

# A better way to select your ERP platform

ERP selection considerations for finance leaders

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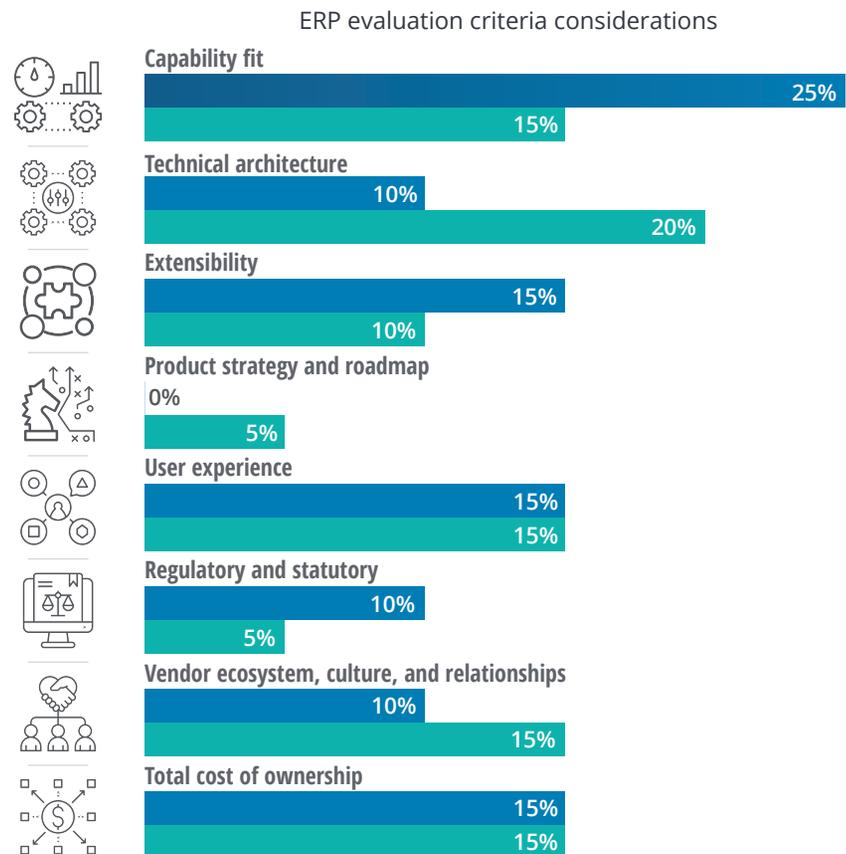
“Which enterprise resource planning (ERP) system will best meet our requirements?” is a common question raised by many finance leaders, as they find it increasingly difficult to differentiate ERP platforms solely based on how well these match finance capabilities. A survey of Deloitte leaders was conducted in 2020 to understand how clients typically weigh their evaluation criteria and how these should be refined. Based on this survey, 85% of the respondents indicated that at least one of their clients found only marginal differences when comparing platforms on functionality. Reflection on these results led Deloitte leaders to realize that ERP platform selection can no longer be driven primarily by capability fit, and the weightage given to this criterion should reduce by 10 percentage points (pp).<sup>1</sup>

Instead, we believe that technical architecture should now be given more weightage (by 10 pp); other criteria that should also become more important are vendor ecosystem, culture, and relationships (by 5 pp) and product strategy and roadmap (by 5 pp)—the last criterion is currently not considered at all.

These results indicate that finance leaders should consider recalibrating their evaluation framework and adopting a more holistic approach. Technical architecture becomes more important as ERP alternatives come with distinct technical implications including integration needs, data processing, and cloud models. For example, the choice between multi-tenant and single-tenant cloud models not only comes at different price points but also has varied implications for available enhancements. Moreover, some products are natively integrated while others are stand-alone and need to be stitched within the company’s architecture—emphasizing why product strategy should be a consideration.

## The criteria on which finance leaders evaluate ERP systems might need to be reconsidered

■ Weightage given by clients (ex-ante) ■ Weightage that should be given by clients (ex-post)



Sources: Deloitte Core Financials ERP survey, 2020; Deloitte analysis.

Vendor relationships become more significant as companies begin to understand that they are not only buying software but also signing up for a long-term partnership. Since platform vendors are becoming increasingly responsible for cloud infrastructure maintenance and functionality enhancements, many companies are relying more on the ERP platform vendor to deliver innovation. Vendors' commitment to collaborate and to work toward their clients' future roadmap is more critical than ever, so companies should look for a vendor that embodies common values, strives toward shared goals, and fuels innovation.

As you embark on your transformation journey, take a look at our [new report](#) that provides a detailed overview of the modernized ERP evaluation framework and other considerations to help you unlock maximum value.<sup>2</sup>

## Endnotes

1. Deloitte's Core Financials ERP survey includes inputs from Deloitte leaders based on the last three years of advising nearly 20 key clients across 10 industries, spanning both public and private sectors, in ERP vendor selections.
2. Deloitte, *ERP selection and vendor criteria for core financials: Choosing ERP software to drive sustainable long-term value*, 2020.

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