

# ERP Trends & Predictions for 2023



**Shawn Windle, ERP Advisor** to CFOs, CEOs and Private Equity owners across every major industry, shares colorful insights about 2022 ERP trends and gives predictions for ALL major vendors in 2023 including:

- Acumatica
- Epicor
- IFS
- Infor
- Microsoft Dynamics
- NetSuite
- Oracle
- Sage
- Salesforce
- SAP
- Unit4
- Workday

# Predictions for 2023

The world of ERP is ever-evolving, especially in 2022, credited to the innovation and investments vendors are making across the market. The rise of private equity in this space gave way to the potential growth of specialized solutions and the scalability of traditionally smaller-scale offerings. 2022 also saw the continued expansion of the cloud and the increasing application of artificial intelligence and machine learning in the future of business operations. ERP Expert, Shawn Windle, and ERP Minute Anchorwoman, Rebekah McCabe, provided their detailed perspectives on these 2022 trends and delivered predictions for the future of ERP in 2023, as summarized here.

## Technological Trends

Cloud platforms have grown substantially, including the growth of data centers at a global level. This push for the cloud has resulted in many legacy customers finally taking on migrations to upgrade their systems. ERP in the cloud also mitigates the increasing number of cybersecurity attacks across the market, driving vendors to make tremendous global investments in data centers. Customers can rest assured knowing that data centers are nearby, lowering latency and increasing accessibility. All these factors have contributed to the great migration away from legacy technology, especially from legacy organizations across the Food and Beverage, Distribution, Manufacturing, Nonprofit, and Government industries.

It is also clear that artificial intelligence and machine learning are defining the future of innovation, sending us into the next generation of technological offerings. 2022 appeared to be the coming-of-age year for the cloud offerings of a number of vendors, with Oracle Cloud Fusion, SAP's RISE, and others continuing to grow in prominence. Significant growth opportunities within the mid-sized market have emerged, with smaller-scale vendors continuing to expand and enhance their solutions. This coincides with the growth of micro-vertical solutions across the market, either from emergence or vendor development, such as Salesforce's automotive solutions release at the end of the year.

Artificial intelligence and machine learning are defining the future of innovation

**“In the current market, ERP deals are being won not just by the technology offered but also by the ecosystem of available services.”**

## Market Trends

Investments in ERP and related applications were significant in 2022, even with rumblings surrounding the economic downturn – many vendors saw astronomical growth between 10 and 30% year-over-year on a quarterly basis, further demonstrating the significant demand for ERP in the market. We observed vendors pouring profits into the advancements of their solutions, either through innovation or acquisition, delivering value to customers.

On a similar note, Private Equity companies are becoming more active in the ERP space, especially through acquiring niche solutions. Vendors are following PE's lead with similar acquisitions, driving growth in niche markets, and maximizing their time to market relative to developing the solutions themselves, from the ground up within their own

technology stack. This is expanding the reach of ERP beyond what we have seen in previous years.

2022 also saw a rise in strategic relationships between vendors and their customer bases. Companies like Microsoft are partnering with their customers and developing joint growth efforts. This is unique, with vendors offering deals on their software services in exchange for technological innovation collaborations with their customers. These partnerships heavily encourage mutually beneficial innovations.

Finally, vendors are extending beyond their product offerings by expanding their service programs. This is evident in SAP's developer program, Oracle's filling the financial gap initiative, NetSuite's consulting programs, and more. We also see this commitment in Acumatica's growing partner program, ensuring the future success of its cloud implementations for customers. In the current market, ERP deals are being won not just by the technology offered but also by the ecosystem of available services.

# Vendor Predictions

## Shawn Windle's predictions include:

### **Acumatica:**

Acumatica has gained significant traction, providing great innovation to the market. Their partnership ecosystem is continuing to grow and provide great support to customers. Windle “expects to continue to see big growth from Acumatica in the coming year.”

### **Epicor:**

Epicor has a number of great products on the market that they are continuing to enhance, especially in terms of their micro-vertical focuses. They continue to purchase best-of-breed solutions to extend their product offerings. Windle observed, “Epicor is continuing to bring in new products that will allow them to effectively contribute to the growth of their clients.”

### **IFS:**

IFS is leaning towards a micro-vertical focused approach within the Enterprise Asset Management space, with continued expansion into the North American market. “They are a very successful firm internationally and we expect IFS to continue to enhance their EAM solutions and pick up market share,” reflected Windle.

### **Infor:**

Infor is one of the few major software vendors privately held, making a huge difference in their market position. Infor is still investing in its on-premises solutions and its CloudSuite solutions because they understand that some customers demand incremental, less drastic change than uplifting their entire platform. Infor continues to acquire customers, and from Windle’s perspective, “they have a solid, multi-pronged strategy that demonstrates the next evolution of the cloud as we enter the new year.”

## Microsoft:

Microsoft has simplified its pricing strategy on the software side in a very straightforward way that is extremely beneficial to the customer. Microsoft is a household name that continues to garner support from long-time users who want to continue their growth with products like Business Central for smaller-scale enterprises and Finance & Supply Chain Management for larger enterprises. Windle stated, "Microsoft is very well positioned and has advanced its partnership channel, allowing it to extend its value to customers in 2023."

## NetSuite:

"NetSuite's growth continues to be astronomical, especially in the mid-market," reveals Windle. NetSuite has further developed its PE portfolio, continuing to assist companies in that space with their digital transformations. We foresee NetSuite continuing its growth trajectory in 2023.





# Vendor Predictions

## **Oracle:**

Oracle Cloud Fusion has picked up significant market share. Windle says, “We do see Oracle Cloud Fusion becoming more and more viable for the legacy Oracle customer, delivering an expansive solution for their growth opportunities.” OCI’s continued expansion will also deliver necessary cybersecurity measures for customers in 2023 and beyond.

## **Sage:**

Sage has an extensive portfolio of legacy clients that it is looking to upgrade to cloud offerings. Sage Intacct is especially focused on the delivery of value within the Nonprofit space. Windle evaluates that, “Sage Intacct is a really good product for evolving companies and will continue to focus on the innovation of their offerings.”

## **Salesforce:**

Salesforce had a major year, surpassing SAP as the largest software vendor in the world. “There are great innovations coming from Salesforce, with heavy investments continuing to be put into new products and their partnership channel,” observed Windle.

## **SAP:**

SAP is, “Just pure ERP,” according to Windle. With Microsoft’s new move to S/4 HANA Cloud, SAP has proven its continued growth. As the company offers lower pricing on its solutions and sunsets some of its legacy software, SAP will bring on newer and more diverse users.

## **Unit4:**

Unit4 is carefully honing its North American strategy in the Professional Services, Nonprofit, and Human Capital markets. “Unit4’s strong understanding of global markets and implementations is a differentiator and will contribute to their success in 2023,” examined Windle.

## **Workday:**

Workday continues to deliver value within the Human Capital Management space, with innovations and opportunities growing within its financial offerings. “I think that in 2023, Workday will really dial in the incremental value of its solutions, differentiating it from the competition in terms of functionality,” predicted Windle. A lot is expected from Workday in 2023.



## Conclusion

The next 10 years of ERP innovation are going to make the last 50 look like nothing in comparison, with innovative solutions emerging across the market and the prominence of AI and machine learning drastically expanding what technology can do. ERP vendors are experiencing unbelievable growth, providing great resources to deliver revolutionary technological enhancements. 2023 is going to be a major year for ERP!

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