



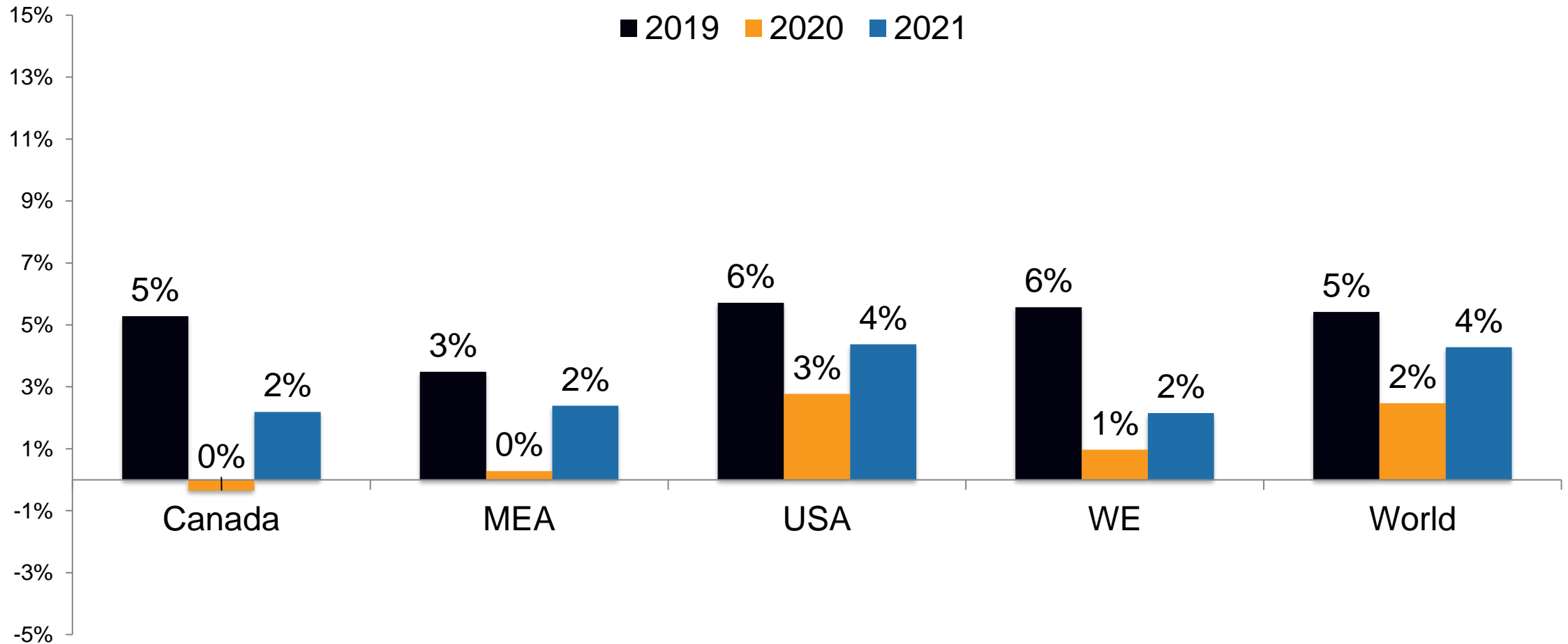
2021 – Road to Recovery

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IDC

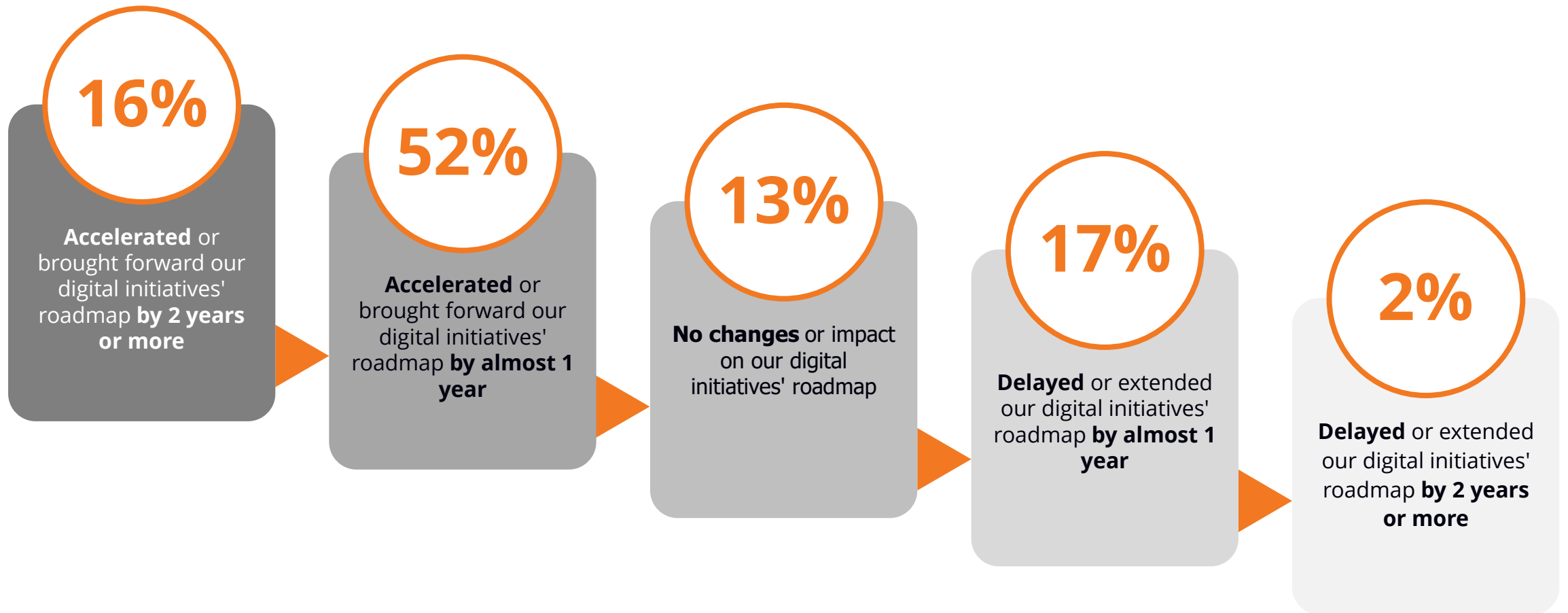
Regional IT Spending Growth (% constant currency)



Source: Worldwide Black Book, December 2020 (growth in constant currency) META region includes Israel

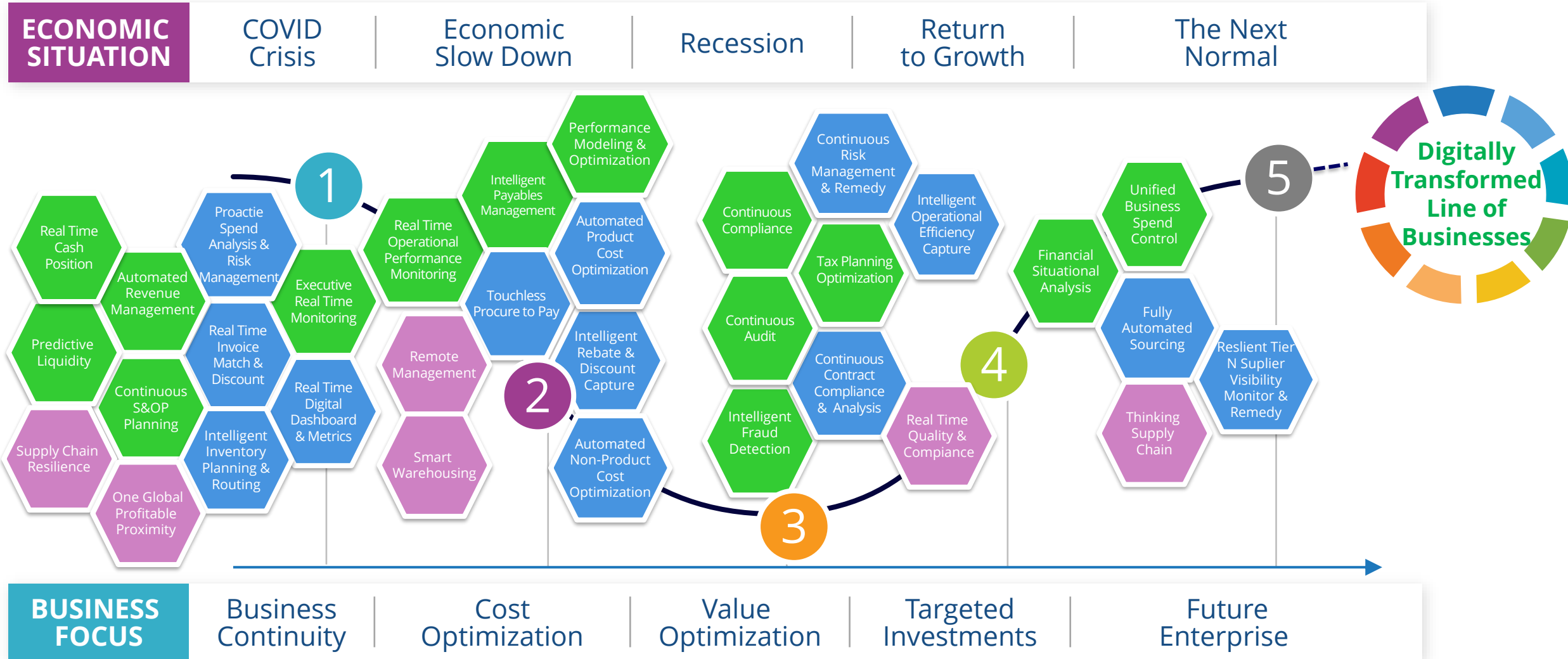
"IT Spending" includes devices, infrastructure, software and IT services; excludes telecom spending, business services, OT spending and some emerging technologies

Digital Roadmaps have been brought forward significantly due to Covid



Only 50% of the DX budget is coming from IT; the rest from LoB and organization-wide DX budgets

COVID-19 Recovery Curve – Operational ERP Example



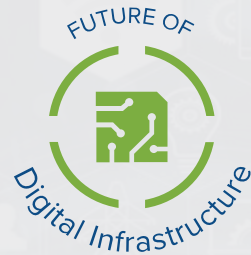
42%

“We will invest in technology to close the gap in our digital transformation”

Source: COVID-19 IMPACT ON IT SPENDING Survey (Survey conducted during 4th June to 15th June period), IDC, June, 2020 n=880 WW technology decision makers

Q: Which statement best aligns with the way your organization is PRIMARILY thinking about technology investments as it relates to your digital transformation efforts?

Automating IT, Labor and Business Operations



INFRASTRUCTURE

By 2023, 75% of Global 2000 IT organizations adopt automated operations practices to transform their IT workforce to support unprecedented scale.



LABOR

By 2022, 45% of repetitive work tasks will be automated and/or augmented by using "digital co-workers", powered by AI, robotics, and RPA.



OPERATIONS

By 2022, to support autonomous operations, organizations will increase their investments in Digital Engineering organizations, data governance and operations technologies by 40%.

So what do ERP Software Buyers Want?



Greater technology parity

- Providing all workers with secure access to the resources required to do their jobs, no matter the device or location.



Shift to cloud applications

- Choose public or private cloud over on-premises for ease of deployment, access, configurability, scalability, and regular updates



LoB inputs influence ERP choices

- On average 20+ influencers driving the final software buying decision. This includes a mix of IT and line-of-business employees

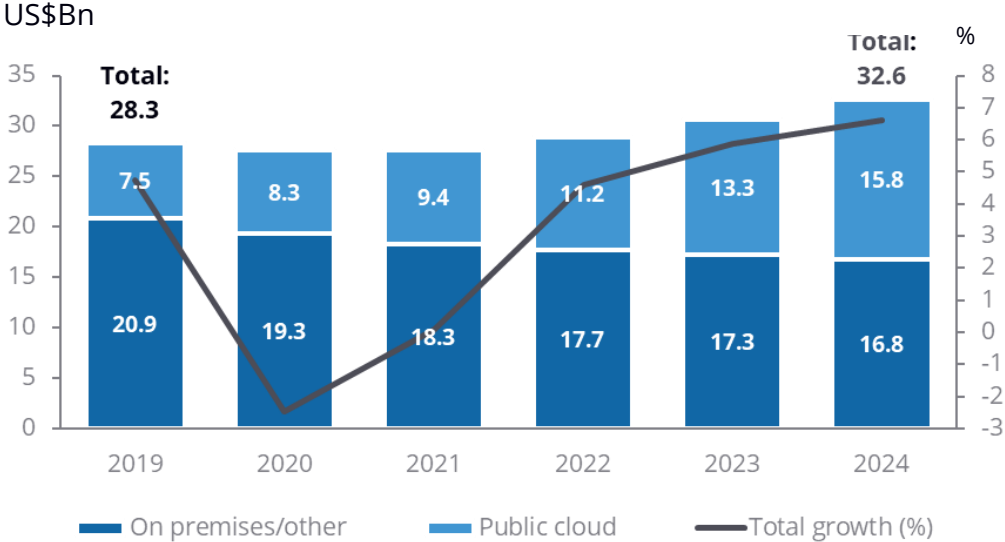


CIO as Innovation Driver

- Be prepared to discuss how your product's technology road map aligns with the CIO mandate to drive digital innovation

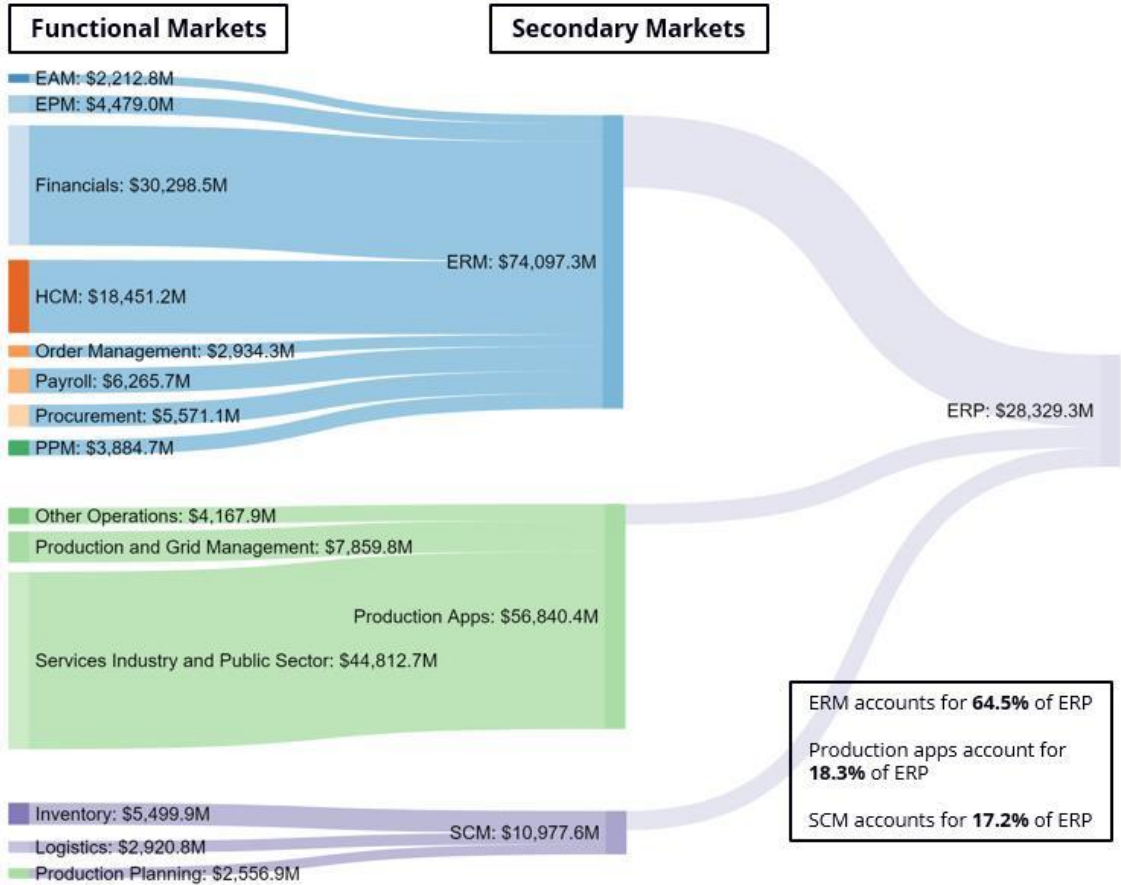
WW Enterprise Resource Planning Market Opportunity

Worldwide ERP Software Revenue, 2019 – 2024



<p>Selected Segment Growth Rate</p> <ul style="list-style-type: none"> ▼ On premises/other CAGR -4.2% ▲ Public cloud CAGR 16.2% 	<p>Total Market CAGR</p> <p>2.9%</p>
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Worldwide ERP Software Revenue Breakdown by Secondary Market

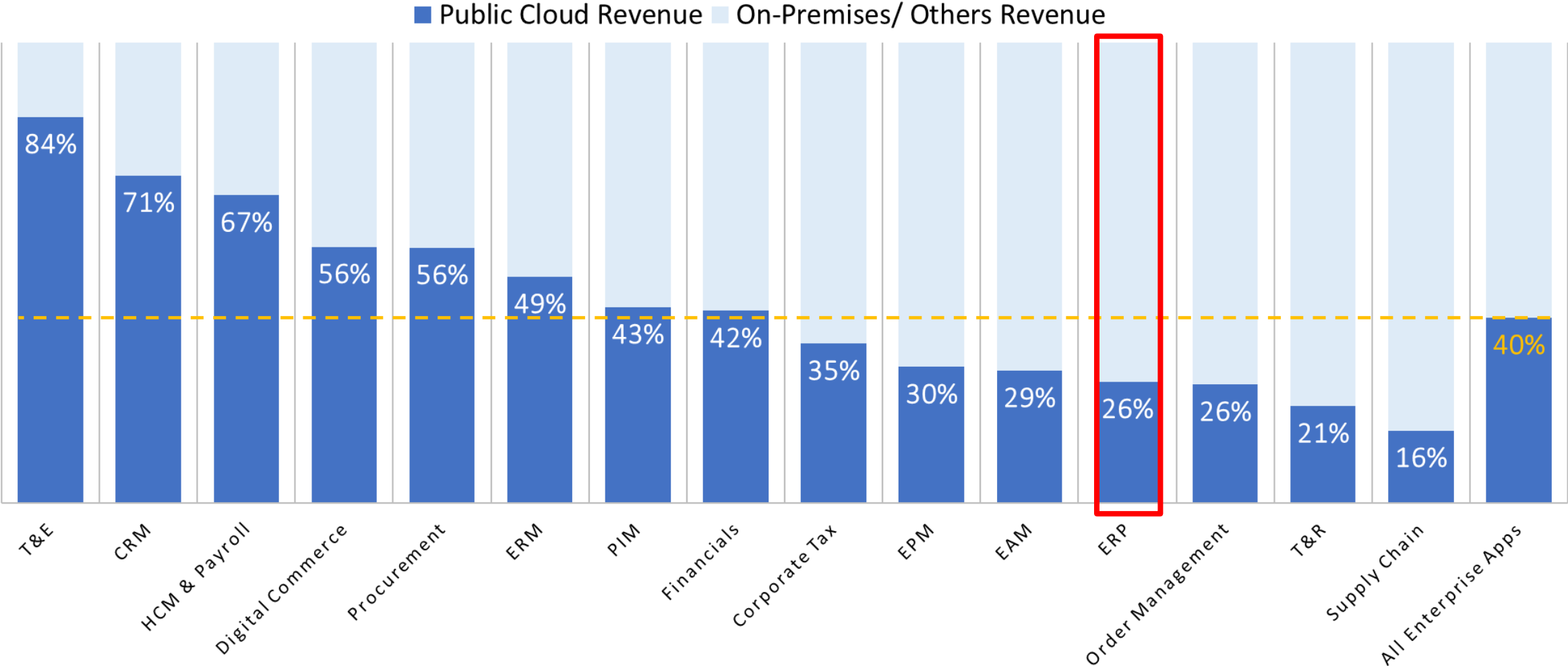


ERM accounts for **64.5%** of ERP
 Production apps account for **18.3%** of ERP
 SCM accounts for **17.2%** of ERP

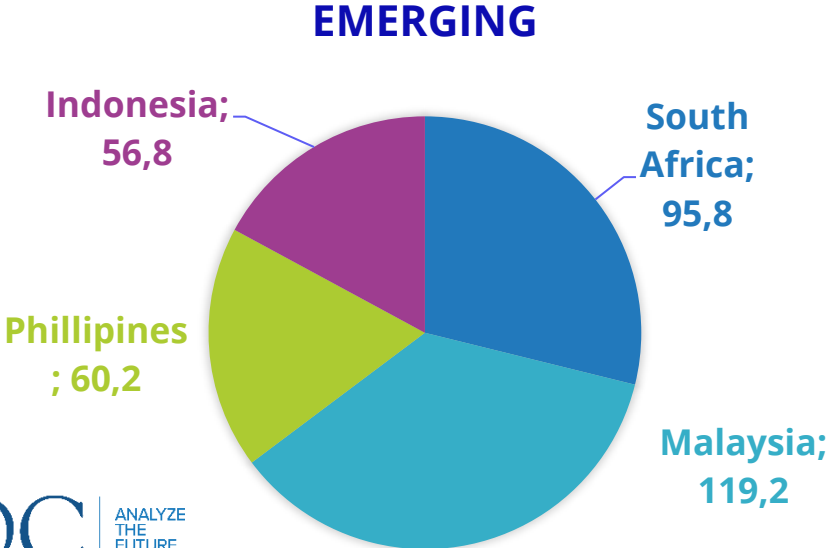
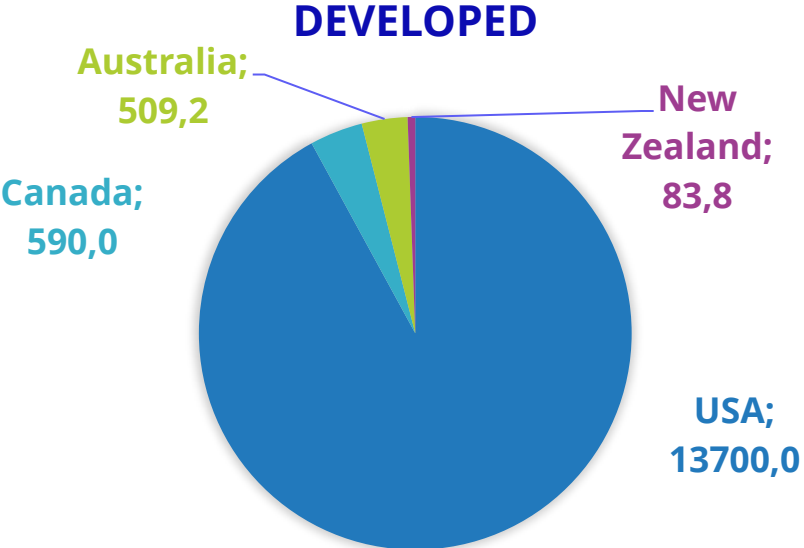
Source: Worldwide Enterprise Resource Planning Software Forecast, 2020-2024

Cloud builds Momentum

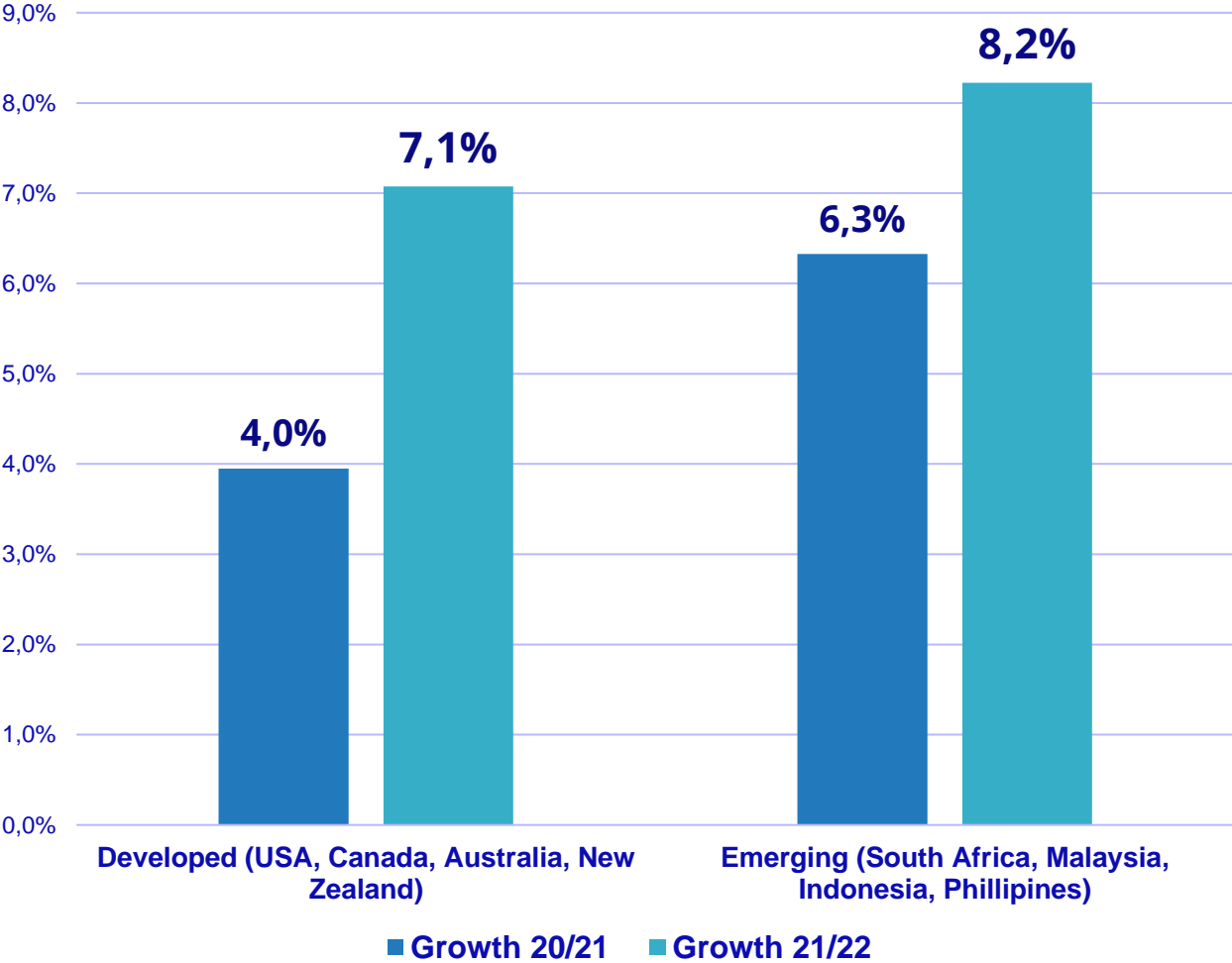
2019 Cloud Penetration by Application Type



Selected ERP Market Performance and Outlook – 2021 Revenue US\$M (F)

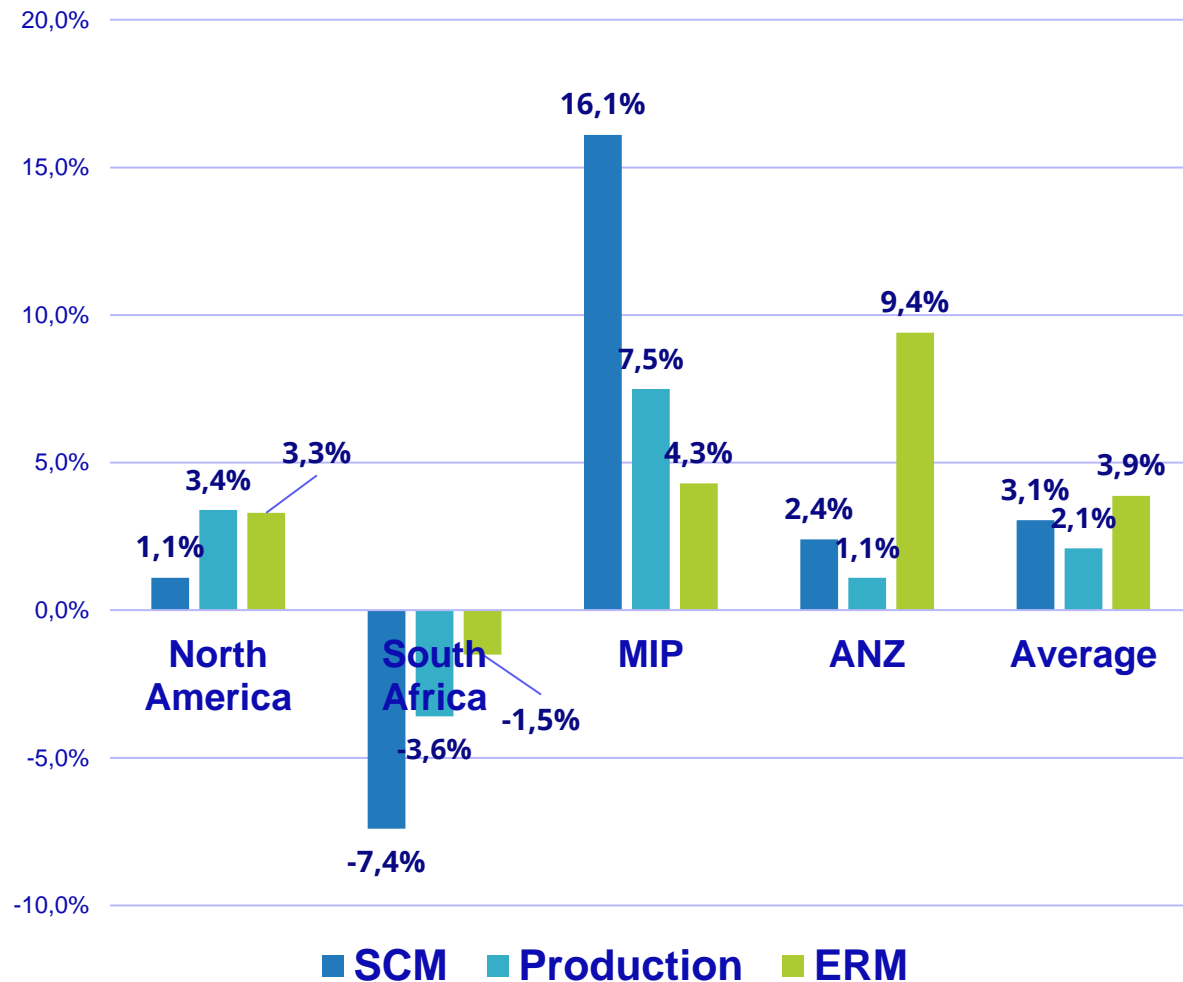


Revenue Growth Outlook 2021/22



2021/2 ERP Outlook

Revenue growth 200/21



North America

- Financial applications, maintenance and SaaS grow.
- HCM focus on employee performance, experience and learning mgmt systems
- Procurement and order management will remain flat
- EPM focus on risk management

South Africa

- Cloud-based growth driven by need for access
- Large corporates looking at highly customized products to meet business needs
- SME increasingly looking for scaled ERP options – collaborations with unusual partners

ANZ

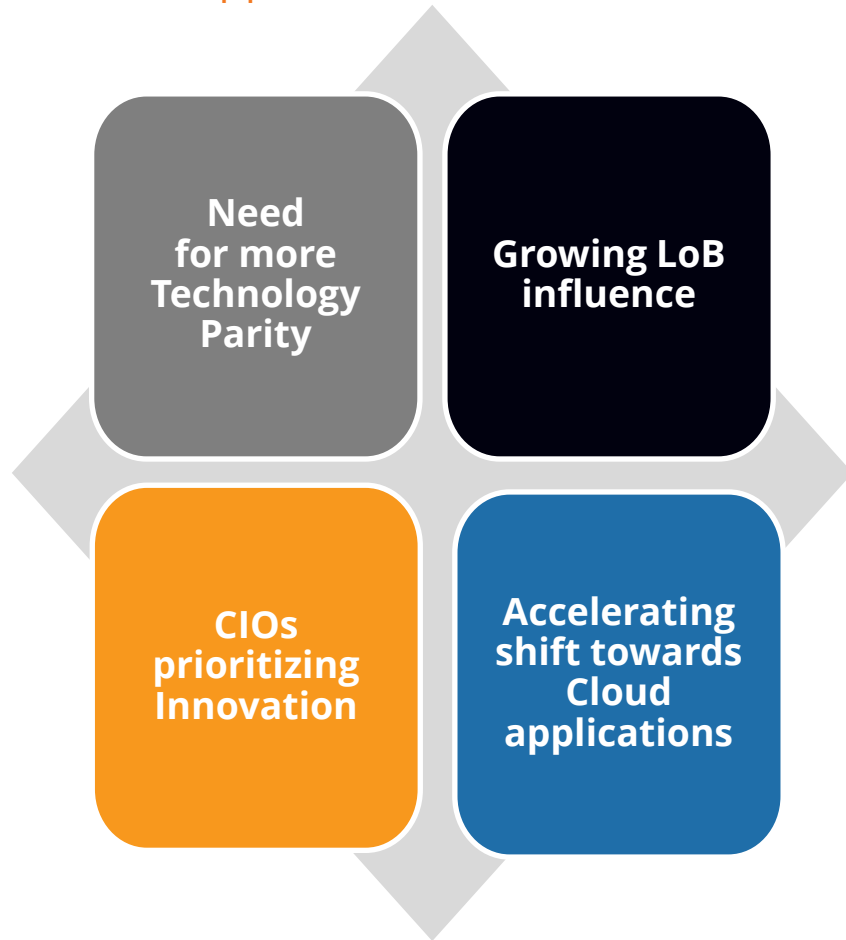
- IoT/ ERP integration
- Mobile ERP to enable back-end and front-end tasks
- Integrating ERP applications with machine learning, AI and automation
- High expectation of suppliers address weaknesses identified during the pandemic.

MIP

- Enterprise integration of intelligent ERP to include ML, AI and automation
- Inventory and asset management focus in 2021
- Medium/ large enterprises on-prem, focus on app modernization

Transformation of Applications – Cloud-Native Modernization and New Development

META App Modernization Initiatives over the next 12 - 18 months



Application migration to Cloud

52%

Refactoring

47%

Rearchitecting

43%

Re-hosting
(Lift & Shift)

22%

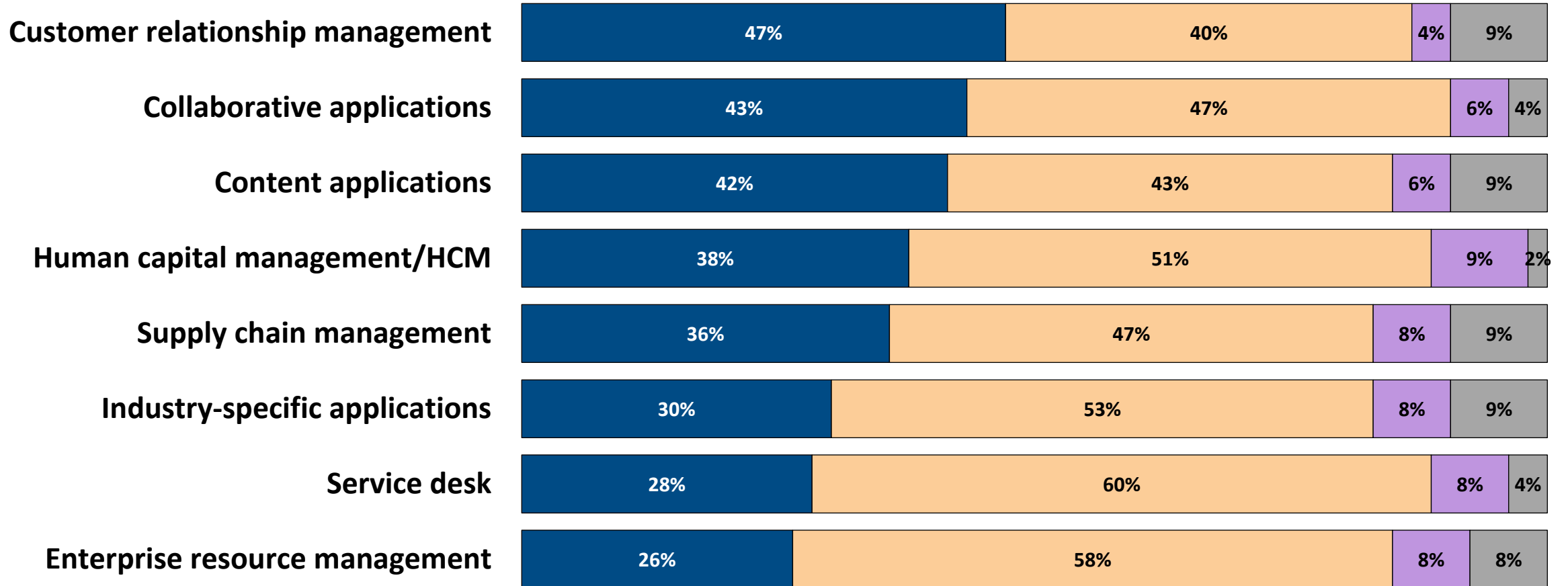
Replacing

Using cloud, in which of the following application modernization initiatives do you plan to invest significantly over the next 12 - 18 months?

Covid-19 Impact on ERP Investment (South Africa)

Q. In which application areas do you expect to see a significant change in spending in 2021 by your organization?

■ More than 2020
 ■ Same as 2020
 ■ Less than 2020
 ■ No investments planned

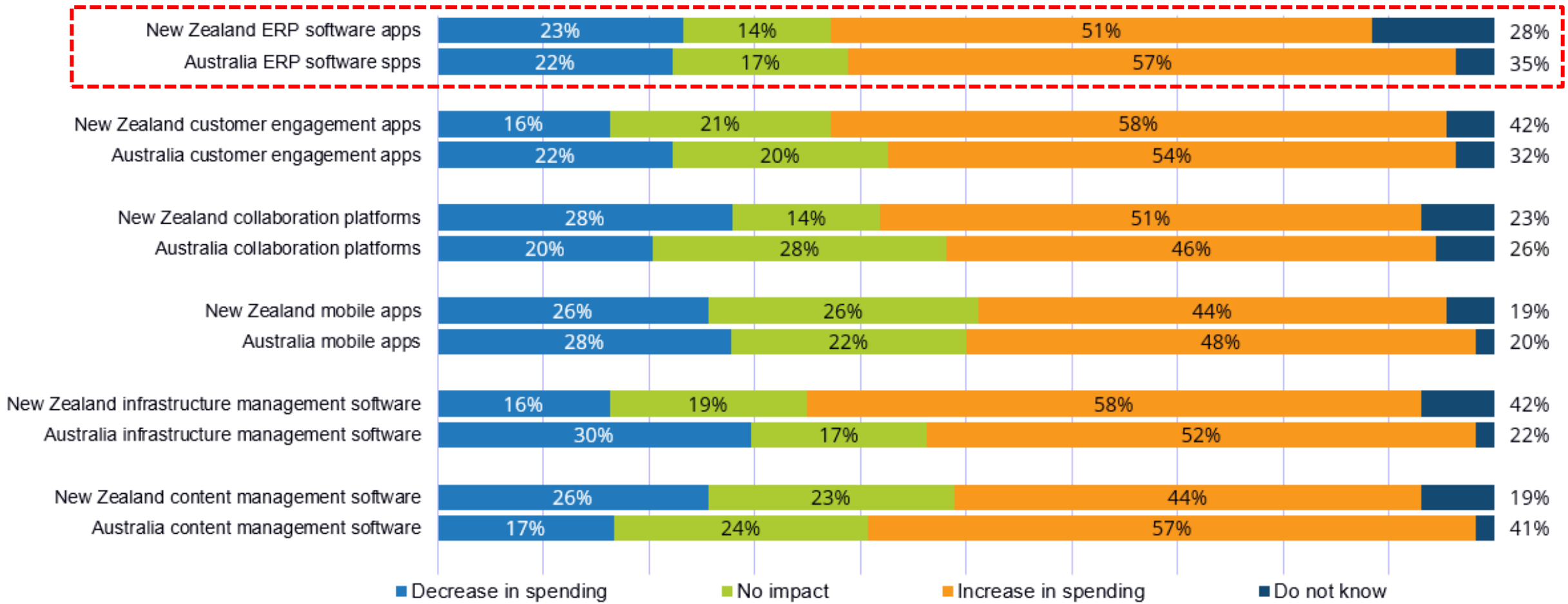


Base (South Africa): 53

Covid-19 Impact on ERP Investment (New Zealand and Australia)

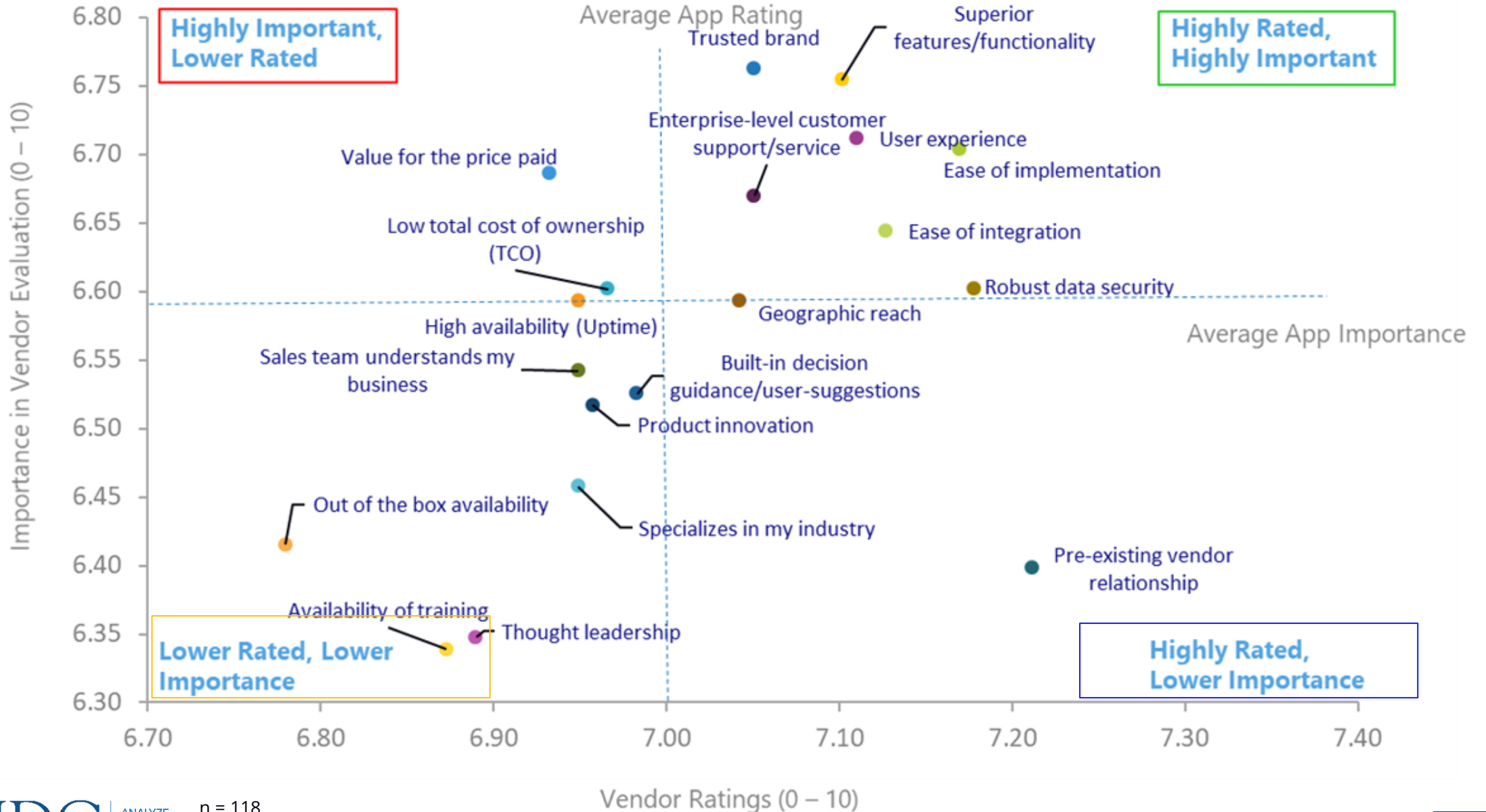
Q. Compared with your organisation's originally budgeted IT spending plans, in 2020 overall, how do you think your organisation's actual spending on the following IT products and services will be affected because of COVID-19?

Net shift
(in spending)



Note: n = 97 for ANZ organisations with more than 250 employees; ERP stands for enterprise resource planning.
Source: IDC COVID-19 Impact on IT Spending Survey, 2020

WW Customer Expectations



Digital Business Innovation Acceleration and the Impact on Partnering Strategies

Future Enterprises will prioritise “Digital Business Innovation”

	Today	Future Enterprise
PRIORITY	IT-business improvement	Digital business innovation
DIGITAL TRANSFORMATION	Business process automation and transformation (internal)	Innovation and ecosystem (external)
KPIs	Cost and Risk	New revenue streams
TECHNOLOGY FOCUS	Applications driven	Digital Platform
KEY DECISION MAKERS	IT, LoB, CIO	CEO and C-Suite
PROJECTS	Big Bang solution and value	Iterative – use case and proof of value
TECHNOLOGY PROVIDERS	Technology suppliers (RFP)	Ecosystem partners (co-creation)

“IndustryTech”
even beyond **“Fintech”**
(agrotech, healthtech, proptech etc.)

Impact on Partnering Strategies

1. Customer as partner
2. From channel to ecosystem
3. More partner-to-partner (P2P) collaboration (and co-opetition)

45% CIOs identified
developing new business models
and partnerships as a key priority

Parting Thoughts

1

Prioritize an intuitive user experience

Employees want a more intuitive and conversational user experience with their ERP applications. It not only means that users will find it easier to navigate the application but also leads to greater productivity and efficiency.

2

Sell SaaS and Cloud-enabled applications

The COVID-19 pandemic disrupted business and required more remote work, creating a new sense of urgency to move away from on-premises solutions.

3

Continue with intelligence and autonomous

Vendors need to continue to use artificial intelligence and machine learning to capture, organize, and analyze massive amounts of data to trigger actionable insights filled with predictions and recommendations

4

Invest in a platform strategy that includes Low code/No-code capabilities

Provide pathways for customer to quickly adapt to your solution. The ability to close product gaps, regardless of the organization's technical debt, will help gain trust and loyalty of your products

For More Information

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