

Infor ERP SyteLine at 25: At the Center of ERP History

Enterprise Resource Planning (ERP) software is designed to be the system of record for operating and managing a business. Growing up out of the Manufacturing Resource Planning (MRP) world, ERP is also the primary tool manufacturing companies use to plan and schedule the resources needed for day-to-day operations. Over the last 30 years, ERP has gone from being a system that only the largest manufacturing companies had the capabilities to implement, to a system that has spread to smaller companies and areas outside manufacturing like retail, distribution, healthcare, and government.

In the middle of that history is Infor ERP SyteLine. SyteLine turns 25 in July 2011. We thought it would be interesting to take a look at the history of ERP as we also look at one of the pioneering ERP systems and how both have matured over the years.

A Short History of ERP

Aberdeen's June 2010 report, *ERP in Manufacturing 2010: Measuring Business Benefit and Time to Value*, found that 26% of manufacturers had yet to implement ERP. But that was not always the case. In the 1970's ERP was really only Manufacturing Resource Planning (MRP) and was really only for large complicated manufacturing companies. In the 1980's, as mini-computers became fashionable and affordable, MRP became affordable for more companies and more features were added to start the creep towards enterprise-wide capabilities. The 1990's were all about moving to client/server architecture to get off mainframes and minicomputers. The end of the 90's saw Y2K become a leading reason a large number of manufacturing and distribution companies needed to replace aging business systems. Thus was born true ERP. In a frenzy to replace systems, a number of companies spared no expense to implement a single extended system that not only did MRP, but managed the companies financial planning and execution. In the 21st century, ERP has become about extending into customer management, marketing, supply chain, product development, and any other space that ERP could extend its virtual hands into, like Customer Relationship Management (CRM) or Supply Chain Management (SCM).

SyteLine's Pioneering History

In the mid-1980's, Syman was one of the multitude of mid-market ERP systems that had been developed to eventually be a Progress Software platform. Developed by Symix, Syman's claim to fame was its development platform and it's MRP-based job shop capabilities. As the product grew through the 90's, it added features like multisite financials, a Graphical User

Analyst Insight

Aberdeen's Insights provide the analyst perspective of the research as drawn from an aggregated view of the research surveys, interviews, and data analysis

ERP history in a few bullets

- ✓ 1960's MRP is developed
- ✓ 1970's MRP on mainframes for large companies
- ✓ 1980's MRP comes to the mini-computer with some extended capabilities like financial management
- ✓ 1990's ERP comes to client-server and Y2K drives adoption
- ✓ 2000's ERP extends to other functions like customer management, supply chain, etc.

Interface (GUI), HR capabilities, multi-currency, etc. to move from being a narrowly focused manufacturing system to being an enterprise-wide business system. At the same time, the name transitioned from Syman to Symix and then to SyteLine. Where SyteLine really came into its own as a pioneer in the ERP field was in the mid-2000's, when Syteline was completely redeveloped on a Microsoft.net infrastructure. This new architecture started after SyteLine 7.0 and set SyteLine apart from other mid-market ERPs by fully adopting Microsoft technology, from top to bottom.

SyteLine's acquisition history

- √ 1986 Syman releases Syman 2.2
- √ 1990 Syman becomes Symix
- √ 1996 Symix becomes SyteLine
- √ 2000 Symix changes company name to FrontStep
- √ 2003 MAPCIS acquires FrontStep
- √ 2005 Infor acquires MAPICS
- √ 2007 SyteLine becomes Infor ERP SyteLine

It's Not Just If You Have It, but How You Use It

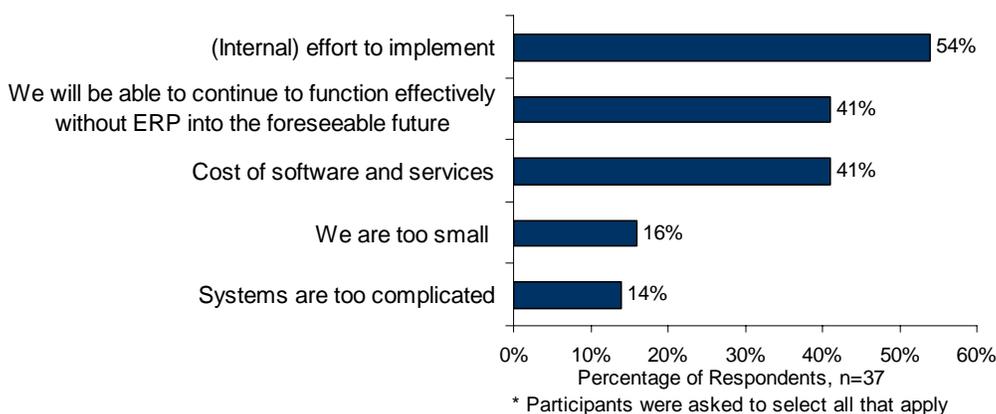
SyteLine pioneered several areas besides just taking on its own technology infrastructure:

- Rapid implementation and extensive channel for implementations
- Ease of upgrading
- Extending ERP to other functional areas

Making Taking the Plunge Easier

Figure 1 shows the top reason companies don't implement ERP and the number one reason is lack of internal resources. SyteLine's Microsoft-centric system provides a familiar toolkit and framework that companies can quickly become comfortable with. Making sure to not bog down internal resources on things like learning new tools is a key concern for over half of companies that don't have ERP.

Figure 1: Why haven't you implemented ERP?



Source: Aberdeen Group, March, 2011

Aberdeen's March 2011 report, [To ERP or Not to ERP: In Manufacturing, It Isn't Even a Question](#); defined Best-in-Class ERP implementations and compared them to companies without ERP.

From that report, Table 1 adds a level of urgency to the message about the benefits of ERP. The table shows the disparity in performance between Best-in-Class manufacturers with ERP, Industry Average companies with ERP, and companies without ERP.

Table 1: Performance of Those With ERP vs. Those Without

Definition of Maturity Class	Mean Class Performance
Best-in-Class: Top 20% of aggregate performance scorers	<ul style="list-style-type: none"> ▪ 22% reduction in inventory levels ▪ 97% inventory accuracy ▪ 3.4 days to close a month ▪ 96% manufacturing schedule compliance ▪ 98% complete and on-time shipments
Industry Average: Middle 50% of aggregate performance scorers	<ul style="list-style-type: none"> ▪ 11% reduction in inventory levels ▪ 94% inventory accuracy ▪ 5.3 days to close a month ▪ 88% manufacturing schedule compliance ▪ 93% complete and on-time shipments
No ERP	<ul style="list-style-type: none"> ▪ 90% inventory accuracy ▪ 6.5 days to close a month ▪ 88% manufacturing schedule compliance ▪ 89% complete and on-time shipments

Source: Aberdeen Group, March 2011

It is obvious that any manufacturing company not using ERP is at a decided disadvantage to a company that has it. That is why SyteLine's .net-based framework was an important transition. It provides users with a foundation they were familiar with to speed implementation and ease adoption.

Making it easier to stay with

Another area that is critical for companies with ERP is to be able to maintain the system and keep up with upgrades and advancements. SyteLine has also continued to grow from a technology standpoint by moving from legacy programming languages, to client/server architecture, to .net infrastructure, and moving into Service-Oriented Architecture (SOA).

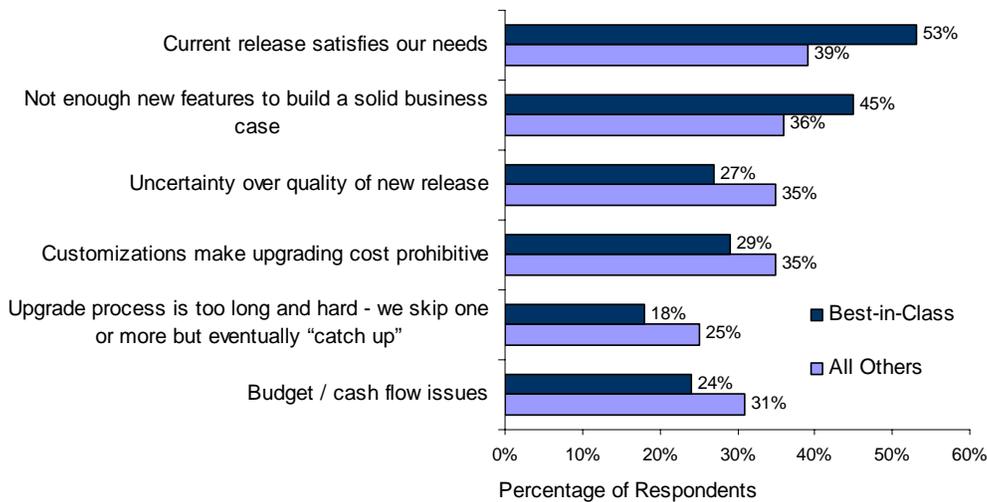
Figure 2 shows the reasons companies have given for having not yet upgraded. One thing that SyteLine's infrastructure has provided is the ability to configure the system to suit a specific need without significant programming. This has an impact on responses four, five and six when it comes to upgrades.

No ERP Implemented by Company Size

Companies without ERP tended to be smaller companies.

- ✓ 50% were less than \$US 25M compared to 21% of companies with ERP
- ✓ About one third of companies without ERP were between \$US 25M and \$US 100M
- ✓ About one third of companies with ERP were over \$US 250M

Figure 2: Why haven't you upgraded your ERP?



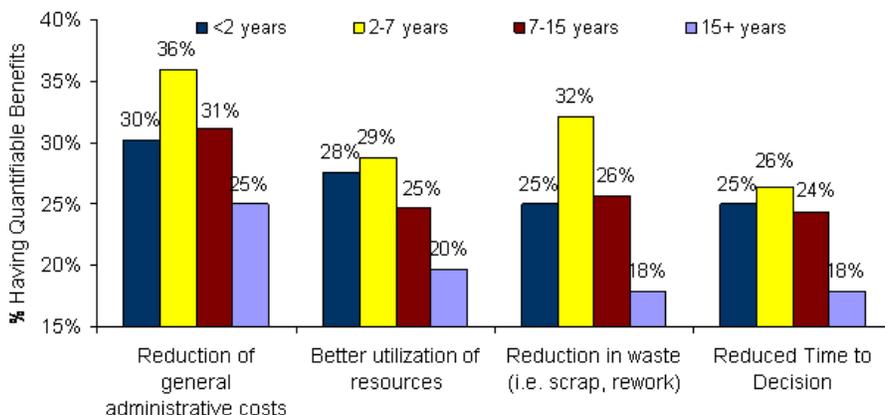
"Our corporate HQ has tried to push our large corporate ERP system down on us for several years. But every time we do the analysis we realize we can't get the manufacturing benefits for the cost of SyteLine. You can't beat the value."

~ John Ring,
Senior Business Analyst,
SPS Fasteners

Source: Aberdeen Group, March 2011

In fact, Figure 3 shows the performance difference in companies with aging ERP systems. Note the peak for delivering returns is at two to seven years for the age of the system. Older systems really lag behind in delivering returns when compared to newer systems. Also note that the newest systems, less than two years old, have not yet hit the full stride in returning benefits because of the ongoing ramp up of the system. Most of this can be attributed to older systems being built on older technology, as well as older systems not having the advanced capabilities, like Customer Relationship Management (CRM) and Supply Chain Management (SCM), that ERP systems have developed over the last five to seven years.

Figure 3: Age of System versus Benefits Returned



"We were bought by a much larger company and they immediately started pushing a larger ERP system on us. When we showed them how manufacturing focused SyteLine was and the cost to operate it, they immediately started looking at SyteLine for other facilities."

~ Business Analyst,
Large Bearing Manufacturer

Source: Aberdeen Group, March 2011

Getting More Out of ERP

Aberdeen's June 2010 report, [ERP in Manufacturing 2010: Measuring Business Benefit and Time to Value](#), defined Best-in-Class ERP implementations and showed that Best-in-Class companies have overall higher usage of ERP. Table 2 highlights that Best-in-Class companies use almost twice as much of their ERP systems as Laggard implementations. ERP has entered a new era where it's not just about putting ERP in, but getting it into as many hands as possible.

Table 2: ERP Usage and Extent of Deployment?

Best-in-Class	Industry Average	Laggard
<ul style="list-style-type: none"> ▪ 13.8 modules implemented ▪ 80% of functionality available deployed ▪ 46% weighted average of ERP usage 	<ul style="list-style-type: none"> ▪ 11.4 modules implemented ▪ 75% of functionality available deployed ▪ 36% weighted average of ERP usage 	<ul style="list-style-type: none"> ▪ 10.1 modules implemented ▪ 68% of functionality available deployed ▪ 29% weighted average of ERP usage

1. The number of modules is based on a set of 24 generic modules

2. Calculated as: average number of modules / 24 X percent of functionality used

Source: Aberdeen Group, June 2011

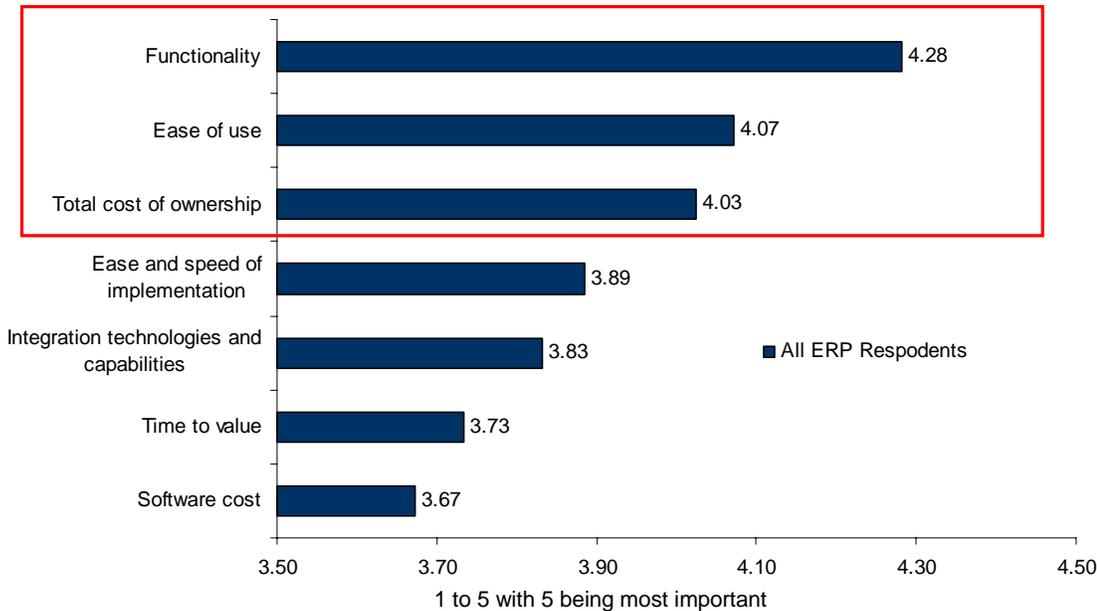
Considering the benefits of an ERP system shown in Table 2, Best-in-Class companies are putting ERP into more areas, using more modules, and getting more people using the systems.

Where are SyteLine and ERP Now?

As mentioned above, for most companies it's less about implementing ERP as it is about using more of it with more people. Table 2 shows that even Best-in-Class companies use less than 40% of their ERP system when looking at modules used and how much of the system they actually take advantage of. As shown in Aberdeen's June 2010 report, [ERP in Manufacturing 2010: Measuring Business Benefit and Time to Value](#), companies are leaving money on the table by not getting ERP into as many hands as possible. SyteLine users are no different. Pushing ERP into areas like supply chain, customer management, and human resources is crucial to get the full value of the system.

Infor's new Infor Workspace product delivers a new user interface geared towards creating a unique user experience which attempts to lower the bar for ease of use. Figure 4 is from the January 2011 Aberdeen Business Review, [Economy 2011: Back on Track for Growth](#), and shows that ease of use was behind only functional fit as selection criteria for choosing an ERP system. Once again, focusing on the Microsoft look and feel can be a positive factor when new users start working any ERP built on a Microsoft foundation.

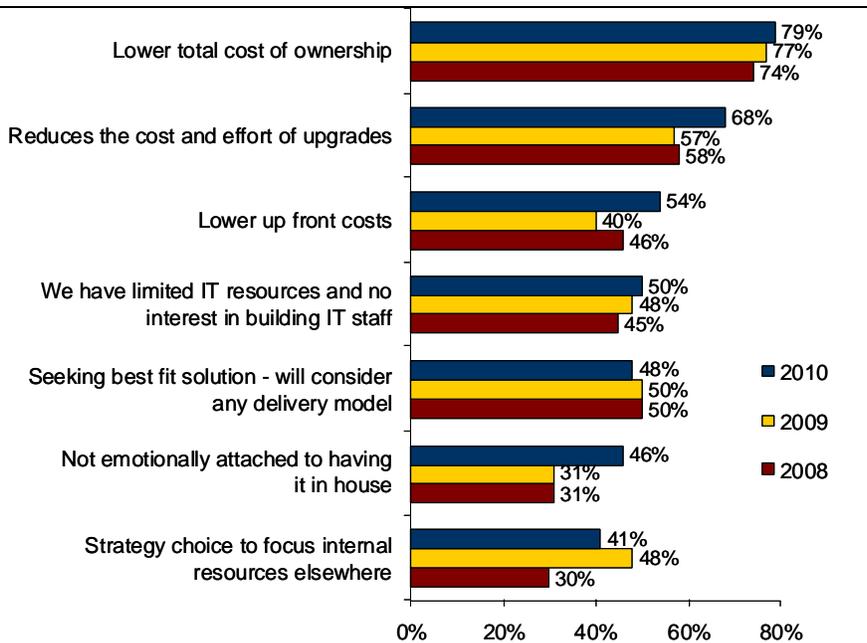
Figure 4: Top Selection Criteria for ERP



Source: Aberdeen Group, January 2011

Finally, extending ERP through different delivery options is becoming an important change in ERP implementations. SaaS implementations have become important delivery channels for both Syteline and the ERP market overall. Figure 5 shows how perceptions have changed for manufacturing companies over the last three years for SaaS.

Figure 6: Perceptions of SaaS and Cloud



Percentage of Respondents, n=800
Source: Aberdeen Group, March 2011

"Without a flexible and modern ERP system, our company would have gone out of business or been bought by a competitor in the late 1990's. Instead we used our ERP system to reduce operational costs over 30% and improve take on-time delivery of our projects from the 80% to 98% in a year."

~ Program Manager,
Packaging Machine
Manufacturer

While cost-related issues are still primary concerns in looking at delivery options, half of companies using ERP look to SaaS to reduce the strain on their IT staffs. The SaaS delivery alternative lets IT staffs focus on making sure the right ERP functions are fitting daily needs and not on the infrastructure that keeps ERP running.

Key Takeaways

While consolidation continues in the overall ERP market, ERP systems like Infor ERP SyteLine continue to have their own brand and loyalty. Users can look at the history, growth, and performance of SyteLine as a guide for understanding where ERP has come from, what it is now, and where it's going.

There are some key lessons any company can learn by looking at how ERP systems have been used throughout history:

- **Refresh your system.** Less than a quarter of companies with ERP systems older than 15 years continued to have significant reductions in cost. Compare that to over one third of companies with ERP systems between two and seven years old still having significant cost reductions from their ERP implementation. Keep that in mind as you review your upgrade process and evaluate newer ERP systems.
- **If you don't have it, get it.** Companies with ERP, even if not Best-in-Class implementations, have significant operational benefits over companies not using ERP. Even something as simple sounding as the time needed to make a decision is almost 75% better in an average company with ERP over a company without ERP.
- **If you have it, use it.** With all the operational improvements that you can get from ERP, not using idle functions and not deploying the system as far as possible could be leaving money on the table. With even Best-in-Class companies using less than 50% of the available capabilities of an ERP system, all companies have room to increase their return on their ERP system.

For more information on this or other research topics, please visit www.aberdeen.com.

Related Research

[ERP in Manufacturing 2010: Measuring Business Benefit and Time to Value](#); June 2010
[ERP in SME: Fueling Growth & Profits](#); August 2010

[ERP in Complex Manufacturing](#); February 2011
[To ERP or Not to ERP: In Manufacturing, It Isn't Even a Question](#); March 2011

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