross-functional users
- Oracle has acquired some interesting applications, including AutoVue and Crystal Ball
- Intercim's Pertinence Suite helps reduce the need for live experiments by taking large sets of empirical data on the manufacturing process and producing a model that identifies the parameters that have the most effect on product outcome
- Adobe's Digital Rights Management enables secure collaboration, protection of sensitive information, and version control management across the extended manufacturing ecosystem
- Infor Manufacturing Essentials provides industry-specific advanced product quality planning (APQP) templates and tasks, as well as support for ISO9000, TS16949, MS9000, SAEG4000, and an exhaustive list of other North American and international automotive manufacturing standards. With Infor EAM Asset Sustainability Edition, manufacturers can integrate energy consumption and emissions into their asset management strategies, with event-based alerting capabilities

Competitor	Focus	Sentiment
SAP	Significant	Neutral
Microsoft	Brief	Neutral
Oracle	Significant	Neutral
Adobe	Significant	Neutral
Infor	Significant	Neutral

Title:	**A&D Manufacturers Share Application Technology Practices**		
Firm:	AMR	# Pages: 2	Ref: 17336
Author(s):	Michael Burkett	Reference: 21557	
Type:	General Research	Publication Date: 6 /9 /2008	

Synopsis: A&D manufacturers have been actively deploying application technology to support business processes, including program management and performance-based logistics (PBL). AMR Research's most recent A&D IT spending data indicates managing risk and compliance is a priority, along with better utilization of data and improved customer service. This is reflected in how we see A&D manufacturers deploying application technology in practice. Here is a round-up of some of the A&D highlights shared at two separate user conferences held by SAP and Dassault Systemes within the past month.

Key Highlights:
- Lockheed Martin Aeronautics is preparing to provide PBL support on the F-35 Joint Strike Fighter (JSF) aircraft. The company shares its progress using SAP and partner MCA Solutions to support these requirements. The company is taking a multiyear phased approach. Lockheed Martin hopes to pre-position inventory to cost effectively meet the performance outcomes negotiated with its defense customers. Therefore, the initial focus is on service parts planning
- Increased pressure to reduce program risk is leading manufacturers to improve visibility and control over the elements affecting program status. Northrop Grumman's Navigation Systems Division is using Dassault Systemes ENOVIA MatrixOne A&D Accelerator for proposal management and to gain better visibility into program data. The company pointed to several initial benefits: reduced design cycles, improved quality, and better performance visibility
- Business jets are in high demand. Configuring interiors to the unique needs of customers is an important differentiator that is growing in demand as well. General Dynamics Gulfstream division calls this process outfitting aircraft, and has six global locations dedicated to meet its customer requirements. Gulfstream is now using Dassault's CATIA V5 for design mapped to the ENOVIA SmarTeam application to manage and share data across all six locations. Improvements seen include 200% increase in deliveries, without increased labor, and a 90% reuse of data
- A&D manufacturers have long struggled to support faster business process flows across legacy technology applications. Vought Aircraft Industries is on a journey to invest in separate applications and integrate to speed the business process. The company uses Dassault's CATIA V5 and ENOVIA for CAD data shared with Boeing. For internal business process flow, its implementation includes SAP for ERP, Siemens PLM Teamcenter, as well as Tecnomatix for manufacturing engineering and enterprise data and Wonderware partnered with Perot Systems for manufacturing execution
- Pressure has increased for A&D manufacturers to reach higher levels of performance. These issues exist with a slightly different flavor across both commercial and defense companies, with their responses being to enhance or replace disconnected legacy applications with better integrated systems. Manufacturers should learn from the examples provided here, but take caution that many deployments are in early stages

Competitor	Focus	Sentiment
Microsoft	Brief	Neutral
Deloitte	Brief	Neutral
Dassault	Significant	Positive
SAP	Significant	Positive

Title:	**How Well Does Your Company Take Orders?**		
Firm:	AMR	# Pages: 4	Ref: 17338
Author(s):	Lora Cecere	Reference: 21551	
Type:	General Research	Publication Date: 6 /9 /2008	

Synopsis: AMR Research conducted three studies over the past three months to understand the current states of order-to-¬cash processes, B2B investments, and order processing in the consumer products (CP) industry. There are two startling conclusions:

- While most companies have invested in B2B order processing, 50% of B2B orders are manually handled, which adds 36 hours to order processing
- The implementation of available-to-promise (ATP) technologies is still in its infancy, with most companies lacking the visibility to respond to unexpected events

This article shares insights on the state of the industry, its opportunities, and the forthcoming 2008 investments.

On average, CP companies ship 140,000 orders a year, with 40% of the volume shipped from third-party manufacturers. With this rising complexity, there are three major drivers in electronic-order, B2B initiatives for 2008:

- B2B connectivity for electronic orders with retailers is growing
- There is a focus on improving order to cash as part of ERP upgrade strategies
- Substantial opportunity exists

While companies have focused many projects on improving order-processing technologies, most CP companies still have a long way to go to be good order takers. However, the answer doesn't lie in throwing more technology at the problem. Companies that take orders well display three characteristics:

- High levels of manufacturing reliability
- Excellence in perpetual order accuracy
- Excellence and discipline in customer service order processing

Competitor	Focus	Sentiment
None	None	None

Title: **Can NetSuite Surge While SAP Decelerates?**

Firm:	AMR	# Pages: 2	Ref: 17454
Author(s):	Bruce Richardson	Reference: 21579	
Type:	News Commentary	Publication Date: 6 /13/2008	

Synopsis: NetSuite executives stopped by AMR's offices a few days ago to brief them on the new NetSuite for Manufacturers product. This release adds new functionality for product assembly, inventory management, bill of materials, and work orders. During the briefing, NetSuite executives made it clear that they were going to be more aggressive in the positioning against SAP Business ByDesign, a competing software-as-a-service (SaaS) product that also features applications for manufacturing, finance, and customer management. Earlier this year, SAP said it would "reduce its accelerated investments around SAP Business ByDesign in 2008." While SAP is still selling the product, it has tempered its plans to sell to 10,000 new customers annually. This won't happen until 2010 or so.

If you looked at the NetSuite press release, there was little subtlety: The headline read: "NetSuite Enters SAP's Core Market." In the first paragraph, there were references to NetSuite's plans "to exploit the prolonged delay" of the competitor's products. The theme also carried over to the company's website. While Bruce Richardson was surprised by the boldness of the headline, press release, and website, he thinks this is a smart bit of positioning if NetSuite's marketing people can get the press to bite. Essentially, NetSuite wants to turn the broader SaaS application space into a two-horse race.

In February, NetSuite introduced NS-BOS (NetSuite-Business Operating System), its unique entry into the platform-as-a-service market. In just four months, more than 1,000 software companies have inquired about building software on top of the NetSuite platform or creating their own micro-vertical systems based on NetSuite. More impressive has been the company's success in attracting third parties interested in using NetSuite's whole product line to create their own industry-specific systems.

Looking at the SAP wheel, NetSuite's moves would eliminate the need for most, if not all, of supply chain management and supplier management. That leaves HCM as the one major obvious gap between NetSuite and SAP. That's the next likely acquisition or partner area. While SAP has made it clear that it does not intend to sell SAP Business ByDesign back into its high-end base, that might make an interesting market for NetSuite. While it would likely result in expensive and often futile sales cycles, it is intriguing nonetheless.

Right now, NetSuite has about 6,000 customers, compared to just over 150 for SAP Business ByDesign. NetSuite should get to 10,000 SaaS customers first.

Competitor	Focus	Sentiment
Siebel	Brief	Neutral
Oracle	Brief	Neutral
Salesforce.com	Brief	Neutral
NetSuite	Feature	Positive
SAP	Feature	Negative

Title:	**SAP Nabs Visiprise To Finally Become an MES Vendor**		
Firm:	AMR	# Pages: 2	Ref: 17555
Author(s):	Alison Smith Simon Jacobson	Reference: 21592	
Type:	General Research	Publication Date: 6 /17/2008	

Synopsis: SAP is continuing to bolster its manufacturing operations portfolio, this time adding MES to the fray, with its unsurprising acquisition of long-time shop-floor partner Visiprise. Visiprise has been portrayed many times as a model partner, achieving numerous milestones with SAP the past few years. The integration of Visiprise into the SAP portfolio will be as close to turnkey as it can get. Not only has Visiprise collaborated with SAP on product roadmaps and functionality additions the past few years, SAP's sales executives have aggressively positioned the Visiprise assets, capitalizing on their executive relationships to push the concept of top-down, ERP-driven standardization of the manufacturing IT architectures. This is particularly true in discrete manufacturing environments.

Does this solve any present-day manufacturing operations catch-22s? To answer this question, AMR looks at it from two views:
- For SAP customers seeking manufacturing functionality, opportunity exists
- If SAP truly wants to be successful with the open nature of its Perfect Plant initiative, it must create rules of engagement that provide ample opportunity for other manufacturing software partners, thus mitigating any sales conflicts

Acquiring Visiprise is reflective of the ongoing manufacturing momentum SAP started a few years back. SAP is providing operations process management (OPM) with MII and taking advantage of its vast partner ecosystem for the delivery of manufacturing composite applications that can cope with the constant change and reconfiguration production environments bring.

Competitor	Focus	Sentiment
Business Objects	Brief	Neutral
SAP	Feature	Positive

Title: **JDA Software Ups the Ante on Transportation at FOCUS 2008**

Firm: AMR | # Pages: 2 | Ref: 17578

Author(s): John Fontanella, Greg Aimi | Reference: 21586

Type: General Research | Publication Date: 6 /19/2008

Synopsis: Little has been heard of the Manugistics application suite since JDA Software acquired the company two years ago. But at FOCUS 2008, JDA's user conference, the company reversed this situation, with the former Manugistics' applications and the platform on which they sit prominently featured. It was a clear demonstration of the company's commitment to continue investment in the products.

With 1,700 conference attendees and over 200 workshops, half of which were conducted by its customers, JDA clearly has the support of its users. Talking with a former marquee Manugistics user of the Transportation Planning product, AMR Research was told the company had considered replacing the technology, but decided not to when it learned of JDA's development plans. The lesson learned? Switching costs and the risks inherent in swapping out complex application software are substantial, making for a loyal user base. It's a game JDA can decide to win or lose, based on its commitment to technology development.

The major message of FOCUS 2008 was that end users are looking for much tighter integration between planning and execution. JDA made it clear the message has been heard, with the company currently working to meet user expectations. Its commitment to the Manugistics' architecture as a platform for the entire suite of JDA's offerings was a major step moving forward. Like its sometime-competitor Manhattan Associates, JDA envisions incorporating transportation events and constraints with its planning functions to simultaneously solve for cost and service.

Vision of the integrated supply chain aside, people came to FOCUS 2008 looking for tangible evidence of JDA's commitment to transportation and logistics. There were some positive signs the company is devoting significant resources for development. With the benefits that transportation data and content can bring to the rest of a company's software portfolio, now is the ideal time for JDA to strike hard to get its market position back. It will be a difficult battle, with the company having to accelerate development to catch up to the competition. At the same time, it also needs to reassure its installed base and prospects that it remains committed to transportation and logistics. The competition will be stiff, with Oracle, Manhattan Associates, Red Prairie, i2 Technologies, and SAP all in the hunt for the same customers.

Competitor	Focus	Sentiment
i2	Brief	Neutral
Microsoft	Brief	Neutral
Red Prairie	Brief	Neutral
SAP	Brief	Neutral
Oracle	Brief	Neutral
Manhattan Assoc	Brief	Neutral
Manugistics	Brief	Positive
JDA	Feature	Positive

Title:	**Manufacturing Peer Forum Summit Session: Next-Generation Manufacturing Strategies**		
Firm:	AMR	# Pages: 1	Ref: 17579
Author(s):	Lora Cecere Sheila Brennan Jane Barrett	Reference: 21571	
Type:	General Research	Publication Date: 6 /19/2008	

Synopsis: What is a manufacturing operations strategy and how do you link it to executable local operating plans? How should manufacturing align horizontally and vertically to make demand-driven manufacturing a reality, and how does the strategy change as companies become more demand-driven? What is the role of responsiveness and agility, and what are the criteria/metrics and the supporting organizational structures? Members discussed a framework for building and translating the manufacturing strategy and five keys to a successful journey emerged.

Out-of-Service Content

The content you have selected is part of the Manufacturing Peer Forum, an AMR Research service that is outside of your current subscription. If you are interested in subscribing to this service, please contact your account manager.

Competitor	Focus	Sentiment
None	None	None

Title:	**Oracle E-Business Suite Peer Forum Summit Session: Update From Oracle on Status and Plans for Oracle SCM Edge Applications**		
Firm:	AMR	# Pages: 1	Ref: 17613
Author(s):	Jason Gatoff	Reference: 21576	
Type:	General Research	Publication Date: 6 /20/2008	

Synopsis: Peer Forum members are very interested in the status of the various acquisitions that Oracle has made over recent years and when they would be able to start leveraging the benefits of those investments. Rick Jewell, Senior Vice President, Applications Development, joined the Peer Forum for a town hall Q&A meeting to discuss Peer Forum members' issues and questions as well as provide an update on the various products that Oracle has acquired (which now comprise what Oracle calls their Edge Applications).

Out-of-Service Content

The content you have selected is part of the Oracle EBS Peer Forum, an AMR Research service that is outside of your current subscription. If you are interested in subscribing to this service, please contact your account manager.

Competitor	Focus	Sentiment
Oracle	Feature	Neutral

Title:	**Can RedPrairie Create an Alternative SOA Landscape to ERP?**		
Firm:	AMR	# Pages: 2	Ref: 17614
Author(s):	Bruce Richardson	Reference: 21605	
Type:	News Commentary	Publication Date: 6 /20/2008	

Synopsis: AMR Research recently sent a small team of analysts to Milwaukee to meet with the RedPrairie executive team for a long overdue update. For one, it's a much larger company in terms of revenue, employees, and customers. The company ended 2007 with $253.2M, which was double the FY05 revenue. First quarter results for this year were strong as well, with revenue coming in at $70.5M.

They spent most of the day discussing the company's newest products. In some ways, RedPrairie is building a parallel, albeit smaller, universe to SAP's. Both are heavily focused on the need for a core business process platform (BPP), service-oriented architecture (SOA), and composite apps. While the two share the same terminology, they have different views of BPP. SAP uses the term to encompass the whole application suite and NetWeaver. To RedPrairie, BPP includes business process orchestration, web services repository, enterprise application integration tools, and event management. In terms of SOA, RedPrairie is focusing primarily on integration and collaboration for an ever-expanding array of supply chain execution processes. This begs a question: Will buyers want to support multiple SOA landscapes?

In RedPrairie's world, the value chain consists of nodes for managing warehouse and distribution centers, retail stores, transportation, people, and a wide array of various information systems. In this world, the best way to automate the value chain is to the link the nodes via SOA. If additional functionality or data is needed between nodes, a composite application is created to extend the end-to-end, or E^{2}e, processes. Are other companies likely to have multiple SOA landscapes? In the near term, it may come down to whether the decision is made by the IT department, the business process owners, or both. Potential politics aside, innovation, total cost of ownership, performance, manageability, and speed to market should be key criteria in the decision.

Of course, any discussion of a separate supply chain SOA landscape would be moot if Oracle and SAP opted to buy Manhattan and RedPrairie.

Competitor	Focus	Sentiment
Manhattan Assoc	Brief	Neutral
Microsoft	Brief	Neutral
Infor	Brief	Neutral
Oracle	Brief	Neutral
JDA	Brief	Neutral
SAP	Significant	Neutral
Red Prairie	Feature	Positive

Title:	**New Kid on the Service Parts Block: Syncron Enters the North American Market**		
Firm:	AMR	# Pages: 2	Ref: 17732
Author(s):	John Fontanella William McNeill	Reference: 21590	
Type:	General Research	Publication Date: 6 /23/2008	

Synopsis: Syncron, through a recent press and analyst tour, officially announced its intention of serving the North American service parts market. Syncron is headquartered in Sweden, with the majority of its 100 customers in Scandinavia. About 75% use the company's applications for service parts management and the rest for finished goods. Its revenue grew by 14% in 2007 to $20M.

Initially, Syncron will target the mining and construction equipment industry in the United States, with professional services, support, and sales based in Chicago. This is a strong vertical for the company in Europe. This vertical approach makes good sense, since prospects expect their potential vendors to have domain expertise and be able to relate to the specific business problems and functionality requirements of their vertical. Also, by focusing on its core verticals, Syncron is reducing exposure to competition.

Syncron's effort to enter the U.S. market comes at a time when most of the country's service parts planning (SPP) software vendors are trying to break away from it. AMR expects Syncron's primary competition in the United States to come from Servigistics because of the similarities in product footprint, with planning and pricing being the two major overlaps, and Oracle because of the recent release of its Service Parts Planning application. Click Commerce and Infor are two other potential combatants. It's imperative that Syncron stay focused on its target verticals to be successful. While it makes sense to want a presence in one of the largest markets, Syncron should not take its eye off the ball in Europe, where it already has a sizeable lead on its U.S.-based, best-of-breed competitors. Homegrown competition in Europe occasionally comes from IFS and Lawson, but mostly from SAP, with nearly 70% of the Syncron client base running SAP as its primary ERP system.

Although AMR likes Syncron's positioning and execution thus far, the company has its work cut out as it enters the hotly contested U.S. market. If it can remain focused on its core verticals, it should be able to carve itself a modest piece. But the key to rapid growth will not be just in servicing the U.S. operations of its global clients. Success also lies in Syncron's ability to maintain and grow its base in Europe as well as expand into Asia-Pacific and Central and South America.

Competitor	Focus	Sentiment
SAP	Brief	Neutral
Infor	Brief	Neutral
Oracle	Brief	Neutral

Title:	**The Human Capital Management Market Sizing Report, 2007-2012**		
Firm:	AMR	# Pages: 28	Ref: 17735
Author(s):	Christa Degnan Manning Marianne D'Aquila Karen Carter	Reference: 21540	
Type:	Market Commentary	Publication Date: 6 /23/2008	

Synopsis: The Bottom Line: The human capital management (HCM) market exceeded AMR Research expectations for growth in 2007 at 13% and is poised to continue double-digit performance to reach almost $13B by 2012.

During times of economic uncertainty, the unemployment rate is one of the key metrics watched. Although there is a lot of anxiety about a recession, the U.S. unemployment rate stands at 5.5%. It reached a high of only 6.3% at its peak in the last recession in 2003. Why is this notable? Major forces at play in the world have made attracting and retaining workers an ongoing competitive concern. In turn, this has fueled the significant growth of the human capital management (HCM) software market. The $7B HCM applications market encompasses the information systems that capture data on personnel and automate the business processes of the employee engagement lifecycle.

While the bulk of this market to date has been in core HR records, benefits, and payroll administration transaction automation, the scales have tipped significantly this year into the strategic HCM process areas of workforce acquisition, management, development, and assessment. Although vendors in the strategic HCM business process side of the market have seen significant consolidation in the past few years, AMR Research expects little cannibalization of revenue from the combination of point applications.

Looking ahead, AMR Research predicts that as companies seek to combine the traditional core HR areas of recordkeeping with web-based self-service and process automation, there will be continued consolidation. This will affect strategic HCM pure-players as ERP providers acquire many of them and bundle their own improving HCM capabilities into bigger packages to win deals. However, enterprises will be forced to make net-new investments in the latest portals, platforms, and process modules from core and strategic vendors to support global business and provide one view of the workforce to corporate leaders. As such, AMR Research raises its CAGR guidance for the HCM market to 12% for the next five years

Somewhat of a hybrid software, content, and service provider in workforce acquisition and assessment, Kenexa bumped traditional core HR vendor Ultimate out of the top five. However, it should be noted that significant investments are still being made in core HR as Ultimate grew 32%, Lawson grew 30%, recently privatized Kronos grew 11%, small to midsize business (SMB) core-HR vendor Sage grew 20%, and the ERP vendors Oracle and SAP continued to top the market in overall revenue. SAP has been inching ahead of Oracle over the past two years to retain the top spot in overall HCM revenue (26% share). Oracle (23% share) has seen relatively lower growth as quite a few customers take a wait-and-see approach to its impending new platform, Fusion, and its sales feel the effect of the weak dollar. In any case, both firms together still represent just about half of overall HCM revenue.

Competitor	Focus	Sentiment
Microsoft	Significant	Positive
Red Prairie	Significant	Positive
Infor	Significant	Neutral
Oracle	Primary	Positive
SAP	Primary	Very Positive
Sage	Significant	Positive

Title: **Exchanging Ideas and Experiences: Logistics Outsourcing and the Value Chain**

Firm: AMR # Pages: 2 Ref: 17728
Author(s): Greg Aimi Reference: 21606
Lora Cecere
Bill Polk
Type: General Research Publication Date: 6 /24/2008

Synopsis: With over 120 attendees present, AMR Research's Value Chain and Logistics Outsourcing Exchange provided a lively forum for supply chain executives to deliberate today's supply chain challenges with heads of the leading logistics service providers (LSPs). AMR hosted the event to explore if and how LSPs might break through the traditional execution-only role to find ways to be more involved in joint value creation. Here is a rundown on what took place:

- AMR Research's Lora Cecere shared an overview of the changes made by the majority of companies with which we work as they transform their supply chains to demand-driven value networks, or DDVNs
- Two LSPs paired up with their customers to provide real-world examples of how they've developed advanced outsourcing relationships to drive value. Both Ryder and Stonyfield Farm, in addition to Caterpillar Logistics and Mazda, detailed the trials and tribulations they went through to get to the value that's generated today
- Is the idea of the one-stop¬-shop global LSP a reality? Supply chain leads from Accenture, Bearing Point, IBM, and Tompkins International debated the strategies, risks, and considerations of globalization and the affects of such on working with the right outsourcing partners. As far as the utopian idea of the one-stop-shop global LSP, the answer is as expected—not yet
- Working on an assumption that many LSPs are more capable to drive value for their customers than they are being allowed to do by many customers, AMR invited top executives from Exel, Kuehne + Nagel, Ozburn-Hessey, and UPS Supply Chain Services to discuss what they believe makes a good customer. They shared examples of how they believe customers can achieve better performance by using them as more strategic value network partners

The Exchange was a great event and the participants and attendees both made strides toward advancing the better integration of LSPs into the value chain. Transparency in communications, the breaking down of silos, and establishing partnerships rather than vendor-customer relationships were the key takeaways from the discussions.

Competitor	Focus	Sentiment
IBM	Brief	Neutral
Accenture	Brief	Neutral
BearingPoint	Brief	Neutral

Title:	**Oracle E-Business Suite Peer Forum Teleconference: Business Intelligence and Performance Management Strategies**		
Firm:	AMR	# Pages: 1	Ref: 17723
Author(s):	Dave Kasabian John Hagerty	Reference: 21610	
Type:	General Research	Publication Date: 6 /25/2008	

Synopsis: Oracle E-Business Suite Peer Forum members view Oracle as their preferred BI vendor even though their current BI environment contains multiple vendors. In a perfect world a single BI solution is preferred, but the reality is there will be more than one vendor in the BI landscape for most companies. The goal then becomes creating control and governance to reduce the number of solutions that will supplement the preferred vendor products.

Out-of-Service Content

The content you have selected is part of the Oracle EBS Peer Forum, an AMR Research service that is outside of your current subscription. If you are interested in subscribing to this service, please contact your account manager.

Competitor	Focus	Sentiment
Oracle	Feature	Neutral

Title:	**Recession? What Recession? Oracle Posts Blowout Fourth Quarter**		
Firm:	AMR	# Pages: 1	Ref: 17750
Author(s):	Jim Shepherd	Reference: 21624	
Type:	News Commentary	Publication Date: 6 /26/2008	

Synopsis: Oracle nearly always has a huge fiscal 4Q, but this year (ending May 31, 2008) it exceeded even the most optimistic analyst predictions. In spite of months of dire macroeconomic news, Oracle grew overall revenue by 24% in the quarter while new license revenue and net income were both up 27% from a year ago. The full 2008 fiscal year was just as impressive with a 28% increase in new software license revenue and 29% growth in profit. While these numbers are somewhat inflated (roughly 6% on revenue and 9% on income) as a result of the increasing weakness of the U.S. dollar, the constant currency is also stunning.

The results of fiscal year 2008 would certainly suggest that Oracle is succeeding on all fronts. Each of the major product areas, database, middleware, and applications, turned in very strong growth for both the year and 4Q. The applications business which had a disappointing 7% new license growth in Q3 rebounded with 36% growth in Q4 and 38% new license growth for the full year. Management indicated that they were doing very well with their vertical applications as well as cross-selling add-on applications within the installed base. Some verticals that were singled out included financial services, telco, and retail, which doubled its sales over last year's fourth quarter.

Oracle was a bit more cautious when it came to providing guidance for its fiscal Q1, which is traditionally difficult. The Oracle sales force tends to flush its pipelines in 4Q in anticipation of changes in territory assignments and compensation plans. Fiscal 1Q also runs from June to August, which is always a difficult selling period. Management stated that sales pipelines were still very good; but it cited an unpredictable economic environment in guiding for only 10% to 20% growth in new license revenue, with 18% to 20% growth in total revenue. While these are impressive numbers, they are well below the actual growth rates of the last two years and somewhat lower than financial analysts had expected.

Also, (on a side note) it appears rumors that Oracle was considering an acquisition of salesforce.com were somewhat misguided.

Competitor	Focus	Sentiment
Salesforce.com	Brief	Neutral
NetSuite	Brief	Neutral
Oracle	Feature	Very Positive

Title:	**Retail Notes for July 2008**		
Firm:	AMR	# Pages: 2	Ref: 17844
Author(s):	Mike Griswold	Reference: 21621	
Type:	General Research	Publication Date: 6 /30/2008	

Synopsis: Often chided for its lack of integration across acquired applications, Oracle's Release 13 takes significant strides in addressing this concern. While it may have taken the company longer to get here than many would have liked, retailers won't be disappointed. Here are some of the new capabilities Oracle is showcasing:
- Regular price optimization functionality to complement existing promotional and markdown pricing capabilities
- An enhanced merchant workbench that provides dashboard and reporting capabilities across Oracle applications, as well as a new user interface that creates a consistent experience
- Wholesale functionality to support retail channel expansion
- Updated financial capabilities that support global operations

Competitor	Focus	Sentiment
Oracle	Feature	Positive
Red Prairie	Significant	Positive

Title:	**Successful Lifecycle Pricing Begins With Connected Business Processes**		
Firm:	AMR	# Pages: 2	Ref: 17845
Author(s):	Mike Griswold	Reference: 21618	
Type:	General Research	Publication Date: 6 /30/2008	

Synopsis: As retailers grow in demand-driven retailing maturity, organizational structure and application capabilities need to support the blending of business processes and the desire to collaborate internally and externally. Consumer-centric merchandising - coordinating the key planning, promotion, and pricing strategies to accurately sense, forecast, and assort for consumer demand - plays a crucial role in the evolutionary journey. While attractive assortments can bring consumers to a retailer, the pricing strategy ultimately converts shoppers into buyers. Lifecycle pricing brings a process perspective to these activities by connecting the promotional planning, price determination, and advertising execution functions.

To start a lifecycle pricing project, consider the PRICE framework:
- Process connectivity - Align promotional planning, price determination, and advertising execution processes for end-to-end lifecycle pricing management
- Role definition - Define the role of the category within your overall company pricing strategy and brand message. Ensure pricing practices are consistent with the perception you are striving for with your customers
- Implementation preference - Require line-of-business users and IT to evaluate and determine the appropriate deployment model: software as a service or traditional license. Review data requirements with your software provider to provide clean inputs into its application
- Change management - Recognize the need to blend the art of promotional planning with the science of price determination. Plan a pilot program with control stores to identify tangible benefits, gain system acceptance, and identify supports for the program
- Education - Create an employee skill assessment process. Since lifecycle pricing applications are evolving in complexity, review the skill-sets of associates in areas such as optimization and demand forecasting. Identify evangelists early, and use them to drive adoption across the organization

Competitor	Focus	Sentiment
None	None	None

Title: **Workday Rising**

Firm: Busch | # Pages: 1 | Ref: 17526
Author(s): Jason Busch | Reference:
Type: Blog | Publication Date: 6 /13/2008

Synopsis: Next week, I'll be featuring a handful of posts on Workday. Workday is attempting to disrupt the traditional enterprise applications market by taking an entirely different approach to creating enterprise applications around how people use them -- versus around the limitations of computing and network power. But what does this mean for our corner of the enterprise universe? Workday recently released their first procurement module as part of this effort and while it creates more questions than answers at this point from an end-to-end perspective, it also shows tremendous promise.

Competitor	Focus	Sentiment
Workday	Feature	Positive

Title: **Workday Rising -- Building the Next Generation ERP SRM Platform**

Firm: Busch | # Pages: 2 | Ref: 17525
Author(s): Jason Busch | Reference:
Type: Blog | Publication Date: 6 /16/2008

Synopsis: If you could define the ideal high-level business (not functional) specifications for an ERP e-Procurement system, it would read almost entirely like Workday's core overall architecture design tenants. From the ground-up, Workday is taking a fundamentally different approach to tackling business computing challenges.

Workday has created a solution that caters to the actual buying habits of employees. If you can sense an emphasis on services and indirect spend, you're onto something here. Even though Workday suggests that it is building a platform for "all goods and services," its focus is really not in the direct materials area. As they suggested on our call, a core tenant is to build a solution that is "easy enough for the worker to requisition" yet "powerful enough for the professional buyer to get their job done". At this point, from a functional depth and breadth perspective, the application appears very similar to where PeopleSoft was originally headed with SRM. In other words, don't look for a manufacturer to drop their SAP operational procurement system anytime soon. Still, there's significant opportunity for Workday even if they decide not to target a single manufacturer with the solution.

Competitor	Focus	Sentiment
Oracle	Brief	Neutral
Workday	Feature	Positive
sap	Brief	Neutral

Title: **Workday Rising -- Building From the Inside Out**

Firm: Busch | # Pages: 2 | Ref: 17690
Author(s): Jason Busch | Reference:
Type: Blog | Publication Date: 6 /20/2008

Synopsis: This is the second in a three-part post on Workday. In this installment, I'll begin to discuss and analyze Workdays' current procurement capabilities as well as highlight some themes that differentiate their overall procurement philosophy from their legacy ERP brethren.

When it comes to approaching corporate procurement automation, Workday has given quite a bit of thought to how employees actually need to interact with a procurement system. In fact, I'd argue, the application at this stage is built more around the actual user than it is built around the procurement/sourcing organization. On the positive side, the overall workflow and requisitioning process appears quite straightforward.

On the negative side at this stage, the application puts greater emphasis on the worker herself rather than procurement's ability to tightly control and monitor a closed-loop spending process -- one that starts with up-front spend capture, analysis and negotiation and then progresses to supplier enablement, catalog management, requisitioning, invoicing and finally contract management and contract compliance. Workday will get there. How quickly? I reckon they'll surpass the capabilities of Peoplesoft release 9.0 (and potentially 9.1) sometime in 2009, maybe sooner.

Competitor	Focus	Sentiment
Workday	Feature	Mixed
SAP	Brief	Neutral
Oracle	Brief	Neutral

Title: **Commodity Price Inflation Hits Software (Oracle Prices Up)**

Firm: Busch | # Pages: 1 | Ref: 17688
Author(s): Jason Busch | Reference:
Type: Blog | Publication Date: 6 /23/2008

Synopsis: Thanks to the Enterprise Irregulars, I was tipped off earlier today in an email exchange that Oracle is raising prices. According to the above-linked InfoWorld article, a "CPU license for its database is now $47,500, up from $40,000 ... Other price increases -- including among Oracle's E-Business Suite applications -- also fall into the 15% to 20% range."

Given the complexities and the total cost ramifications of software decisions, procurement can play a critical role in helping CIOs to not only save money on a unit cost basis, but to get better deals for exactly what they need to buy. With cost inflation now hitting enterprise software and databases, there's never been a better time for procurement to get more aggressively into the IT sourcing game.

Competitor	Focus	Sentiment
Oracle	Feature	Neutral

Title: **Oracle Who? The Other ERP SRM Provider ...**

Firm: Busch # Pages: 1 Ref: 17793
Author(s): Jason Busch Reference:
Type: Blog Publication Date: 6 /24/2008

Synopsis: Jason Busch talks quite a bit about the likes of SAP and Ariba. However, the more he writes about SAP and Ariba, the less space he has for the other ERP SRM giant -- Oracle. Now, comparatively speaking, SAP has greater individual marketshare than Oracle's solutions. Yet Oracle has three separate product lines in the procurement world -- Oracle, PeopleSoft and JD Edwards (they also claim that they're working on a fourth, Fusion). Busch is probably giving them less coverage and analysis than he should.

This summer, he plans to take a more aggressive look at Oracle by talking to them directly, engaging with customers and talking to channel and consulting partners.

Competitor	Focus	Sentiment
Ariba	Brief	Neutral
SAP	Brief	Neutral
Oracle	Feature	Neutral

Title: **Workday Rising -- Free Your Mind**

Firm: Busch # Pages: 3 Ref: 17789
Author(s): Jason Busch Reference:
Type: Blog Publication Date: 6 /26/2008

Synopsis: Workday really is trying to get people to free their mind from the old ERP paradigm (which ironically, SAP is also attempting to do with NetWeaver and Oracle with Fusion). Workday's application design approach is fundamentally different than systems of old. Phil Wainewright notes that Workday "moves away from a fixed database structure ... Workday's database tables reflect the needs of the object-oriented application architecture -- there are just three tables, for 'instances', 'attributes' and 'references' -- and the data and definitions stored in the table are instantiated only when the application runs. The definitions are therefore as easy to change as the data."

What does this all mean for procurement practitioners? In theory, it means that configuring new types of business processes is as simple as writing and dropping in a business rule (provided the application supports the functionality required). With Workday, creating this type of analysis and alert should, in theory, just require the addition of a business rule set that business users could author -- rather than requiring an army of IT consultants. Of course, it would be possible to create this sort of workflow approach with any type of system -- the key becomes the ease with which you can create it. And that's the genius of the Workday. Still, it will take more than just a better architecture to drive Workday's success in procurement. After all, no one said that freeing your mind -- or your IT organization's mind -- was easy.

Competitor	Focus	Sentiment
Oracle	Brief	Neutral
SAP	Brief	Neutral
Workday	Feature	Positive

Title: **Vinimaya -- Quietly Building Traction**

Firm: Busch # Pages: 2 Ref: 17787
Author(s): Jason Busch Reference:
Type: Blog Publication Date: 6 /27/2008

Synopsis: Even though Vinimaya has excelled more at selling products than aggressively marketing them, they've still created decent traction with companies who need to get more from their eProcurement and ERP SRM deployments. Jason Busch recently had the chance to catch up with Gare Hare, Vinimaya's founder and CEO, and Orville Bailey, EVP of Sales and Business Development, to discuss what they've been up to. And the news appears quite promising indeed.

Vinimaya provides a highly unique approach to supplier enablement by doing away with the need to manage proprietary supplier catalogs or connect to traditional supplier networks (though they can also work within these environments if they're already in place). By deploying Vinimaya's agent-based technology that searches (identifies) and structures (syndicates) distributed supplier information and web-based content in real-time, companies can drastically improve their spend under management, their percentage of overall suppliers enabled and their overall eProcurement returns.

They must be doing something right, as they expect to have 60 customers by year end based on the current count and the pipeline. Sunoco, 3M and Alcoa are among their current accounts, so it's clear the system can scale to Fortune 500-size eProcurement implementations. The numbers speak for themselves.

Competitor	Focus	Sentiment
Oracle	Brief	Neutral
Ariba	Brief	Neutral
SAP	Brief	Neutral

Title: **The Forrester Wave™: AP-EIPP, Q2 2008**

Firm: Forrester Research # Pages: 17 Ref: 17556

Author(s): Allison Thresher Reference: 42711
Christine Ferrusi Ross
Duncan Jones

Type: Signature Research Publication Date: 6 /18/2008

Synopsis: In Forrester's 78-criteria evaluation of accounts payable electronic invoice presentment and payment (AP-EIPP) vendors, they found that Basware leads the pack, closely followed by Ariba, JPMorgan Xign, and 170 Systems. All have good invoice management capabilities combined with extensive invoice networks, but all the other evaluated vendors had good products and their own particular strengths that may qualify them for buyers' shortlists. Both of Oracle's EIPP products — within the E-Business Suite and PeopleSoft product lines — are leading options for companies that are already using the finance and procurement modules of those products. OB10 is a great candidate for companies wanting to add electronic invoice capture to existing workflow solutions. American Express S2S, Bottomline, PowerTrack, and TradeCard have extended their electronic payment solutions back to the invoice capture and validation process, and each has unique strengths. With so many good products available, plus several other vendors outside the top 10 that Forrester evaluated, prospective buyers should reweigh Forrester's evaluation based on their own priorities and decide which factors are most important, and which weaknesses can be overlooked.

The evaluation uncovered a market in which Ariba and Basware excel overall, but all the products reviewed represent good solutions with demonstrable ROI and complimentary customer references. While each vendor has its own particular strengths, the Forrester Wave evaluation did give a clear hierarchy. Basware, Ariba, Oracle, 170 Systems and JPMorgan Xign were all considered Leaders, while the rest were Strong Performers.

Key vendor details include:
- 170 Systems, when combined with OB10, is a top choice for Oracle and SAP customers
- Ariba builds on its eProcurement product and the largest supplier network
- Basware has the largest market presence, excellent functionality, and a strong vision
- JPMorgan Xign is in the top three on current functionality, for US enterprises
- Oracle E-Business Suite (EBS) leads for existing iSupply customers
- Oracle PeopleSoft is a top EIPP solution for existing PeopleSoft Enterprise Procurement customers

- American Express S2S is a good choice for US companies focusing on domestic supply
- Bottomline is rapidly developing its EIPP capabilities
- OB10 sticks to its core strength — its invoice network
- PowerTrack excels at control of freight spend, with good support for other categories too
- TradeCard has the best support, among EIPP products, for extended supply chains

Competitor	Focus	Sentiment
SAP	Significant	Neutral
Ariba	Primary	Positive
OpenText	Brief	Neutral
TietoEnator	Brief	Neutral
CSC	Brief	Neutral
Microsoft	Brief	Neutral
Procuri	Brief	Neutral
Oracle	Primary	Positive
Infor	Brief	Neutral

Title:	**Project Portfolio Management (PPM) For Product Development**		
Firm:	Forrester Research	# Pages: 4	Ref: 17620
Author(s):	Roy C. Wildeman Lewis Cardin Sharyn Leaver Varun Sedov	Reference: 45738	
Type:	General Research	Publication Date: 6 /20/2008	

Synopsis: Just as CIOs are turning to project portfolio management (PPM) software to help drive faster, more predictable IT projects, R&D executives are investigating PPM initiatives to address similar pain points in the product development process. Unlike their IT counterparts, however, product development professionals require distinct portfolio management functionality that is connected to external market research, taps open sources of innovation, and evaluates the trade-off between financial rewards and technology risk. Technology options abound from familiar partners in the PLM, ERP, and best-of-breed application segments. A few best practices like improving resource management, extending existing platforms, and slowly introducing time tracking can help steer any PPM initiative toward success.

The market for PPM software is being served by a variety of vendor segments — many with stalwart relationships with both the business and IT — making a R&D-centric selection decision that much more difficult:
- PLM vendors compete on the value of PDM integration
- ERP platforms offer lower TCO; cross-functional synergies are tough to realize
- Best-of-breeds largely target advanced IT requirements

Recommendations - To figure out which solutions — or set of solutions — is right for your product development organization, R&D process and applications professionals should:
- Prioritize R&D's project and resource management requirements
- Always consider existing platforms — and their partners

Competitor	Focus	Sentiment
Dassault	Brief	Positive
CA	Brief	Positive
SAP	Brief	Positive
Oracle	Brief	Positive
Siebel	Brief	Positive
PTC	Brief	Positive

Title:	**ERP Applications 2008: The Battle Goes Vertical**		
Firm:	Forrester Research	# Pages: 14	Ref: 17654
Author(s):	Meghan Donnelly, Paul Hammerman, Sharyn Leaver	Reference: 44001	
Type:	General Research	Publication Date: 6 /23/2008	

Synopsis: The enterprise resource planning (ERP) market continues to mature at the upper end as the two titans — Oracle and SAP — look to extend their footprints in multinational enterprises. These giants control more than half the market, but other vendors — including Agresso, Epicor Software, Infor, Lawson Software, Microsoft, and the Sage Group — are performing well using a variety of approaches to achieve differentiation. The ERP applications market, currently about $38B in total revenue, is growing at an annual rate of 6.9% and will reach $50B by 2012. Business process and applications professionals should build on ERP as the backbone transactional system of record, supplementing with best-of-breed process solutions and industry-specific applications where appropriate.

As the ERP applications market evolves in the future, ERP vendors will choose one or more paths to growth based on segmentation as a go-to-market strategy. Within a particular segment, the competitive dynamics can change dramatically, pitting broad ERP players against smaller, more-focused competitors. The key areas of focus for growth strategies are:
- Industry strategies focus on depth of offerings
- Geographical strategies focus on emerging markets
- Customer size segmentation focuses on small and midsize companies
- Business process expertise will emerge as a future go-to-market play

The two titans of ERP, SAP and Oracle, continue to hold a large lead over the other vendors in this market. Whereas Oracle's growth in applications has been driven to a large extent by acquisitions, SAP has maintained a substantial lead by focusing on core products and expanding to the midmarket. Only three additional vendors — Infor, Microsoft Business Solutions, and The Sage Group — have ERP applications revenue that exceeds $1B. A resurgent Lawson Software has resumed double-digit growth following the integration of its Intentia International acquisition and is solidly in sixth place.

Forrester estimates that the industry vertical applications market, separate from ERP, will reach $36B dollars in 2008, nearly the same size as the ERP market itself. The largest categories of vertical applications in 2008 include healthcare ($12B), financial services ($8.3B), retail ($3.8B), public and education systems ($1.5B), and other industry applications ($10.3B).

Recommendations - Under ideal circumstances, your ERP vendor could provide a comprehensive suite of applications to meet your back-office, customer-facing, and internal operational needs. The reality, however, is that most companies need to integrate a variety of applications, including internally developed and best-of-breed packages, to an ERP foundation. For your core ERP applications, consider the following strategies:
- Rationalize and standardize your core ERP environment
- Fill ERP gaps with specialized solutions where appropriate
- Upgrade to current releases to avoid support hassles
- Configure and add on instead of customizing

Competitor	Focus	Sentiment
Sage	Significant	Positive
Workday	Brief	Neutral
NetSuite	Brief	Neutral
Adobe	Brief	Neutral
Microsoft	Significant	Positive
SAP	Significant	Very Positive
Oracle	Significant	Positive
Infor	Significant	Positive

Title:	**Topic Overview: ERP Applications 2008**		
Firm:	Forrester Research	# Pages: 19	Ref: 17696
Author(s):	Zach Thomas Meghan Donnelly R "Ray" Wang Paul Hamerman	Reference: 46168	
Type:	Market Commentary	Publication Date: 6 /24/2008	

Synopsis: Enterprise applications suites, commonly known as enterprise resource planning (ERP) systems, represent the transactional backbone for most enterprises and comprise a variety of applications for finance and administration as well as industry-specific applications for business operations. Comprehensive ERP suites from leading vendors now typically span customer relationship management (CRM), supply chain management (SCM), analytics, and other applications traditionally sold as best-of¬-breed products. As vendors and enterprises enter the next generation of applications that support new deployment options like software-as-a-service (SaaS), deliver on service-oriented architecture (SOA) principles, and support business processes via Web services, Forrester's ERP research provides the knowledge of the basics, best practices, trends, strategic advice, and vendor and product comparisons that firms need in order to navigate the complexities across the software ownership life cycle.

Forrester survey data consistently shows that investment in ERP and enterprise applications in general remains the top IT spending priority. The ERP market, currently worth $38.3B, continues to grow at a steady rate of 6.9% and will reach the $50B mark by 2012. Regulatory compliance imperatives are a major driver for many large companies. Regulatory compliance continues to serve as a catalyst for some overdue systems consolidations and upgrades that achieve better controls. At the same time, companies recognize that consolidation to fewer systems and application instances may reduce support and integration costs.

This report includes an extensive list of Forrester articles that further discuss the different aspects of ERP applications, including best practices, trends and market forecasts, strategy, vendor/product analysis, and more. Forrester considers these documents essential to an understanding of this topic.

Competitor	Focus	Sentiment
Adobe	Brief	Neutral
Siebel	Brief	Neutral
ibm	Brief	Neutral
Infor	Brief	Neutral
SSA	Brief	Neutral
Oracle	Brief	Neutral
SAP	Brief	Neutral
Microsoft	Brief	Neutral

Title:	**Oracle List Prices Shift: Don't Panic**		
Firm:	Forrester Research	# Pages: 4	Ref: 17753
Author(s):	R "Ray" Wang Sharyn Leaver Meghan Donnelly	Reference: 46258	
Type:	General Research	Publication Date: 6 /26/2008	

Synopsis: On June 16, 2008, Oracle updated its localizable price lists and software investment guide. Applications previously priced at US$3,995 per user rose 15% to US$4,595 per user, and database pricing increased 18.75% from US$40,000 per CPU to US$47,500 per CPU. Other prices increased by approximately 15%. Despite Oracle's role in vendor consolidation, increases during an impending economic downturn appear illogical. Forrester believes that recouping for dollar devaluation is the main rationale behind the recent price shifts. Here's why:
- Oracle offers one global price list. Unlike many vendors who account for global currency fluctuations with country-, region-, and industry-specific uplifts, Oracle maintains consistent pricing in dollars. The dramatic devaluation of the dollar has led to a de facto discount in the 30% to 35% range for multinationals that purchase in the pound sterling, the euro, and to a lesser extent, the Japanese yen. As a result, price increases mainly affect the US, while other euro zone countries will not see a major increase in real dollar terms
- Management aims for 50% profit margins. During the Q407 earnings call, Oracle CEO Larry Ellison stated a goal of reaching 50% margin and 20% earnings annual growth. With Forrester's estimate that more than 50% of Oracle's sales and sales expenses are incurred outside of the US, the currency issue has hampered this margin objective and created pricing arbitrage. In the past, Forrester and others have recommended that clients purchase in non-dollar currencies and take advantage of the currency arbitrage. Oracle's pricing moves seek to mitigate this end user pricing strategy

Forrester recommends the following to Oracle clients:
- Never pay list price. Most initial offers for enterprise software carry a discount. While discounting percentages may vary due to revenue recognition rules, list prices rarely affect the final cost
- Focus on total contract value, not the discount percentage. Because of the dollar-based price increase, discount targets should factor in the price changes. A 30.4% discount for 2008 would be required to achieve the same 20% discount in 2007 due to the list price increase
- Minimize maintenance fees. Maintenance represents the largest chunk of long-term apps costs
- Leverage the enterprise software licensee bill of rights. Because leverage wanes after the initial selection phase, business process and applications professionals should immediately incorporate these best practices into the management of current vendor relationships and the wording of future vendor contracts

Competitor	Focus	Sentiment
BEA	Brief	Neutral
SAP	Brief	Neutral
Oracle	Feature	Mixed

Title:	**Dataquest Insight: Midsize ERP Provider Agresso Making New Waves in North America**		
Firm:	Gartner	# Pages: 12	Ref: 17273
Author(s):	Robert P. Anderson	Reference: G00158368	
Type:	General Research	Publication Date: 6 /5 /2008	

Synopsis: Agresso is a $480M Netherlands-based midmarket ERP provider (a subsidiary of Unit 4 Agresso) that was formed in 1980 and has more than 2,750 customers comprising 10,000 deployments and 1.1 million users in 100 countries. The divestiture of Unit 4 Agresso's Internet Security division in 2007 has enabled Agresso to focus specifically on delivering business processing solutions to the public and professional service sectors of the market - which are among the fastest-growing segments of the ERP landscape.

Key Findings:
- Agresso's ERP solutions are aimed at midmarket, people-centric businesses in the professional services and public sector - which are among the fastest-growing segments of the ERP market. The reason for this is twofold: 1) ERP vendors are doing a better job targeting this segment with verticalized solutions at price points scaled to SMBs; and 2) both segments are undergoing rapid change and are challenged to keep IT processes and reporting structures aligned with that change
- Although in years past Agresso has always maintained a small presence in North America, it has recently renewed efforts at being successful in this geographical area and generating momentum. Gartner believes that barring a much more substantial investment and infusion of resources, Agresso's Agresso Business World (ABW) will still require two to four years of persistent and successful effort to become broadly recognized in North America
- In 2007, Agresso landed a number of $1M contracts in North America representing a 62% increase in regional growth year over year. Its primary challenge at this point is achieving greater market awareness to offset already established competition, as well as having sales resources at its disposal to access and compete in more deals
- Agresso recently completed an acquisition of U.K.-based Coda Group. Coda has a sales and support office location in the northeastern United States that Agresso may be able to immediately take advantage of. However, it is too early to identify additional regional synergies that may be garnered. None are apparent, apart from an overall increase in scale and presence across two distinctive product lines. Coda, likewise, has had only modest success to date in penetrating the North American market
- A lesser-known fact to North American competitors and prospects is that Agresso has a strong position in the public sector in Sweden, Norway and the U.K.
- ABW is underpinned by an architecture calibrated for post-implementation agility in which the underlying data, processes and reporting/analytics move in lockstep; a change made in any one place is reflected automatically in the other areas. Beyond the buzzwords and taglines, and apart from its industry-specific functionality, this is its primary strength
- Competitors should note that Agresso, while targeting the professional services and public-sector industries, is less focused on verticalization, per se, than uncovering opportunities across that thin horizontal slice of people/project businesses that have identified information and process agility as a key criterion when seeking business systems
- Expect Agresso to articulate value in terms of both total cost of ownership and post implementation change by way of being able to adapt processes in response to opportunities and challenges faster and more cost-effectively than competitors

Recommendations:
- If Agresso desires to continue its encroachment on the market leaders, it must expand its market reach more aggressively either by advancing a serious partner/channel strategy or via a rapidly ramped-up direct sales/services model. This will require significant corporate investment in its North American subsidiary
- Agresso must be ready to deploy/broaden its currently Europe-based outsourcing/SaaS models in North America as localized demand expands
- The Agresso/Coda acquisition needs defining as to whether it will affect synergies to accelerate

regional momentum. Coda will need to draft off Agresso or initiate a similar campaign of its own. It's unclear whether Agresso will choose to ramp up Coda as aggressively as it has its own ABW into the North American market
- Agresso customers should look for opportunity to leverage Businesses Living in Change (BLINC) plug-In extensions on complementary functional or verticalized solution sets that might be available as a result of the recent Coda acquisition
- To counter Agresso, competitors will need to make the business case and develop proof points beyond lowering TCO. They should also clearly articulate how they lower the total cost and enable simplification of business process change in resource-constrained midmarket IT environments

Competitor	Focus	Sentiment
SAP	Significant	Neutral
Cognos	Brief	Neutral
Oracle	Significant	Neutral
BEA	Brief	Neutral
Microsoft	Significant	Neutral
Salesforce.com	Significant	Neutral
Novell	Brief	Neutral

Title: **Report Highlight for Dataquest Insight: Midsize ERP Provider Agresso Making New Waves in North America**

Firm: Gartner — # Pages: 3 — Ref: 17277
Author(s): Robert P. Anderson — Reference: G00158701
Type: News Commentary — Publication Date: 6 /5 /2008
Synopsis: Despite Agresso's challenges, the midmarket is unquestionably looking for solutions that offer rich vertical functionality and that align well with their business realities, as opposed to rigid, tough-to-adapt general-purpose business systems. Gartner believes vendors with a rich commitment to focus on one or two industries - even if modest in size compared with much-larger competitors - have a strong chance of both sustainability and success. In this, Agresso has a good, native functional set of capabilities that aligns well with the needs of midsize service-centric businesses.

Competitor	Focus	Sentiment
None	None	None

Title:	**User Survey Analysis: Software Application Market Details, Budget, Worldwide, 2007-2008**		
Firm:	Gartner	# Pages: 27	Ref: 17323
Author(s):	Laurie F. Wurster Joanne M. Correia	Reference: G00158297	
Type:	General Research	Publication Date: 6 /5 /2008	

Synopsis: Key Findings – IT organizations must:
- Lower enterprise IT operating costs and install better cost-control measures while improving overall efficiency of operations
- Improve employee productivity as an equally strong driver of IT investment
- Determine measurement criteria for valuing participation and contributions to overall business strategy

Top Recommendation to Software Vendors: Demonstrate understanding of and improvement for IT in its relationship to business functions and line-of-business processes to improve operational efficiency and cost control.

This research was created to help business and IT managers compare their enterprise IT spending in relationship with their IT budgets, and with that of peer organizations.

Key Findings – IT Overall Budgets:
- Organizations continue to drive down the percentage of their total IT budget devoted to infrastructure
- Infrastructure spending is still where the most amount of cost reduction can be removed and still represents 40% of the IT budget
- Savings in the infrastructure area appear to be funding what Gartner calls frontier applications – those that make a major change in business performance and may change the competitive landscape

Gartner Recommendations:
- Understand which industry and global forces are most relevant to your business to drive new strategies for survival and future success
- Take the imperative of reinvention seriously as business models begin to migrate from product-centric to service-centric
- Leverage open-source, SOA, Web services and Web 2.0 technologies as appropriate, and provide better support for workplace processes as manifested for global-class and enterprise-class solutions
- Innovate and differentiate business models and go-to-market strategies by addressing more-focused line-of-business, vertical or geographic requirements in markets that are reaching functional parity and maturity

Respondents were asked if software budgets were going to increase, decrease or remain the same from 2007 to 2008. North America and Europe seem to be tracking in the same range, whereas Latin America and Asia/Pacific are showing a positive trend in increasing their software spending in 2008.

Competitor	Focus	Sentiment
Google	Brief	Positive
Linux	Brief	Neutral
Microsoft	Brief	Positive
Adobe	Brief	Positive

Title: **Testing Times for HR Systems and EU Data Protection Law**

Firm: Gartner # Pages: 7 Ref: 17313
Author(s): Thomas Otter Reference: G00157833
Type: General Research Publication Date: 6 /6 /2008

Synopsis: HR and IT organizations should avoid using live personal data for test purposes. It can compromise employees' safety, privacy and confidentiality, and such use is considered illegal under European Union (EU) data protection regulations.

Key Findings:
- Recent high-profile security breaches in the U.K. have led to demands for stronger compliance from Parliament and from data subjects
- The use of live personal data for testing creates a risk of data loss and abuse
- Personal data testing should become part of a broader risk management strategy

Recommendations:
- Use examples of breaches to raise awareness of the need to invest in data protection processes and technologies
- Include test data in your data protection governance, as well as the broader IT governance and risk management plans
- Use technology, education, policies and processes to reduce the risk of leakage

This research primarily targets organizations subject to compliance with the European Data Protection Directive (Directive 95/46/EC). Data protection is a complex legal field. This research takes examples from the U.K., but the principles are broadly similar across the EU and the European Economic Area. Organizations not operating in these areas should also consider data protection issues in testing, because other privacy-related laws may affect them.

Bottom Line: Consumers, employees and lawmakers have valid concerns about the privacy and security of personal data. HR data is especially sensitive, and requires effective protection. Test data, although vital to ensure that live systems work properly, is a risk. Manage this by enforcing a risk management culture and strong data protection standards.

Competitor	Focus	Sentiment
IBM	Significant	Neutral
Oracle	Significant	Neutral
Accenture	Brief	Neutral
SAP	Significant	Neutral

Title:	**Report Highlight for User Survey Analysis: Software Application Market Details, Budget, Worldwide, 2007-2008**		
Firm:	Gartner	# Pages: 4	Ref: 17357
Author(s):	Joanne M. Correia Laurie F. Wurster	Reference: G00158792	
Type:	News Commentary	Publication Date: 6 /7 /2008	

Synopsis: Horizontal enterprise applications include applications that are used across all types of industries, such as CRM, ERP, collaboration or personal productivity applications. As with software spending in general, spending on horizontal enterprise applications will remain the same as in previous years for most organizations, although nearly 30% of responding organizations expect an increase in budget on this type of software. A higher number of organizations in APAC expect an increase in this area, indicating a regional opportunity for vendors to meet this increased demand. Again, keeping the key goals of IT investment in mind, vendors need to target clients in these emerging markets, assisting them with strategic purchases that help to solve longer-term needs of the organization, which will provide the best opportunity for growth. If a vendor does not have a presence in these emerging markets, they should work to meet this demand through local strategic partnerships and/or acquisitions of complementary product functionality or professional services. For example, clients will tighten up their supply change to manage cost and better support customers, so expect more spending on customer relationship and SCM software tools. In addition, these clients will also invest in frontier applications to do more on the collaboration side in connection with CRM since this is directly related to improving customer satisfaction. These spending patterns are directly related to IT drivers indicated in Slides 10 and 11, and are especially true in the Asia/Pacific area where customer satisfaction outranks the U.S. and Europe, the Middle East and Africa. Vendors must understand what drives purchasing decisions, and the software related to these decisions as it applies in different regions of the world.

Competitor	Focus	Sentiment
None	None	None

Title:	**Magic Quadrant for E-Recruitment Software**		
Firm:	Gartner	# Pages: 23	Ref: 17372
Author(s):	James Holincheck	Reference: G00157092	
Type:	Signature Research	Publication Date: 6 /10/2008	

Synopsis: The e-recruitment software market is growing at a strong pace. For 2006, Gartner estimated the total revenue grew at more than 12% to $410M. Numbers are not available for 2007, but expect a similar, if not slightly higher, growth rate. Even as the market grows and solutions mature, customers face many hiring challenges:

- Finding high-quality candidates is challenging
- Candidate sourcing is difficult
- Hiring managers are not responsive
- Convincing top candidates to join is difficult

Bottom line: As the e-recruitment software market matures, there is considerably more functional parity around recruitment automation to improve efficiency. However, customers are ready to move beyond basic recruiting automation toward overall effectiveness. Solutions will need to evolve to meet the increasingly varied strategies of organizations to fulfill their talent acquisition needs. To be most effective, solutions must support industry and geographic needs, as well as handle the challenges facing corporate recruiting departments.

Competitor	Focus	Sentiment
SAP	Significant	Mixed
Oracle	Significant	Mixed
Deloitte	Brief	Neutral
Adobe	Brief	Neutral
Microsoft	Brief	Neutral

Title: **Cloud Computing and HR**

Firm: Gartner # Pages: 6 Ref: 17374
Author(s): Thomas Otter Reference: G00157858
Type: General Research Publication Date: 6 /10/2008

Synopsis: Cloud computing will affect those who consume and build HR and human capital management (HCM) applications. Users of HR and HCM technologies should understand their vendors' cloud strategies.

Key Findings:
- HR-HCM applications have been off-premises since the 1950s, so HR departments have a long history of comfort with applications beyond the firewall
- SaaS, a subset of cloud computing, is becoming the dominant delivery method for parts of the HCM landscape
- SaaS vendors will be under increasing pressure to leverage the cloud infrastructure to industrialize and standardize
- Infrastructure providers will need to offer strong assurances for privacy and other service-level agreements (SLAB)
- There is a critical mass of HR and related applications delivered in the cloud, via SaaS. For many newer HR-HCM applications, cloud-based delivery is the only option
- Most HCM SaaS vendors have built their own infrastructures or have worked with technology partners to leverage private utility models
- HCM SaaS providers will exploit cloud infrastructures to lower their cost of processing, improve scalability and focus on core competencies

Recommendations:
- See cloud computing as a style of computing, rather than a feature list
- Just because an HCM service delivery method has a new name doesn't mean that ifs new
- When purchasing SaaS solutions, carefully examine the vendor's cloud computing strategy
- Understand the SaaS vendor's business model and the impact that cloud computing will have on its business

Competitor	Focus	Sentiment
Sun	Brief	Neutral
SAP	Brief	Neutral
Oracle	Brief	Neutral
Salesforce.com	Significant	Positive
Workday	Brief	Positive
HP	Brief	Neutral
IBM	Brief	Neutral

Title:	**CHEP Acquires LeanLogistics**		
Firm:	Gartner	# Pages: 5	Ref: 17489
Author(s):	C. Dwight Klappich	Reference: G00157381	
Type:	General Research	Publication Date: 6 /16/2008	

Synopsis: On March 3, 2008, Brambles, the parent company of CHEP, announced its $45M cash acquisition of LeanLogistics, a provider of TMS solutions and transportation managed services. LeanLogistics will be combined with CH EP and run as a separate, although closely affiliated, organization.

LeanLogistics offers a robust and stable SaaS TMS that addresses most of the essential requirements of transportation planning, execution and settlement for North American shippers. The vendor has 50 TMS customers, and 4,300 carriers and 2,000 suppliers on its SaaS network. Although it was the smallest vendor in 2008's TMS Magic Quadrant, LeanLogistics operated profitably and had several impressive customers for its size. Although LeanLogistics provides a good, although undifferentiated, SaaS TMS, LeanLogistics' competitive advantage was its TMS Managed Services strategy, where it offers a portfolio of services over and above traditional implementation services that can be structured to help users with assorted tasks - from running an annual freight buy to staffing and managing day-to-day freight operations. Customers reference the vendor's transportation domain expertise, strong grasp of transportation industry trends and real-world experience as the principal reasons they work with LeanLogistics.

CHEP is a leader in reusable pallet and container pooling services, with some 300,000 customer locations in 44 countries. CHEP handles the movement life cycle of roughly 285 million pallets and containers across its network of more than 450 global service centers. Originally, its business was primarily about providing, controlling and managing the movement of pallets and containers, but, increasingly, it is leveraging the information it captures to offer value-added services to its clients. This is where CHEP believes the marriage of CHEP and LeanLogistics offers some unique potential, such as providing a multi-enterprise collaboration environment that will enable the synchronization of in-bound and out-bound shipments across multiple shippers, collaborating with carriers to identify cross-enterprise, backhaul opportunities. However, Gartner finds few clients interested in these types of capabilities, and this is unlikely to emerge as a desired need during the next three years.

Competitor	Focus	Sentiment
None	None	None

Title:	**Survey Finds Growing Use of Open-Source Software for Mission-Critical Applications**		
Firm:	Gartner	# Pages: 5	Ref: 17564
Author(s):	Bob Igou Mark Driver	Reference: G00158683	
Type:	General Research	Publication Date: 6 /18/2008	

Synopsis: A Gartner survey about IT services needed for mission-critical systems found two-thirds of all respondents are using open-source software (OSS) in mission-critical situations. Gartner believes this survey data represents a metadata snapshot of OSS applications determined to be mature enough for mission-critical use. This view should be used in conjunction with Gartner's "Hype Cycle for Open-Source Software, 2008." The survey data represents the progression in maturity of OSS applications on the Hype Cycle curve.

Key Finding: Software categories represent full-function applications that are being used as alternatives to, or replacements for, proprietary software.

Recommendations:
- Use of OSS for mission-critical purposes is one variable in the overall maturity of a class or market of applications. IT user organizations must consider the extent to which OSS is being used for mission-critical purposes by peer IT organizations as a proof of concept and evaluate their own level of risk tolerance
- IT organizations that deploy mission-critical applications need commercial-grade support for the products and environment. IT users must ensure that strong support service contracts are in place for OSS used as mission-critical applications

For both proprietary software and OSS, a large number of respondents agreed that the software components that were mission-critical were the server operating system, IT operations software (composed of system and network management software) and security. For proprietary software, more respondents in very large organizations categorized specific software as mission-critical, than did their smaller peers. These patterns of use are consistent with other trends in Gartner research on OSS. In general, there is wider acceptance of OSS for categories of infrastructure software than for application software.

Competitor	Focus	Sentiment
None	None	None

Title:	**SAP Builds on Its SOA ERP Strategy at Sapphire**		
Firm:	Gartner	# Pages: 6	Ref: 17626
Author(s):	Jeff Woods	Reference: G00157897	
Type:	General Research	Publication Date: 6 /20/2008	

Synopsis: SAP has been pursuing technical modernization to a service-oriented architecture (SOA) for its Business Suite and expanding its capabilities by acquiring Business Objects. Use this research to understand how SAP's announcements at Sapphire Orlando change and extend SAP's Business Suite.

Key Findings:
- SAP has delivered SOA with 6,000 productive customers on SAP ERP 6.0. Although not a completely model-driven architecture, this initial effort delivers an SOA layer on top of existing parameterized applications
- SAP is describing a continuous improvement future for "Business Suite without upgrades" through enhancement packs and side-by-side deployments of new functionality

Recommendations:
- Users should focus on upgrading to ERP 6.0 in the midterm, evaluating relevant enhancement packs once the ERP 6.0 upgrade is complete, and establishing a plan for investigating and possibly adding side-by-side process extensions delivered through the SOA by design architecture through 2013
- Users that do not have an SAP competency center should establish one, because the complexity of managing an SAP-based application strategy will increase substantially
- Users with an SAP-centric platform strategy should decide whether a coordinated view of Business Suite-based analytics based on a combined SAP NetWeaver and Business Objects architecture is worth the cost
- Beyond establishing a competency center, users should establish a task force to develop a user-centric ERP model that focuses on the needs of user constituencies to determine what the enterprise will do with SOA

At Sapphire, SAP demonstrated that it has an established product or is finalizing plans for delivering three key architectural principles to customers: 1) SOA-based Business Suite is deployable; 2) embedded analytics in Business Suite are workable; and 3) SAP intends to extend processes with SOA by design products in side-by-side deployments.

Competitor	Focus	Sentiment
Business Objects	Primary	Positive
SAP	Feature	Positive

Title:	**Visiprise Buy Will Assist SAP in Assembling 'Perfect Plant'**		
Firm:	Gartner	# Pages: 3	Ref: 17658
Author(s):	Andrew Hughes	Reference: G00159184	
Type:	News Commentary	Publication Date: 6 /23/2008	

Synopsis: On June 17, 2008, SAP announced that it plans to acquire Visiprise, a privately held software company based in Alpharetta, Georgia. Visiprise has been SAP's primary partner for manufacturing execution systems (MESs) in discrete manufacturing. Terms of the deal were not disclosed.

This planned acquisition could help to clarify and strengthen SAP's manufacturing strategy. The deal would complete a trilogy of manufacturing operations management (MOM) acquisitions by SAP that started with Lighthammer in 2005, followed by Factory Logic in 2006. The deal also confirms that SAP intends to move aggressively into plant operations.

SAP partners with other MOM vendors to address different industry verticals. As SAP integrates the Visiprise offering and expands its capabilities, the benefits offered by its ecosystem of partners will become less clear. Current SAP customers in process and batch industries are unlikely to be affected by the acquisition.

Competitor	Focus	Sentiment
SAP	Feature	Positive

Title:	**Gartner's 2008 Guide to Options for Upgrading Oracle Applications**		
Firm:	Gartner	# Pages: 8	Ref: 17660
Author(s):	Pat Phelan Isher Kaila Yvonne Genovese	Reference: G00158559	
Type:	Operational Guidance	Publication Date: 6 /23/2008	

Synopsis: Oracle has indicated that migrating users to a Fusion suite of applications is now a long-term objective because its time frame for delivering Fusion Applications has extended and the market is hesitant to commit to migration.

Key Findings:
- Oracle is not providing a clear picture of what its Fusion Applications will consist of in terms of technology and functionality breadth/depth. This gives Oracle great latitude in what it eventually delivers in its Fusion suite of applications, and makes it difficult for clients to plan for upgrades and migrations
- This lack of clarity puts users who expect that upgrading their Applications Unlimited solutions will prepare them for a migration to the Fusion suite of applications at the risk of no return for their effort and investment toward that goal
- Application Integration Architecture (AIA) applies to enterprises that have a wide Oracle enterprise applications footprint as well as those looking for process integration between the Fusion suite of applications components, but the process integration packs (PIPS) that have been delivered address a limited set of integration requirements

Recommendations:
- For specific Oracle Fusion Middleware (OFM) and application software recommendations, refer to "Vendor Rating: Oracle"
- Upgrading Applications Unlimited is a viable near-term option, but users should consider costs, risks and benefits before proceeding with upgrades or migrations to OFM solely as a preparatory step for Fusion Applications
- Current product functionality should be the primary factor in new investments in the Oracle product portfolio
- Plan for extensive custom-built integration between Oracle's acquired products as the availability of AIA PIPS is limited today and new development will be based on user demand

Competitor	Focus	Sentiment
Oracle	Feature	Mixed
Siebel	Significant	Neutral
IBM	Brief	Neutral

Title:	**A Guide to Oracle Research for Application Leaders, 1Q08**		
Firm:	Gartner	# Pages: 10	Ref: 17707
Author(s):	Yvonne Genovese Isher Kaila	Reference: G00158762	
Type:	General Research	Publication Date: 6 /24/2008	

Synopsis: This guide lists 60 pieces of Gartner research on Oracle business applications that give insight into the Oracle Applications portfolio and competitive markets. Renewed competition in the business application market has prevented dominance by any vendor. Ensure that your organization knows the competitive trends in each market you've invested in as part of a tactical, long-term application strategy.

Key Findings:
- Oracle Applications are detailed in more than two dozen Gartner Magic Quadrants, with key insights on the competitive landscape for Oracle product portfolio offerings
- Lack of clarity around Oracle Fusion and whether it requires migration or reimplementation of Oracle Applications still generates uncertainty for Oracle users looking toward r.12 and Oracle Application Integration Architecture (AIA) offerings
- Application leaders are concerned about and conducting more due diligence to ensure that incumbent Oracle solutions meet their longer-term application strategies
- Application leaders are willing to investigate alternatives to Oracle as part of contingency planning
- Oracle's AIA software is more than a year old, but Gartner found only one client using a Process Integration Pack, so we believe that AIA is immature

Recommendations:
- Leverage this research to isolate the application markets you want to research for Oracle's offerings; understand Oracle's key competitors in each market
- Don't assume that Oracle's market strategies on specific product lines from the business application portfolio affect your investments modularly. Oracle has great diversity in product offerings, so leverage the links in this research to analysis on your application investments and strategies
- Don't plan strategic application strategy only around the readiness of Oracle Fusion applications or steps toward a potential Fusion application portfolio. Ensure that your business requirements and strategic goals guide your investments on Oracle's product portfolio

Competitor	Focus	Sentiment
Linux	Significant	Neutral
Microsoft	Significant	Neutral
BEA	Significant	Neutral
ZenSource	Brief	Neutral
Oracle	Feature	Neutral
Siebel	Significant	Neutral

Title:	**Ten Components of Effective ERP Governance**		
Firm:	Gartner	# Pages: 9	Ref: 17741
Author(s):	Pat Phelan	Reference: G00158122	
Type:	Operational Guidance	Publication Date: 6 /25/2008	

Synopsis: Too often, organizations that implemented ERP fail to recognize the need for enterprise-level governance until post-implementation issues have highlighted the gap between IT-oriented governance and the governance needed for ERP. Although ERP governance strategies often build on the organization's IT governance model, the scope of ERP governance is broader. Although both require some level of business involvement, governance for ERP solutions that span multiple business units requires an increased level of participation by users and increased coordination and collaboration across the user groups in a partnership with the IT department. Governance mechanisms are the vehicles used to implement different governance styles, and they might be specific to one domain or cover multiple domains or the whole company.

Key Findings:
- Too often, ERP systems are implemented with little understanding of, or planning for, the post-implementation support organization that is necessary to sustain an enterprise-spanning application

- Some enterprises attempt to implement ERP governance using the same model that they have in place for their traditional IT governance, but the scope of IT governance is not comprehensive enough to accommodate ERP governance needs. The key difference is in the increased level of end-user participation required to support applications that span large portions of the enterprise
- To further complicate the issue, the collaborative involvement of the end-user community is too often completely missing from the ERP governance structure

Recommendations:
- Plan for the 10 components of ERP governance while the implementation project is ongoing, well before the go-live date
- Leverage the implementation governance structure when developing postimplementation support and governance mechanisms
- Make the complexity of governance arrangements proportional to company size and expect the model to evolve over time
- Understand the difference between input rights and decision rights when determining who should contribute to ERP decisions

Competitor	Focus	Sentiment
None	None	None

Title:	**Market Share: ERP Software, Worldwide, 2007**		
Firm:	Gartner	# Pages: 22	Ref: 17824
Author(s):	Chris Pang Yanna Dharmasthira Chad Eschinger Koji Motoyoshi	Reference: G00159200	
Type:	Market Profile	Publication Date: 6 /26/2008	
Synopsis:	Worldwide ERP software market revenue grew 16.7% in 2007, leading to a market value of more than $20.7B. In terms of revenue, SAP held 27.5% market share in 2007 and grew 19.4% year-over-year. Oracle was in second with 13.9% share and 25.5% growth. Sage was third with 7.0% share and 21.5% growth. Infor Global Solutions held 6.4% share, but grew an impressive 98.1% year-over-year. Microsoft held 4.1% and grew 23.0% - rounding out the top five. FMS components was the largest subsegment, while manufacturing and HCM nearly tied for second. EAM was by far the smallest subsegment. North America and Western Europe together accounted for 78.0% of the worldwide ERP software market in 2007 – Western Europe grew slightly above the worldwide average of 16.7%, while North America grew slightly below that average.		

Competitor	Focus	Sentiment
Oracle	Significant	Positive
SAP	Significant	Very Positive
Sage	Significant	Positive
Infor	Significant	Very Positive
Microsoft	Significant	Positive
IBM	Brief	Positive

Title:	**Market Share: ERP Software, EMEA, 2007**		
Firm:	Gartner	# Pages: 9	Ref: 17806
Author(s):	Chris Pang Yanna Dharmasthira Chad Eschinger Koji Motoyoshi	Reference: G00159276	
Type:	Market Profile	Publication Date: 6 /27/2008	

Synopsis:

Summary: The Europe, the Middle East and Africa (EMEA) ERP software market grew 8.7% in 2007, leading to a market value of €6.8B in total software revenue. This document provides EMEA ERP software market share data for 2006 and 2007 by subregion and country.

SAP was the top vendor in this market in 2007, bringing in €2.19B and 32.2% market share. Oracle came in second with €695.2M and 10.2% share. Sage, Infor and Microsoft rounded out the top five. Infor saw the highest growth, increasing its revenue 82.4%, followed by Oracle at 48.9%. The top five vendors increased their lead in the market, with all other vendors losing 3.4% of their collective share.

The largest subsegment in the EMEA ERP software market in 2007 was FMS components, though the highest growth (14.3%) occurred in the HCM subsegment. Within the EMEA region, Western Europe accounted for 86% of the market.

Competitor	Focus	Sentiment
HDS	Brief	Neutral
SAP	Significant	Positive
Oracle	Significant	Positive
Sage	Significant	Neutral
Infor	Significant	Positive
Microsoft	Significant	Positive
Hyperion	Significant	Neutral
NetSuite	Significant	Positive
Samsung	Brief	Neutral
IBM	Significant	Positive

Title:	**Market Share: ERP Software, North America, 2007**		
Firm:	Gartner	# Pages: 22	Ref: 17815
Author(s):	Koji Motoyoshi Chad Eschinger Chris Pang Yanna Dharmasthira	Reference: G00159271	
Type:	Market Profile	Publication Date: 6 /27/2008	

Synopsis: The North American ERP software market grew 14.3% in 2007, leading to a market value of more than $8B in total software revenue. In terms of revenue, SAP held 21.5% market share in 2007, representing 20.2% year-over-year growth. Oracle was second with 18.1% market share, however, Oracle's year-over-year growth was below market average. Infor held 8.0% market share, but showed impressive 104.9% year-over-year growth. Sage with 7.9% market share, and Kronos with 4.5%, round out the top five.

FMS components was the largest subsegment, followed by HCM and Manufacturing, respectively.

The U.S. held 93.7% total North American ERP Software revenue, while Canada held 6.3%.

Competitor	Focus	Sentiment
HDS	Brief	Neutral
Hyperion	Brief	Neutral
JDA	Brief	Neutral
Infor	Significant	Very Positive
IBM	Brief	Neutral
Microsoft	Brief	Neutral
SAP	Significant	Very Positive
Oracle	Significant	Mixed
NetSuite	Brief	Neutral
Samsung	Brief	Neutral
Sage	Brief	Positive

Title:	**MarketScope for Sales and Operations Planning**		
Firm:	Gartner	# Pages: 20	Ref: 17860
Author(s):	Tim Payne	Reference: G00158733	
Type:	Signature Research	Publication Date: 6 /30/2008	

Synopsis: Sales and operations planning (S&OP) is being seen as a key business process to help manage supply chains more effectively. This market has been historically served by nonspecialized tools and supply chain planning vendors, but solutions are maturing and the S&OP landscape is changing.

Choosing an S&OP tool depends on several factors. The maturity of a company's S&OP process is a key factor in determining S&OP application requirements. Enterprises that are more operationally orientated will be more focused on extending the capabilities of existing supply chain planning (SCP) applications to support their S&OP efforts. Companies that have a more mature S&OP process across more-complex interdepartmental collaboration will be looking for more-strategic alignment and financial impact analysis as they progress their S&OP processes toward integrated business planning (IBP).

SCP vendors, such as i2 Technologies and JDA Software Group, are developing their SCP-¬based S&OP capabilities by providing S&OP overlay solutions. Other SCP vendors are providing more report-oriented solutions that leverage existing SCP functionality (for example, Prescient). Overall, business suite vendors, such as Oracle and SAP, are starting to integrate separate modules of functionality to form "composite" S&OP solutions. A third category of stand-alone vendors (such as Steelwedge Software) are providing discrete S&OP overlay solutions.

Gartner has rated the S&OP market as Promising. Gartner sees good solid growth for this market in the next five years. Increasingly, companies (especially product-centric ones) will be looking to establish well-designed and effective S&OP processes to help manage more-global operations. As companies find that their operating environments become more complex and the need for superior performance out of their supply chains increases, they will be looking for ways to leverage their investments in operational planning and performance management applications. The individual vendor ratings are as follows:
- i2 Technologies: Positive
- JDA Software Group: Promising
- Kinaxis: Promising
- Logility: Promising
- OM Partners: Promising
- Oracle: Positive
- Prescient: Caution
- River Logic: Promising
- SAP: Promising
- Steelwedge Software: Positive
- TXT e-solutions: Promising

Competitor	Focus	Sentiment
JDA	Primary	Positive
Oracle	Primary	Positive
SAP	Primary	Positive
Microsoft	Brief	Neutral
i2	Primary	Positive
Manugistics	Brief	Neutral
Business Objects	Brief	Neutral

Title: **Taking on Excel, and Winning, Sort Of.**

Firm: Greenbaum # Pages: 2 Ref: 17393
Author(s): Josh Greenbaum Reference:
Type: Blog Publication Date: 6 /3 /2008

Synopsis: It's common knowledge that, when trying to find a true market leader in mid-market enterprise software, the "other" category is by far the largest, despite the efforts of Microsoft, SAP, Oracle, Lawson, Infor, and pretty much any vendor with dreams of high volume sales to capture true market dominance.

But a dominant position has already been established by the one vendor no one mentions in the surveys, mostly because that vendor's products are so ubiquitous. The vendor is Microsoft, the product Excel, and in categories from business intelligence to supply chain management to CRM, the number one mid-market product is that little old spreadsheet. Which makes job #1 of every other software vendor to unseat this extremely well-entrenched incumbent. Or at least co-opt it.

Indeed, in most cases it's such an uphill battle that the best strategy is to co-opt Excel, rather than fight. So enterprise software products abound that include not just an Excel "workspace", but click and drop integration with Excel spreadsheets that even non-techies can use

How far will this Excel-fever go? I wouldn't be surprised if someone came up with an Internet search interface to Excel, as well as a YouTube and Facebook interface. The product is so entrenched it would take a dose of mustard gas to get some of these users to quit.

So, like the floppy disk icon that never dies, the Excel spreadsheet lives on and on, despite advances in technology that should have buried it a long time ago. This ubiquity and staying power says volumes about what users want from enterprise software, and their continued votes in favor of a 20-plus year old user experience should give everyone who believes that the best technology deserves to win a deserved pause. Excel works well-enough for Ms of users all day long, and learning to live with it is a strategy that everyone, from CEOs to managers to software developers, needs to keep in mind.

Competitor	Focus	Sentiment
SAP	Brief	Neutral
Oracle	Brief	Neutral
Infor	Brief	Neutral
Microsoft	Feature	Very Positive

Title:	**NetSuite Moves Deeper into the Services Vertical, Announces Plans to Acquire OpenAir**		
Firm:	IDC	# Pages: 2	Ref: 17644
Author(s):	Michael Fauscette	Reference: IcUS21270108	
Type:	News Commentary	Publication Date: 6 /4 /2008	

Synopsis: On June 2, NetSuite announced its intent to purchase SaaS professional services automation (PSA) software vendor OpenAir. The addition of OpenAir's product suite significantly strengthens NetSuite's commitment to this vertical and opens up the opportunity to expand its solutions into several adjacent verticals such as government contracting, government services, architectural, engineering services, and construction.

IDC also sees an interesting inflection point developing in this market caused by two concurrent market factors:
- Many project-based enterprises purchased product-based ERP solutions in the middle to late 1990s and heavily customized them to meet their needs. These heavily customized solutions are difficult or impossible to upgrade to the latest versions of the software and are at or nearing end of life in terms of support from their vendors
- Companies are insisting on vertically focused solutions that meet a significant amount of their business requirements out of the box versus customizing to meet those requirements

The NetSuite/OpenAir combined solution, targeted to the small and medium-sized project-based EA market and delivered on demand, could provide a compelling alternative for these companies.

Competitor	Focus	Sentiment
NetSuite	Feature	Positive
Oracle	Brief	Neutral

Title:	**Noteworthy Announcements in Manufacturing Technology — May 12–25, 2008**		
Firm:	IDC	# Pages: 9	Ref: 17287
Author(s):	Bob Parker	Reference: MI212597	
Type:	General Research	Publication Date: 6 /5 /2008	

Synopsis: This Manufacturing Insights Perspective highlights the key wins, product releases, mergers/acquisitions/investments, and partnerships announced by the manufacturing technology vendor community from May 12, 2008, to May 25, 2008. Key headlines include:
- SAP announced that it will support Daimler AG as a global IT provider as part of Daimler's IT harmonization strategy
- Siemens PLM software announced that Dedini S/A Industrias de Base has selected Teamcenter software as its engineering product data management platform
- Microsoft announced that American of Martinsville, a Virginia-based contract furniture manufacturer, will integrate Dynamics AX 4.0 and Dynamics CRM 4.0 to automate its manual processes in order to improve its master-planning capabilities
- WhereNet, a Zebra Technologies company and a provider of wireless applications for managing assets, announced that GETRAG FORD Transmissions, a manufacturer of automotive transmissions, has deployed its Material Flow-Replenishment System at its 2M sq ft assembly plant in Cologne, Germany, to automate parts replenishment processes as part of the company's lean manufacturing initiative
- Infor announced that Leach International, a subsidiary of Esterline Technologies and a manufacturer of power switching and control components for the aerospace industry, has selected its enterprise resource planning (ERP) SyteLine
- Dassault Systêmes (DS) announced that Lenovo will deploy SIMULIA's software to establish a simulation technology center within Lenovo's Innovation Design Center (IDC)
- Kewill, a provider of supply execution software, announced that Ingersoll Rand has selected it to support its transportation management efforts
- JDA Software Group announced that CJ Corp., a manufacturer and seller of refined sugar, wheat flour, animal feed, food seasonings, medicines, processed meat, and other household products in South Korea, has implemented its demand, master planning, market manager, collaborate, and fulfillment modules from its Manugistics line as part of a supply and demand chain system upgrade
- Mentor Graphics announced that Toshiba Corp. has selected its Calibre DFM Platform for its Device Extraction Flow aimed at controlling manufacturing variability at 45nm
- RedPrairie announced that Ingram Micro, a large technology distributor, is implementing its Workforce Management application with the intention to improve productivity and gain visibility into performance at its distribution centers across the United States
- Harman International announced that it has signed an agreement with Wipro Technologies to transfer responsibility for its information technology infrastructure to the services provider
- Oracle has announced the release of JD Edwards EnterpriseOne Financial Management and Compliance Console
- SAP and TechniData, the SAP development partner for environmental compliance software, announced the availability of Registration, Evaluation, and Authorization of Chemicals (REACH) compliance, an application for addressing tasks required by the European REACH legislation
- Siemens PLM Software announced the release of NX 6 digital product development software that includes features from the recently announced synchronous technology
- A pilot kit that allows designers to create evaluation projects using RuBee (IEEE P1902.1) wireless asset visibility was announced by Visible Assets
- GE Fanuc Intelligent Platforms announced the availability of a new version of its Proficy Tracker software that supports lean initiatives by managing the execution of orders and the related flow of materials
- Openbravo, a developer of open source enterprise resource planning software, has received $12M of second round funding
- Siemens PLM Software and Satyam Computer Services announced a consulting and systems integrator alliance to provide PLM software and services
- Choice Stream, a provider of personalization technology, announced that it is partnering with

Sterling Commerce to offer a hosted personalization service with multichannel selling
- Enigma, a provider of aftermarket service and support technology, announced that it has signed a partnership agreement with Satyam
- IBM announced the Carbon Tradeoff Modeler, a tool that is designed to enable organizations to analyze and manage the climate impact of their supply chains
- Wonderware, a business unit of Invensys, announced new software releases that are designed to support manufacturing operations
- Apriso, a provider of manufacturing process management software, announced a Warehouse Management System (WMS) specifically designed and built for manufacturers
- BigMachines, a provider of on-demand configuration and proposal software, announced the availability of its Lean Front-End (LFE) 8.2
- SugarCRM, a provider of commercial open source CRM software, introduced Sugar Data Center Edition (DCE) - a new product line for partners and enterprise customers
- Softscape, a provider of human resource management software, announced new software enhancements with the release of Apex 2008
- Data Translation announced the release of Measure Foundry 5.1 featuring Windows Vista support and the addition of new components
- Wind River Systems, a provider of embedded software development tools, announced an infotainment platform based on commercial Linux that is intended to accelerate time to market of applications for the in-vehicle infotainment segment of the automotive industry
- Brightidea.com, a provider of ideation management software, announced the availability of WebStorm 5.0, which is designed to enable businesses to create social networks to collaborate with customers, employees, or partners
- Dassault Systêmes announced the availability of Abaqus 6.8, its finite element analysis software suite from SIMULIA
- Lawson Software announced the general availability of its contract management module, which is designed to help organizations simplify contract creation and management
- PTC announced the upcoming general availability of CoCreate 2008 the latest release of its CAD, product data management (PDM), and collaboration software- QAD, a second-tier ERP software vendor, announced the general availability of Enterprise Applications 2008, the newest version of its flagship product
- Chordiant Software, a provider of customer management software and services, announced Collections Manager 2.0, an application intended to make the receivables collection process as positive and profitable as possible
- DFMSim launched software tools intended to enable designers and manufacturers of integrated circuits (ICs) to accurately predict and avoid systemic errors that impact manufacturing yields
- Project Control Management System (PCMS) and Track, two cost control software packages used in refining, chemical, and petrochemical industries worldwide, have merged

Competitor	Focus	Sentiment
SAP	Significant	Neutral
Dassault	Significant	Neutral
Lenovo	Significant	Neutral
Oracle	Significant	Neutral
Manugistics	Significant	Neutral
IBM	Significant	Neutral
Red Prairie	Significant	Neutral
Microsoft	Significant	Neutral
PTC	Significant	Neutral
JDA	Significant	Neutral

Title:	**SAPPHIRE 2008: Is No News Good News?**		
Firm:	IDC	# Pages: 4	Ref: 17442
Author(s):	Joe Barkai	Reference: MI212696	
Type:	General Research	Publication Date: 6 /12/2008	

Synopsis: If you came to SAPPHIRE expecting big news, you were up for disappointment. All in all, SAPPHIRE 2008 in Orlando was well attended - SAP claims more attendees than last year - but mostly lackluster to the disappointment of many media and analysts that were hoping for yet another tit for tat in the SAP-Oracle duel. And those that came to enjoy Shai Agassi's grand visions for SOA, even if they disagreed with him, had to settle for a lesson in the fundamentals of SOA from SAP's co-CEO Henning Kagermann.

In discussing the recently acquired Business Objects, Kagermann outlined a business framework in which embedded business analytics provide the necessary insight and decision-making environment to create a closed-loop link between corporate strategy and execution. Kagermann spent much time discussing Business Objects, but he did not offer any perspective about how the companies will work together and how SAP and Business Objects customers will benefit from the combined powers. Instead, he opted to give the audience a primer in business intelligence.

SAP executives did not volunteer much information about the much-anticipated Business ByDesign on-demand ERP. It appears that SAP grossly underestimated the technical complexities of building a mega-tenant system, as well as the business and organizational complexities in deploying an on-demand service. The service is not yet available worldwide, and the subscriber base is only 150 - less than 15% of SAP's projection when it launched the service last September. SAP is cutting its investments in Business ByDesign to 50% of the original plan and expects that the $1B revenue goal will not be met by 2010, as originally planned.

First-quarter results were lackluster for a high performer like SAP. Net income for the first quarter of 2008 was $242M, down 22% from last year. First quarter revenue was $3.83B, up from last year but below expectations. SAP's executives seem to hint at a deliberate slowdown to focus on delivery and increasing profit margins. Kagermann is trying to simplify the message and clarify the direction for customers, and perhaps downplay the emphasis on long-term vision and innovation that at times led some to feel that the gap between SAP's vision and execution was widening.

One interesting partner announcement came from SAP and RIM regarding the availability of SAP customer relationship management (CRM) on BlackBerry. The tight-and-slick integration with the core capabilities of the BlackBerry strengthens SAP's CRM offering for mobile workers and BlackBerry-carrying executives. Even this announcement wasn't groundbreaking as the two companies have been working together since 2004. However, SAP did show progress in another important area for enterprise buyers - supporting mobility.

So there was no news from SAPPHIRE. But perhaps this is actually how it should be. As Leo Apotheker put it: "When a $16B company continues to deliver results, this in itself is a major task and great execution." SAP customers can expect the company to focus on consistent and meticulous execution, as it anticipates the economic slowdown in North America and Europe and positions itself to respond better to Oracle's aggressive execution in its "surround SAP" strategy. SAP is recalibrating its approach to the market to make sure it has its priorities right for product investment and, by extension, its customers. However, going back to basics and simplifying the message and execution will not be enough in the long run. SAP should continue to demonstrate thought leadership and capitalize on underutilized assets and convert them into proof points and demonstrable customer value.

Competitor	Focus	Sentiment
Oracle	Brief	Neutral
Business Objects	Significant	Positive
SAP	Feature	Mixed

Title: **Modernizing Your Supply Chain: The Execution Imperative**

Firm: IDC   # Pages: 22   Ref: 17472

Author(s): Kimberly Knickle   Reference: MI212394
Pierfrancesco Manenti
Simon Ellis

Type: Operational Guidance   Publication Date: 6 /13/2008

Synopsis: Manufacturers' overriding goal is to make better, faster decisions to respond to an environment of ever-increasing complexity and data. This goal translates into a requirement for IT tools and business processes that can facilitate new levels of visibility and decision making, with more rapid response times to new challenges and opportunities. At the same time, manufacturers must maintain an acceptable cost base in the supply chain and improve their environmental footprint. As such, supply chains will play a more consistent roll in broader business decisions, such as "profitable proximity" sourcing (as opposed to low-cost country sourcing) and new product development and introduction. More capabilities and recent trends in supply chain planning will put more pressure on the supply chain to support demand-aware, fulfillment-driven techniques where supply chain visibility and inventory optimization emerge as a potent combination for driving supply chain efficiency and execution.

One clear consequence of these opportunities is a greater dependence and investment in supply chain execution areas such as inventory optimization, warehouse management, manufacturing execution, transportation management, and event and/or response management. IDC predicts that spending in supply chain software will grow at a faster pace than the overall IT spending in manufacturing. Modern supply chain architectures must recognize not only the extended enterprise of suppliers and customers but also the critical role of supply chain processes within the product or brand owner.

Bottom line: Manufacturers' supply chain organizations face greater pressures to improve productivity, efficiency, and sustainability. Today's supply chain, driven by diversifying customer demands in the form of new products and services, also requires unparalleled flexibility and agility.

Competitor	Focus	Sentiment
Microsoft	Brief	Neutral
Dell	Significant	Neutral
Canon	Brief	Neutral
Infor	Brief	Neutral
EMC	Brief	Neutral
Red Prairie	Brief	Neutral
SSA	Brief	Neutral
Manhattan Assoc	Brief	Neutral
i2	Brief	Neutral
SAP	Brief	Neutral
Oracle	Brief	Neutral
JDA	Brief	Neutral

Title:	**SMBs in the Spotlight at SAPPHIRE 2008**		
Firm:	IDC	# Pages: 2	Ref: 17607
Author(s):	John Roberts Raymond Boggs	Reference: 212715	
Type:	News Commentary	Publication Date: 6 /19/2008	

Synopsis: The 2008 SAP SAPPHIRE event featured SMB solutions more prominently than ever before, in keeping with SAP's commitment to boosting sales growth in this increasingly attractive market segment. The event was primarily customer focused, but SAP partners were well represented, along with other vendors exhibiting at SAP's Ecosystem and Partner Center. The SME village, part of this Center and new this year, featured interactive displays for small and midsize business solutions and was well attended throughout the event.

SAP's three-pronged SMB sales strategy was reiterated at SAPPHIRE:
- Expanding the vendors strong enterprise brand recognition down into the SMB space developing the right solutions for the right SMB industries, even down to the microvertical level
- Leveraging a multichannel strategy to drive sales growth; while partners are key to reaching SMB customers, SAP is not looking to add partners just for the sake of adding partners. The company's often-cited quest is for "partners of volume," not "volumes of partners"

The brand and channel components of SAP's SMB strategy (the first and third prongs outlined above) appear to be on track. As evidenced by the strong SMB theme running through SAPPHIRE, SAP is working hard to develop brand recognition among SMBs, a market segment less familiar with the company than large firms are.

Eighty-five percent of SAP's SMB customers are obtained and served by the channel, and the vendors multichannel marketing strategy will be critical for boosting global sales volume for SMB solutions. The expanding relationship with HP and IBM as partners marks a significant advance in this strategy. Both HP and IBM have a deep, long-standing presence in the SMB market (especially the "M" part in IBM's case). They also bring strong channel relations that will bring added value to SAP through product knowledge, solution customization, and practical understanding of customers.

However, finding the right solutions for the right segments of the market, that is, the second part of SAP's strategy, is the continuing challenge. This is demonstrated by the push back in Business ByDesign sales and customer growth targets, and the possibility that customer growth for Business One and All-in-One may not meet SAP's expectations.

While it might make sense for SAP to strengthen the case for large businesses to use Business ByDesign, and to provide greater flexibility in the choice of solutions, this really isn't what the product was designed for. Selling to familiar large customers might be tempting as a way to generate immediate sales, especially given the considerable product investments SAP has already made. But it really won't get the company to its ultimate revenue and customer count targets.

SAP has not yet found the right message for key segments of the SMB market. At SAPPHIRE, there was a much greater focus on the "M" segment of the SMB market compared to the "S" segment, in keeping with the kinds of advanced customers most likely to appreciate SAP's offerings. Much of the "buzz" centered on Business ByDesign and SAP Business All-in-One products, with little mention of Business One, SAP's business solution for businesses with fewer than 100 employees. This focus makes sense, and building strength in moving to smaller companies is a natural progression. SAP has already shown some creativity in expanding beyond its traditional base. At the Novell BrainShare event in March, SAP's new Senior VP for SME Indirect Channels, Pat Hume, made a major keynote speech, throwing some "raw meat" out to Novell channel partners by announcing a new referral program that would bring them compensation from referrals, ultimately encouraging them to engage more actively with SAP. This is the kind of sales and marketing innovation that will be a natural and very helpful companion to the solutions innovation that has long characterized SAP's approach to meeting customer needs.

Competitor	Focus	Sentiment
SAP	Feature	Positive
IBM	Brief	Neutral
HP	Brief	Neutral
Oracle	Brief	Neutral
Novell	Brief	Neutral

Title: **An Update on Enterprise Retail Suites: Bravo SAP**

Firm: IDC
Pages: 4 Ref: 17639
Author(s): Scott Langdoc
Reference: GRI212823
Type: General Research
Publication Date: 6 /20/2008

Synopsis: The solid momentum seen since last November regarding SAP's retail solution only further validates the argument that most retailers considering enterprise retail suite projects will be required to assess both Oracle and SAP. The capabilities of each solution still differ when looking at certain segments, geographies, and retailer sizes, so there are benefits to either offering depending on the retailer. And despite the focus of this note on SAP and Oracle, there are still other enterprise-level and special retail software vendors that are definitely in the mix and should be examined. But no matter the vendors involved, the evaluation strategy must extend beyond a pure functional review. It must look at design and strategy-related metrics such as modularity, integration architecture, the state of embedded analytics, and overall application usability and configurability.

Competitor	Focus	Sentiment
Oracle	Primary	Positive
IBM	Brief	Neutral
SAP	Feature	Very Positive

Title:	**Facing the Economic Slowdown: The Top 5 Retail IT Initiatives That Must Survive Budget Belt-Tightening**		
Firm:	IDC	# Pages: 4	Ref: 17714
Author(s):	Scott Langdoc	Reference: GRI212824	
Type:	General Research	Publication Date: 6 /24/2008	

Synopsis: It's almost impossible to avoid the topic of the economy's impact on retail these days, what with the all-engrossing market pressures of declining real estate values, the mortgage crisis, skyrocketing fuel costs, and - as if that wasn't enough - the increasing costs of consumer staples. The turbulent effect of today's economic reality on shopper behavior has put many retailers on their heels as they try to digest rapidly changing demand patterns and adjust their business strategy accordingly. Unfortunately, for many retailers the impact is immediate and difficult, as reduced consumer spending is forcing retailers to curtail strategic investments and cut operating costs.

IDC's quarterly U.S. forecasts for the retail industry have trended continuously downward since last fall, from 5.5% growth to current levels of 4% - just below the overall industry average of 4.1% with probably a bit more downward pressure to come. Many retailers report slowdowns in major IT projects or delays in investments all together. While the macro-economic challenges are primarily in the U.S., IDC sees similar protective actions from retailers in different regions of the world.

The hope in the corner office is that these cuts are a quick way to bolster profitability. This strategy may pay off in the short term, but IDC's view is that this "reactive retrenching" with regards to technology initiatives can have lasting, negative impacts on a retailer's long-term competitive strength - creating an even bigger performance gap between industry leaders and industry laggards. As a result, IDC thinks retailers need to take a careful look at the impact of IT budget cuts.

Competitor	Focus	Sentiment
None	None	None

Title:	**Overhauling the Backhaul to Offset Rising Fuel Costs: Transportation Applications That Support Continuous Moves**		
Firm:	IDC	# Pages: 4	Ref: 17745
Author(s):	Leslie Hand	Reference: GRI212832	
Type:	General Research	Publication Date: 6 /25/2008	

Synopsis: To offset rising fuel costs, truck routes must be optimized, vehicles must be full on both legs of the journey, and unprofitable trips need to be eliminated. These necessary improvements are about to make supply chain leaders superstars. But optimizing transportation routes cannot be done with pen and paper or Excel spreadsheets. Doing it right requires using complex algorithms that factor load pairing requirements (e.g., commodity, temperature, and hazmat), least-cost ratios (e.g., driver costs, distances, and weight), time windows, and origin and destination information. Organizations need a good transportation management solution (TMS) and excellent transportation analysts.

Also, to get the most out of the transportation budget, retailers need to ensure that trucks are as full as possible on both legs of the trip. Having trucks 100% full isn't feasible, but retailers can and should aim for a 50-70% fill rate on their inbound trips.

Most TMS software allow some degree of continuous move management, so if you haven't already focused on your transportation costs and on optimizing the use of your assets while reducing costs, now is the time to do so. IDC advises that you:
- Optimize transportation costs: Review current TMS capabilities
and understand the strengths and weaknesses of your software
- Fill trucks: Optimize the use of backhauls and continuous moves to offset rising fuels costs
- Forecast the impact of rising fuel costs now: Fuel prices are increasing; do make sure you understand what best- and worst-case price scenarios mean to your business

Competitor	Focus	Sentiment
Oracle	Brief	Neutral
Red Prairie	Brief	Positive
Manhattan Assoc	Brief	Neutral
SAP	Brief	Neutral
Manugistics	Brief	Positive
JDA	Brief	Positive

Title: **DemandTec's Drive For Demand Intelligence Dominance: Now With Assortment and Loyalty Offerings for FMCG Retailers and Suppliers**

Firm: IDC | # Pages: 4 | Ref: 17830
Author(s): Scott Langdoc | Reference: GRI213106
Type: General Research | Publication Date: 6 /27/2008

Synopsis: DemandTec made two announcements Tuesday outlining a major expansion of their web-based demand intelligence-driven product portfolio, adding both new functionality and services to broaden the predictive planning capabilities of both retailers and suppliers. First was the release announcement for assortment optimization as a new application in DemandTec's flagship price, promotion, and markdown planning platform. The second announcement described the formation of a strategic alliance with Precima, a newly formed company spun out of Alliance Data Loyalty Services, the creator in 1992 of Canada's wildly popular and very successful Air Miles loyalty program. DemandTec plans to use Precima's analytics expertise and technology platform to create new customer intelligence, marketing, and offer management solutions in concert with new and current clients.

There are some ongoing milestones to watch as you assess the real benefits of these new DemandTec announcements in the coming weeks and months:
- Client wins or upgrades are key. While announcements of current client expansion into the new offerings are rumored, all eyes will be on DemandTec and how well they market the value proposition of the newly extended demand intelligence platform - especially the linkage of price, promotion and assortment planning
- The need for further proof of the specific value creation in RIM-driven retailer and supplier collaboration. DemandTec has delivered very compelling solutions and has good references for their collaborative promotion planning network between retailers and suppliers. Examples of how these promo planning successes can be extended into improved assortment models that drive improved inventory levels and lower out of stocks will be very impactful additions to their marketing message
- Universal merchandise support. While DemandTec can grow quite well within its current comfort zone of FMCG and hardlines retailers, it will be great to see a new R&D strategy that results in ANY type of merchandise – including the complex characteristics of apparel – being fully supported by the data models and analytics inside the RDI applications
- RIM competitor actions. With these announcements DemandTec is actively competing in five of the 15 retail workflow areas that GRI defines as being supported by RDI vendor technology. Among the crowded landscape of RDI competitors are many working to add new application-specific areas to their forecasting engines (note: today no single RDI vendor offers optimization for all 15 retail workflows). Some of the direct challengers to DemandTec include Galleria, KSS, Revionics, Oracle, SAP, and SAS. The movement into shopper loyalty and customer marketing brings POS vendor CRM solutions from NCR, Epicor, and Fujitsu Transaction Solutions into focus. The services nature of the Precima alliance even creates a bit of a delicate coopetition with Accenture and IBM, both DemandTec partners

Taken together, today's DemandTec announcements solidify in my mind what is really the clear intent of their long-term expansion strategy – to become the on-demand, de-facto collaborative (retailer and supplier) forecasting and analytic platform of record regardless of input data sources or current operational applications. While the company is well positioned to deliver on this strategy, execution and differentiation are going to be key metrics gauging their ultimate success – something I continue to rate as very likely even in the face of complex industry and competitive conditions.

Competitor	Focus	Sentiment
SAS	Brief	Neutral
SAP	Brief	Neutral
IBM	Brief	Neutral
Accenture	Brief	Neutral
Oracle	Brief	Neutral

Research Capture Methodology

Working together, (*company name*) and ASG have identified specific markets/topic areas that (*company name*) wants to monitor and track regarding research publications from designated industry analyst firms. This Research Summary report captures research from the following firms:

- Aberdeen
- AMR
- Busch, Jason
- Forrester
- Gartner
- Greenbaum, Joshua
- IDC
- Ovum

The scope and parameters for each market are defined by a set of terms, concepts, and key words developed by (*company name*). On a daily basis, ASG reviews research published by each designated analyst firm. ASG manually reviews each research report and applies the terms, concepts, and key words to determine which market(s), if any, the report addresses. For each report tagged to one or more markets, ASG generates a synopsis that highlights the key points of the research. In addition, ASG captures the following information:

- Report Title
- Report Reference
- Document Type
- Publication Date
- Analyst Firm
- Author(s)/Analyst(s)
- # Pages
- Internet Link

Finally, (*company name*) has provided ASG with the names of specific competitors to be tracked. For each identified competitor referenced with a report, ASG captures:

- Competitor
- Focus/Prominence
- Sentiment/Tonality

Focus/Prominence is rated on a four-point scale as follows:

- **Brief** - typically a reference to a company or product by name without accompanying commentary.
- **Significant** - includes a specific discussion of product functionality, release timelines, or strategy; or at the company level, a discussion of company policies or market perceptions.
- **Primary -** the company is prominently discussed throughout the report; possibly used as an exemplar for the main focus of the report. Alternatively, the company is one of a small number of companies specifically highlighted with a substantial discussion of products, services, or market position
- **Feature** - the company is the focus of the research note; typically the company's name or the name of the company's product appears in the title of the report

Sentiment/Tonality is rated on a Five+One scale as follows:

- **Very Negative** – the research note is consistently and significantly critical of the company
- **Negative** – the overriding tone of the report is critical or highlights issues/concerns with the company. Typically, the report may include neutral or positive commentary, but the overriding tone is negative
- **Neutral** – a statement of facts without directly or indirectly indicating tonality
- **Positive** – the overriding tone of the report is complimentary or highlights positive aspects of the company or its products. Typically, the report may include neutral or negative commentary, but the overriding tone is positive
- **Very Positive** – the research note is consistently and significantly complimentary of the company
- **Mixed** – Net neutral; the research note contains both positive and negative sentiment in such a manner that the overall impact is net neutral; or where the reader's context will determine whether the report generates positive or negative impact