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RESEARCH NOTE

TECHNOLOGY VALUE MATRIX SECOND HALF 2014
ERP

THE BOTTOM LINE

Enterprise application vendors have continued to invest in making their applications more usable, as buyers expect support for broader user productivity and enablement. With leaders accelerating the pace of releases focused on user interface (UI), mobile, and in-application data to align themselves with Dark Cockpit principles, others have been challenged just to maintain their position.

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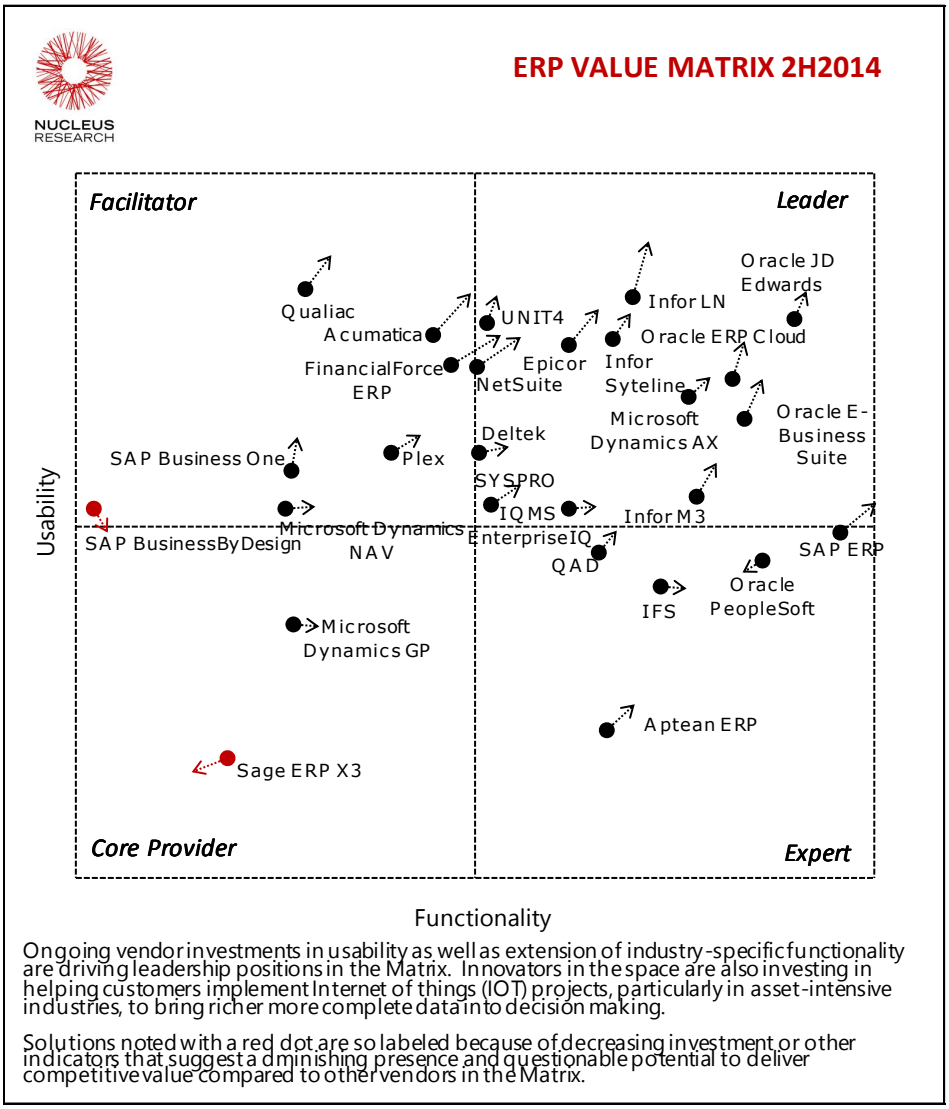
The 2H2014 ERP Value Matrix reflects the advances enterprise resource planning (ERP) vendors have made in increasing the usability of their applications as well as their ability to support better decision making through embedded analytics and support for industry best practices. In November 2013, Nucleus published a Research Note outlining the guiding principles of Dark Cockpit software design: simplify, focus, automate, and coach (Nucleus Research *n167 – Enterprise software must adopt the principles of Dark Cockpit*, November 2013). Since then, many vendors have been continuing their investments to align with these principles in a number of key areas including:

- Mobility. Optimizing applications for mobile and tablet use are now table stakes in the ERP area. Leaders in this space have accelerated the pace of delivery of specific mobile applications for specific groups and individuals based on their role or the task at hand, exposing only the data, fields, and workflows needed for productive work.
- Embedded analytics. With in-memory capabilities accelerating the access to and visualization of large volumes of data for decision making, innovators in the ERP space are driving not just faster access to data but the presentation of "little data" (Nucleus Research *n58 – It's about little data, not big data*, April 2013) in context so users can take action.
- Usability. Vendor investments in usability have resulted in significant changes in user interface design for ERP, and more vendor focus on bringing users along the upgrade path so they can take advantage of usability enhancements. Leaders in this space are doing more than making user interfaces (UIs) cleaner and more personalized. They are leveraging responsive design and machine learning capabilities to make ERP adapt to the evolving needs of users.
- Industry-specific capabilities. All leaders and experts in the Value Matrix have pre-built industry capabilities in more than one industry, and most announced additional

vertical capabilities since publication of the last Matrix. Vertical capabilities accelerate time to value, reduce customization and consulting costs, and reduce risk. From an end-user perspective, they also propel applications toward a Dark Cockpit approach by eliminating data and functions not specific to a company's needs (simplify and focus) and shortening workflows based on industry-specific processes and attributes (automate).



Ongoing vendor investments in usability as well as extension of industry-specific functionality are driving leadership positions in the Matrix. Innovators in the space are also investing in helping customers implement Internet of things (IOT) projects, particularly in asset-intensive industries, to bring richer more complete data into decision making.

Solutions noted with a red dot are so labeled because of decreasing investment or other indicators that suggest a diminishing presence and questionable potential to deliver competitive value compared to other vendors in the Matrix.

LEADERS

Leaders in this edition of the Value Matrix include Deltek, Epicor, Infor M3, Infor LN, Infor Syteline, IQMS Enterprise IQ, Microsoft Dynamics AX, NetSuite, Oracle E-Business Suite, Oracle ERP Cloud, Oracle JD Edwards, SYSPRO, and UNIT4.

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DELTEK

Deltek ERP solutions include Acumen, Costpoint, Vision, Maconomy, and Deltek's cloud ERP solution, Deltek First. Deep functionality for professional services, government contractors, and project-oriented businesses keep Deltek in the leaders quadrant of the Matrix.

In June, Deltek announced the expansion of its functionality for architecture and engineering clients with the acquisition of Axium, a provider of accounting and project management solutions for North American firms.

In July, Deltek announced RiskBook, a cloud-based application that integrates with Acumen and enhances the solution's existing risk management functionality by enabling users to track project and corporate risk alongside risk mitigation strategies, comment and collaborate on those strategies, and vote on the likelihood and severity of a risk. This approach automates much of the manual oversight of key risk areas and provides a streamlined and complete risk analysis trail based on the expertise and input of team members.

EPICOR

Epicor provides ERP solutions to meet the needs of manufacturers, distributers, and services organizations. Epicor has continued to modernize its applications with the Epicor Everywhere Framework, which handles client business logic as metadata in XML. This allows for Epicor applications to be accessed through smart clients, Web clients, or mobile devices without multiple interfaces or custom coding.

In September, Epicor released the new version of its wholesale distribution ERP product, Eclipse, which focuses on advances in demand forecasting, purchasing, and billing capabilities. With the new demand forecasting functionality, users can compare predictive models to determine what may be the best course of action.

In April, Epicor announced ERP version 10, with support for both cloud and on-premise deployments. Epicor ERP 10 is a blend of rich global functionality built on agile technology that minimizes complexity to make ERP easier to use, more collaborative, and more responsive, while supporting social collaboration, deployment flexibility, accelerated performance, and broad device accessibility. At the foundation of Epicor ERP 10 is the next-generation Epicor ICE Business Architecture, driving increased performance, scalability, and ease of use, while reducing the cost and complexity of doing business, leveraging a 100 percent Microsoft technology stack.

INFOR M3

Infor M3 is designed to support medium to large national and international manufacturers and distributors with particular focus on the industries of food and beverage, chemicals, fashion, distribution and equipment dealers, service providers, and rental companies. The

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solution provides multi-site, multi-company, multi-currency support and extensive financial management, supply chain management, equipment management, and customer sales and service capabilities.

2014 has seen a number of significant releases that deepen capabilities in the Infor M3 focus industries. These include a new quality module specifically designed for the food, beverage, and chemical industries; Fashion PLM, a collaborative PLM platform to deliver shorter, faster development cycles; and Rental Counter for supporting equipment rental businesses. Infor has also added industry-specific analytics to all industry suites. Infor also recently announced the availability of Cloudsuite Food & Beverage and CloudSuite Fashion,that deliver these industry suites for a monthly per-user subscription cost. CloudSuite Equipment Rental is scheduled for delivery in early 2015.

Nucleus expects all of Infor's ERP solutions will benefit from Infor's Xi investment over time with enhanced big data analytic capabilities that are built into the design of the products, allowing for more in-depth and industry-specific analysis and proactive business execution. M3 customers are already benefiting from Infor's investment in user interface enhancements and cloud with the availability of M3 through Infor's CloudSuite.

INFOR LN

Infor LN targets enterprise and midmarket business in industrial machinery and equipment, general manufacturing and distribution, high tech, automotive, and aerospace and defense. Key differentiators for LN include compliance and financials support, service lifecycle management, project management, and supply management.

Like M3 and SyteLine, Nucleus expects LN will benefit from Infor's Xi investment over time with enhanced big data analytic capabilities that are built into the design of the products, allowing for more in-depth and industry-specific analysis and proactive business execution. Infor's Cloud investment will also impact LN customers as they can take advantage of existing LN and new ERP components from InforCloudSuite and complementary industry capabilities as Infor introduces additional CloudSuite applications and modules.

INFOR SYTELINE

SyteLine is Infor's ERP solution focused on manufacturing and distribution. It is a Microsoft-based solution that offers materials and inventory management, product configuration, and planning and scheduling capabilities. Infor announced the latest significant update for SyteLine in November 2013 with new functional capabilities as well as usability advances (Nucleus Research n177 – Infor releases SyteLine 9, November 2013).

In June, SyteLine announced Infor Automotive Exchange, which is an Electronic Data Interchange (EDI) and release accounting system that was created for automotive tier suppliers. The Exchange provides:

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- The ability to communicate order demand, shipment, and labeling information with customers.
- Support capabilities for Transformation Services translation maps and transformation through Sales Release Management business rule controls.
- Support for trading partner rules, CUM management in transit calculations, order rationalization, and release sequencing.
- Transaction support including closed loop forecasts, orders, schedules, shipments, and financials.

In September, Infor announced Factory Track, a manufacturing process automation solution that helps manufacturers synchronize their enterprise plans with plant activities. Developed using Infor Mongoose, Factory Track is built for the cloud and works with SyteLine to help manufacturers increase operational efficiency and improve visibility, with modules for warehouse mobility, time tracking, and shop floor management.

In September, Infor also announced Infor Xi, its new enterprise technology platform that leverages the cloud, machine learning, responsive design, and big data analytics to drive better decision making and more proactive business execution. Nucleus expects SyteLine to benefit from Infor's Xi investment over time as it has leveraged Infor's previous ION, Infor Ming.le, and UI investments. Infor's investment in cloud has also impacted SyteLine's roadmap as well, with the availability of SyteLine through Infor's CloudSuite.

IQMS ENTERPRISE IQ

IQMS EnterpriseIQ provides ERP capabilities for manufacturers in a broad range of industries including aerospace and defense, automotive, medical devices, and plastics. The IQMS portfolio also includes support for customer relationship management, supply chain management, warehouse management, and human resources management. In May the company opened two new offices in Mexico and Charlotte, North Carolina to support its growth.

From a functionality perspective, in October IQMS announced the latest release of EnterpriseIQ, with a new Advanced Warehouse Management System (WMS) module for transaction rule-based directed pick-up and put-away capabilities.

MICROSOFT DYNAMICS AX

Microsoft has continued to add functionality to compete more effectively against Tier-1 ERP players with Dynamics AX while adding support for deployment on Microsoft Azure, with preconfigured environments to speed deployments and Dynamics Lifecycle Services to help reduce risk and accelerate issue resolution.

Microsoft announced global availability of Microsoft Dynamics AX 2012 R3 on May 1, 2014. With industry-specific capabilities for manufacturing, distribution, retail, services industries, and the public sector, this latest release also provides functionality to support

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core financial management, supply chain management, inventory management, sales and marketing, HR and payroll, project management, and inventory management.

In its initial review of AX 2012 R3, Nucleus found functionality enhancements fell into four basic categories: user productivity, IT productivity, support for greater complexity, and more vertical-specific functionality. In further conversations with customers, Nucleus found the embedded analytics, role-based interfaces with office interoperability, and mobile application capabilities drove further productivity gains.

Simplifying the application experience for users with role-tailored user interfaces and improved interoperability with Microsoft Office drives greater incremental user productivity, lower training costs, and faster ramp-up time for users, particularly those that don't live in the application every day (Nucleus Research *o214 – How Microsoft Dynamics AX is moving toward the Dark Cockpit*, October 2014).

NETSUITE

NetSuite's cloud ERP application continues to be adopted by customers that are seeking to grow their businesses in the key verticals NetSuite supports including manufacturing and distribution, services, software, and nonprofits. Key announcements impacting NetSuite's positioning since the last Matrix include:

- In May, NetSuite announced a new user interface with a new visual design, an anchored navigational header, a new dashboard personalization panel to make it easier for users to tailor the application to their individual needs, and new iconography to lower the learning curve for application users.
- In May, NetSuite announced SuiteGL, a new general ledger application designed to support greater flexibility in customizing the application to meet specific business requirements, with enhanced reporting and audit trail capabilities and new support for multinational financial management.
- In May, NetSuite launched Services Resource Planning (SRP) for services organizations to automate the complete services lifecycle from marketing to project management, service delivery, billing, and revenue management.
- In July, NetSuite extended its international presence and e-commerce capabilities with its acquisition of cloud e-commerce platform provider Venda.

ORACLE E-BUSINESS SUITE

Oracle has continued to deliver enhancements and new products to E-Business Suite, maintaining its position as a leader in the Matrix based on improvements in both usability and functionality. In October, Oracle announced the release of 14 new mobile applications for E-Business Suite that are compatible with E-Business Suite 12.1.3 and 12.2. Those applications include:

- Mobile Approvals, Expenses, Timecards, and iProcurement, applicable to all employees.

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- Line of business applications including Mobile Sales Orders, Inventory, Product Information, Procurement, Project Manager, Discrete Production Supervisor, Process Production Supervisor, Project Manufacturing, Maintenance, and Field Service.

In August, Oracle announced E-Business Suite 12.2.4, with incremental enhancements across the application suite including financials, human capital management, procurement, projects, and supply chain management. The release also included usability advancements for both tablet and desktop users including a simplified home page and optimizations for tablet form factors.

In July, Oracle announced Oracle Project Procurement, part of the E-Business Suite Project Portfolio Management suite of applications, with an in-memory visualization layer that takes advance of Oracle Endeca Information Discovery to help project managers make faster decisions and teams to better collaborate and coordinate project-related procurement planning. Oracle also announced four Oracle E-Business Suite extensions for Oracle Endeca: Quality Extensions for analyzing product and process quality data within E-Business Suite, TeleService Extensions for monitoring service requests and improve service-related resource planning, Service Contracts Extensions to support the management of contract renewals while leveraging performance metrics and customer experience, and Human Resources Extensions to drive more actionable information in real time within Oracle E-Business Suite's human capital management (HCM) module.

In April, Oracle announced In-Memory Cost Management, designed to enable near real-time insights into cost management components in E-Business Suite so users can perform what-if simulations on large data sets for decision making.

ORACLE ERP CLOUD

Oracle ERP Cloud includes Oracle Financials Cloud, Oracle Procurement Cloud, and Oracle Project Portfolio Management Cloud. Oracle ERP Cloud Release 9, announced in September, included expanded industry and country coverage and enhanced mobile access capabilities. New products included accounting hub reporting, supplier qualification management, and grants management. Addition enhancements to the ERP Cloud modules included:

- Budgetary control and encumbrance accounting for public sector and higher education.
- For Financials Cloud, a simplified mobile interface integrated with Oracle Social Network to support better team collaboration and financial reporting and expanded global features including support for cross-currency payments, legal entity-based sequencing, centralized payments and receipts across business units, Tax Box Allocations for VAT declarations, and integration between Financials Cloud and Oracle CPQ Cloud and GetThere travel services.
- For Procurement Cloud, new features including local punchout, new self-service supplier registration request, and supplier import and update enhancements.

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- For PPM Cloud, new features including budgetary control, project execution capabilities, resume-based searches for resource matching, a new integration with Oracle Fusion Innovation Management and related enhancements for companies using Agile development processes, enhanced mobile and social capabilities, and enhancements in reporting and analytics.

Oracle has also announced extension of the Customer 2 Cloud program to help existing Oracle ERP customers more easily move to Oracle ERP Cloud.

ORACLE JD EDWARDS

Oracle JD Edwards maintains its position as a leader in the Matrix based on Oracle's existing and ongoing investments in usability and functionality that have continued to gain JD Edwards new customer wins and customer upgrades. In its ongoing analysis of JD Edwards customers, Nucleus has found an acceleration of upgrades as customers seek to take advantage of the latest product innovations.

Recent investments brought to bear for JD Edwards customers since publication of the last Matrix include:

- A broader mobile application portfolio. To date, JD Edwards has delivered 65 mobile applications including applications for field service, maintenance, project management, supply chain, and health and safety incident management.
- Further leverage of Oracle's In-Memory investments. In April, Oracle announced JD Edwards EnterpriseOne In-Memory Planning Advisor, to enable manufacturing and distribution customers to help planners and buyers make critical sourcing decisions while analyzing thousands of SKUs and components in real time.
- Industry enhancements. JD Edwards continued to invest in features for specific industries to drive faster time to value and support for best practices. Recent enhancements include additions to capabilities in its oil, gas, and chemical distribution solutions and enhanced One View Reporting for management of warehouses, real estate, and bulk stock inventory. Additionally, in October Oracle announced:
  - JD Edwards EnterpriseOne Rental Management for JD Edwards customers who are in the business of renting equipment, to enable them to manage equipment and rental inventory while controlling costs and maximizing utilization to improve profits.
  - JD Edwards EnterpriseOne Blend and Inventory systems enhancements with Wine on Premises Operations Reporting, which generates the summary of daily records that a winery is responsible to keep, enabling The Alcohol and Tobacco Tax and Trade Bureau to verify the accuracy of on-premises inventory and the winery to prepare tax returns and monthly reports.
- Internet of things (IOT). JD Edwards is also making investments with its customers and partners to drive adoption of IOT technologies to increase the volume and currency of data to drive better, faster decision making.

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- Integration and interoperability. Business Interfaces for Oracle Talent Cloud (Taleo), also announced in October, support interoperability between JD Edwards EnterpriseOne Human Resources and Oracle's Taleo Recruiting and Talent Cloud. The interfaces include HR Requisition data and HR Employee Master data. Oracle also announced a new standard for business services integration JAX-WS (Java API for XML Web Services), which will replace the previous standard (JAX-RPC), requiring customers using JAX-RPC to review and modify their customizations to adapt to the new JAX-WS versions (changes will be required by Release 9.2).

SYSPRO

SYSPRO maintains its position as a leader in the Value Matrix with ERP capabilities focused on supporting the needs of small and midmarket companies in the finance, manufacturing, and distribution industries. In talking with SYSPRO customers, Nucleus has found that core features in its latest release including a tile-based user interface, enhanced mobile capabilities, and support for streamlined customization and configuration drive more rapid, predictable time to value and lower the learning curve for end users.

UNIT4

UNIT4 provides ERP for people-centric companies in midmarket and upper midmarket, and has differentiated its Agresso offering as "change-embracing enterprise software," with its VITA architecture that couples data, business processes, and delivery methodology to enable rapid and flexible changes to the application over time. The company has been relatively quiet since its acquisition by Advent in late 2013. That said, recent announcements have included new executive appointments and plans to increase the company's research and development investment in social, mobile, analytics, and cloud.

Nucleus is also watching UNIT4's future roadmap in a number of areas including in-memory capabilities (UNIT4 embedded in-memory capabilities in Agresso 2013 with in-memory associative filtering, driving rapid analysis of complex business data), social collaboration, and industry-specific capabilities. Nucleus expects that if UNIT4 executes on its planned product roadmap for horizontal capabilities and vertical capabilities (in its core verticals of business services, non-profits, local government, education, wholesale, and real estate) over the next few quarters it will strengthen its functionality positioning in future editions of the Matrix.

EXPERTS

Experts in the Value Matrix include Aptean ERP, IFS, Oracle PeopleSoft, QAD, and SAP ERP.

APTEAN ERP

Aptean ERP solutions include:

- Ross ERP for formula and recipe-based process manufacturing

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- Made2Manage ERP for small and medium-sized manufacturers with dynamic "to-order" environments
- Encompix ERP for engineer-to-order and custom manufacturers of complex, customer-specific products with heavy engineering content
- Axis ERP for metal, wire, and cable manufacturers and servicers
- Cimnet for printed circuit board manufacturers
- DTR ERP for plastics industry manufacturers with a combination of discrete and process manufacturing requirements
- Intuitive ERP for highly-regulate manufacturers in sectors such as electronics, medical devices, and aviation.

In May, Aptean partnered with QLIK to provide Aptean customers with more advanced analytics and dashboarding capabilities. In July, Aptean announced Axis version 6.2, with new capabilities for advanced load planning, shipping load verification, roll/slit planning, and distribution processing.

IFS

IFS provides ERP solutions for the aerospace and defense, automotive, construction and contracting, energy and utilities, high tech, industrial manufacturing, oil and gas, process manufacturing, and service industries. IFS has made investments in usability including role-based and personal views, built-in visualization, and information cards to enable users to access all data on one screen. In September, IFS launched:

- IFS-in-a-box on the Oracle Database Appliance, designed to reduce the time, cost, and complexity of deploying IFS.
- IFS Applications on Microsoft Azure to enable customers to take advantage of the lower upfront costs and greater flexibility of a cloud ERP application.

ORACLE PEOPLESOFT

Oracle's continued investments in PeopleSoft have been focused on two main challenges: increasing usability and enabling customers to adopt and take advantage of new functional capabilities. To that end, Oracle has made a number of announcements since the last publication of the Value Matrix.

In September, Oracle announced the new PeopleSoft Fluid User Interface for PeopleSoft Human Capital Management, an intuitive new interface optimized across multiple form factors including smartphones, desktops, and laptops with more than 50 new features and functions to increase productivity while reducing training requirements. In talking with PeopleSoft customers, Nucleus found the new intuitive interface, ability to support personalization to the individual level, and support for access from anywhere were advances that made adoption of the Fluid UI attractive from a productivity and adoption perspective — critical steps for PeopleSoft if it hopes to catch up with vendors who have had a strong cadence of usability releases for a number of quarters. However, PeopleSoft customers seeking to take advantage of the Fluid UI will need to invest in additional

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developer skills (if they don't already have the capabilities) including CSS 3, HTML5, and JavaScript. They should also be aware that not all functionality in the core application is supported in the Fluid UI.

The latest release also includes simplified payroll, additional embedded analytics capabilities, prebuilt integration with Oracle Talent Management Cloud, and extended regulatory compliance support.

Oracle announced a new delivery model for PeopleSoft, a continuous delivery model that is designed to enable customers to take on upgrades and new features on an incremental basis to avoid the cost and disruption associated with upgrades. Much more in line with a saas delivery model, the continuous delivery model enables customers to upgrade portions of their application on their own schedule while managing and maintaining strategic customizations.

QAD

QAD provides ERP for global manufacturers in the discrete and configured product sectors, and specifically in the automotive, life sciences, industrial products, high technology and electronics, consumer products, and food and beverage industries. QAD offers its solution both in the cloud and on premise under the names of QAD Cloud ERP and QAD Enterprise Applications. Some of the strategic focus areas for QAD's development efforts include cloud, user experience, mobility, business process management, real-time planning, and global support. The latest release included increased country support, with the addition of Brazil, Bulgaria, Italy, and the Philippines, bringing the total number of supported countries to 47. More than 50 percent of QAD's revenues come from outside of North America and QAD is installed in more than 100 countries worldwide.

QAD made two updated versions of its software available to customers in March and September of this year, which included a number of enhancements to both usability and functionality. QAD has also augmented its offerings in the cloud. Capabilities of note added during 2014 include:

- Role-based dashboards for customer service, operations, and financial job roles, enabling users to have a more focused view of the business data, workflows, and transactions that are applicable to their specific jobs.
- Additional broad support for serialization including multi-level serialization, UDID support, license plating, and traceability including a lot trace workbench that automates recalls.
- QAD Cloud ERP Life Sciences Edition that offers a qualified infrastructure for Life Sciences manufacturers to help them adhere to current Good Manufacturing Practices (cGMPs) as defined by the U.S. Food and Drug Administration (FDA) and other global regulatory bodies. It reduces time to validation by eliminating the need to qualify the core environment and reduces risk by operating in accordance with 18 regulatory-

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compliant standard operating procedures (SOPs) that ensure the IT infrastructure is in a demonstrable state of control.

- Enhancements to supply chain planning capabilities to support real-time demand, procurement, production, and distribution analysis and execution.
- Enterprise Quality Management enhancements, including support for advanced product quality planning (APQP), production part approval process (PPAP), and Failure Mode and Effects Analysis (FMEA).

QAD's strong customer engagement reputation and ongoing commitment to enhancing areas like quality management, quality control, and user experience, as well as the ability to support hybrid cloud and on-premise deployments, should further improve QAD's positioning in future versions of the Matrix.

SAP ERP

SAP continues to maintain a strong position in the Matrix as the provider with the greatest depth and breadth of functionality, supporting more than 25 industries, 37 languages, and 46 localizations. SAP continues to make steps to move its business to the cloud, with recent notable announcements including:

- In June, SAP announced SAP Simple Finance, a set of SAP applications running on HANA to simplify and accelerate financial management and decision making.
- In July, SAP announced cloud-based trials of its ERP and CRM solutions based on the ERP Foundation Extension package and SAP Rapid-Deployment Solutions.
- In September, SAP announced plans to acquire Concur, a cloud-based expense management solution provider, for $8.3 billion.
- In October, it announced a partnership with IBM to deliver SAP business solutions on the IBM Cloud, extending the reach of SAP HANA in a cloud environment.

FACILITATORS

Facilitators in the Value Matrix include Acumatica, FinancialForce ERP, Microsoft Dynamics NAV, Plex, Qualiac, SAP Business One, and SAP BusinessByDesign.

ACUMATICA

Acumatica provides a cloud-based ERP solution for small and medium-sized businesses. It continues to rate highly in the Matrix because of the company's ongoing investments in usability and its flexibility that enables business users to make changes in processes and data hierarchies without custom code. The company follows a completely partner-led strategy, providing a set of modules that partners can extend and customize to meet specific vertical and microvertical needs. Nucleus has found that Acumatica's .NET architecture gives it a relatively low learning curve for Microsoft developers, making former and existing partners of Microsoft Dynamics NAV and SL looking for a cloud business model and modern application a growing force in the Acumatica ecosystem.

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In May, Acumatica announced its Cloud xRP platform with Acumatica Studio, a set of tools and components to develop modern applications based on Acumatica or migrate existing applications to the cloud. In talking with Acumatica customers, Nucleus has found that they choose Acumatica because of predictable time to value and the ability to access it from anywhere on any device, as well as the intuitive nature of the application. Nucleus also found that many Acumatica customers were able to meet their core CRM demands with Acumatica's CRM features while taking advantage of a single data model.

FINANCIALFORCE.COM

FinancialForce ERP is a suite of cloud applications based on the Salesforce1 platform with modular capabilities for financial management, ordering and billing, supply chain management, professional services automation, human capital management, and analytics. Positioned as the back office ERP for Salesforce customers, FinancialForce ERP leverages the capabilities of Salesforce such as Chatter and a common data model to enable employees across the organization to rapidly access the data they need for decision making. These common collaboration and reporting capabilities drive lower overall IT support and management costs and fewer manual workarounds for ERP and CRM users.

In August, FinancialForce.com announced PSA Summer '14 with expanded capabilities to support professional service organizations including more granular project revenue and cost modeling, resources demand forecasting within the sales cycle, and new resource and project planning tools.

In October, FinancialForce.com announced it had joined the Salesforce Wave analytics cloud ecosystem, and Nucleus expects to see it make further advances in delivering prepackaged in-application analytics and dashboards based on CRM and ERP data for better front-office and back-office decision making. FinancialForce.com is experiencing significant growth and has added new executives to the management team over the past few months to manage that growth. FinancialForce.com is not in the leader quadrant largely because at this stage it is not delivering industry-specific functionality beyond some professional services capability; however, Nucleus expects that as its vertical footprint becomes more established and partners begin delivering more prepackaged solutions FinancialForce will likely begin to deliver more vertical capabilities.

MICROSOFT DYNAMICS NAV

Microsoft announced general availability of Dynamics NAV 2015 in October, continuing its support for the product positioned for SMB customers. Usability enhancement in the release include tablet and touch-optimized user experiences for Windows, Apple, and Android devices; personalizable home pages to help users focus their time and efforts on key business activities and decisions; support for interoperability with Microsoft Word for the development of branded invoice templates; and support for cloud deployment on

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Microsoft Azure and Office 365. The release also included upgrade tools to enable customers to more easily and predictably upgrade to the new version.

PLEX

Plex offers an ERP solution for manufacturers that includes capabilities for accounting and finance, business intelligence, customer and sales management, human resources management, inventory management, product and program management, quality management, and supply chain management. In June, Plex announced the Plex Enterprise Edition to support complex, global, multiplant manufacturing organizations' financial and supply chain management requirements.

QUALIAC

Qualiac continues to maintain a strong usability position in the Nucleus ERP Matrix based on its usability, integrated reporting and analytics, and Qualiac's configuration (rather than customization) approach which enables business analysts and managers to make changes in the application based on changing business needs without additional consulting. This provides companies with greater flexibility to make changes as business dynamics or regulatory requirements change, and also enables greater flexibility across divisions: subsidiaries can configure components and modules to meet their specific characteristics while maintaining a common core data model for enterprisewide visibility.

SAP BUSINESS ONE

SAP Business One is a business management solution for small and medium-sized businesses running on HANA, SAP's in-memory computing platform. In July, SAP announced the launch of its SMB Solutions Group to better engage with small and medium-sized customers and help them effectively adopt Business One and Business One add-on applications.

SAP BUSINESSBYDESIGN

SAP BusinessByDesign was SAP's original cloud offering, with modules to support customer relationship management, financial management, project management, supply chain management, supplier relationships management, human resources managements, compliance management, and analytics. BusinessByDesign's future has been somewhat uncertain as other cloud players have risen to address midmarket ERP buyers. In the past year SAP moved BusinessByDesign to HANA and stated plans to make BusinessByDesign more partner driven; however, customer confusion and conflicting messaging from SAP has increasingly eroded BusinessByDesign's position in the market.

CORE PROVIDERS

Core providers in the Matrix include Microsoft Dynamics GP and Sage ERP X3.

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MICROSOFT DYNAMICS GP

Microsoft continues to invest in Dynamics GP and position it as Microsoft's solution for small and midmarket businesses. In May, Microsoft announced general availability of GP 2013 R2 with enhancements meant to make the application easier to use, including integration with Office 365, streamlined workflow and requisition capabilities, support for backup on Microsoft Azure, and additional mobile applications.

SAGE ERP X3

Sage ERP X3 is focused on supporting small and medium-sized businesses with functionality for finance, customer relationship management, purchasing, inventory management, manufacturing, and operations. After a long development cycle, Sage released the latest version of its ERP solution in 2014. Given the increasing appetite for cloud ERP, especially for small and medium-sized businesses with limited or no IT resources, Sage's lack of a clear cloud strategy suggests that it is – at best – out of touch with the market. That, coupled with the migration of long-standing Sage partners to cloud (and other) ERP vendors, does not bode well for Sage's future in the ERP space (Nucleus Research *o99 – The bell tolls for Sage*, May 2014).

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