The ERP market is at a major inflection point as businesses of all sizes replace older systems with newer cloud-based systems built for the innovation, flexibility and speed that today’s business climate demands. We explored these topics in our webinar, *Building an ERP Services Business for Growth and Profit*. Featured guest, Forrester VP and Principal Analyst, Liz Herbert, provides additional perspectives on the growth in today’s ERP services markets.

**Question 1: What role does ERP play in a corporation’s digital strategy that partners should understand?**

ERP systems power the business by running major operational processes including finance and resource management. These mission-critical systems must move at the pace of business today and thus must be flexible and adaptive to enable leaders to respond to changing market conditions such as customer expectations or supply chain issues. We see a wave of ERP replacement projects kicking off in the coming months and years as too many firms still use outdated systems that are slow, hard to use and limited in their ability to produce real-time insights about the business. These old systems hamper business success and are costly and hard to manage.

**Question 2: What are the benefits of SaaS ERP and how should partners be positioning this model’s advantages to their clients?**

SaaS ERP aligns well with modern business needs because of its greater flexibility, better ability to empower business users, and faster pace of vendor- and community-delivered innovation. While SaaS has become widely accepted and reaching saturation in other major software categories, SaaS ERP is still in growth mode.

**Question 3: As clients choose the move to SaaS ERP what can partners expect to see in services earnings in this new, growing model?**

SaaS implementation multiples can be high; they range from about 2x to 5x of one-year subscription fees in typical SaaS ERP replacements. However, partners should note that the skills required to succeed here skew more towards business and user enablement, solution configuration, and change management rather than the hardware acquisition, heavy programming, and technical systems setup required in the past. The one version model has also created better possibilities for partners to productize their own solutions and more easily reuse those productized solutions, especially industry and micro-industry versions of leading SaaS ERPs.

**Question 4: How will the rise of Artificial Intelligence impact ERP and how should partners be guiding their clients regarding AI within ERP?**

The term “Artificial Intelligence” covers a wide range of categories spanning more basic automation all the way up to advanced learning technologies. Artificial intelligence has widespread impact on ERP; AI helps with efficiency (automating mundane but critical tasks like the financial close process) as well as business innovation (such as making better products and improving customer engagement). AI eliminates many lower-level manual tasks but also creates new needs. AI will impact most business and technology workers as they will need to learn new skills and new ways of working in the AI-infused environment.

**Question 5: What are the most valuable ways a partner can differentiate as an ERP provider and implementer? What are the most needed adaptations as SaaS ERP is on the rise?**

We see substantial changes in the ERP partner world, but many of these are quickly becoming table stakes rather than ways to differentiate—such as journey mapping, experience design and Agile development. Ways for ERP partners to differentiate include industry, business function (such as quote-to-cash), geography and size of target business. One of the biggest growth areas we see in SaaS ERP is industry, and we see leading SaaS ERP partners building out unique industry-specific solutions as well as industry-specific insights, including data sets and repositories of industry insights. Industry excellence can give you sustained competitive advantage because deep industry know-how and readymade industry solutions are harder to replicate by a newer entrant to the market.

To learn more, watch Oracle NetSuite’s webinar, *Building an ERP Services Business for Growth and Profit*. 