

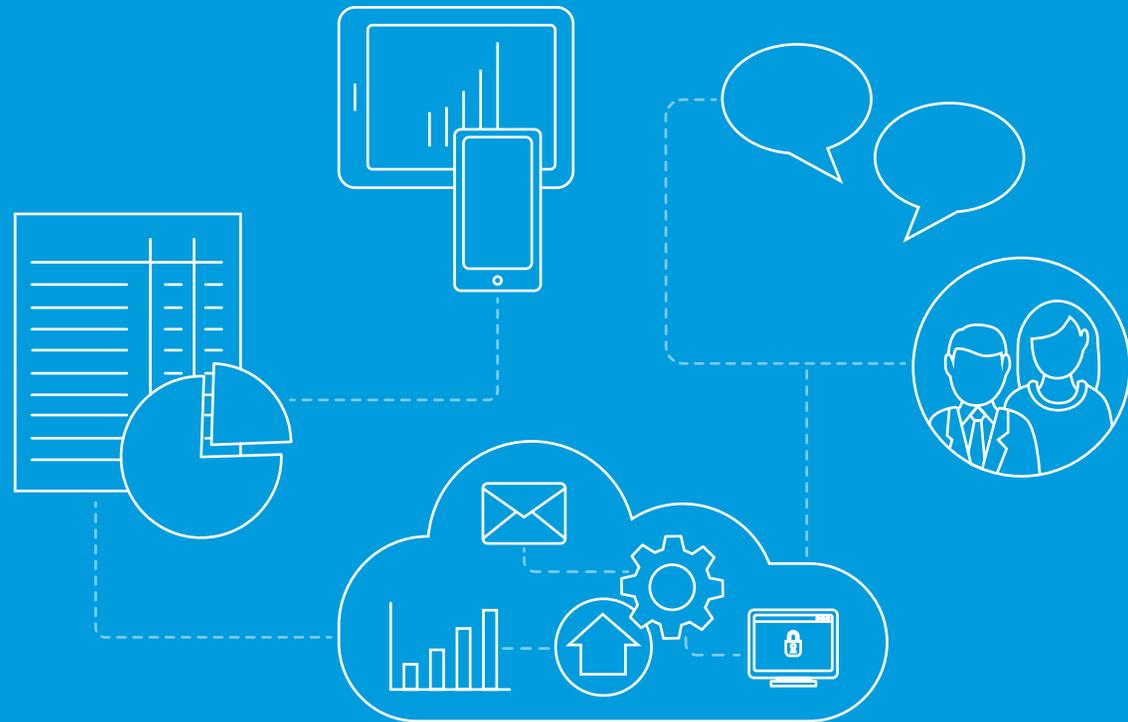
Are you ready
to evaluate?



CLOUD ERP SELECTION GUIDE FOR THE MIDDLE MARKET

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➤ Are you ready to evaluate a new cloud ERP system?

Before you start reading this cloud enterprise resource planning (ERP) guide for the middle market, we would like you to consider the following questions. Your responses will help guide you in determining your key needs as you evaluate the leading cloud-based ERP solutions for the middle market.

➤ GETTING STARTED

ERP READINESS QUESTIONNAIRE



- Are you maintaining multiple systems and platforms to manage your core business and operational functions?
 - Do you need to maintain integrations between these systems or are you looking to build an integration between them?
 - Does your current ERP solution provide enterprise-wide visibility into financial and operational data in real time with anywhere access (mobile, tablets)?
 - Can you easily access reporting and analytics dashboards in your operations with real-time data that helps facilitate decision-making at a glance?
- Do you access your business management information from a centralized, up-to-date database, or is decision-making driven by multiple systems and spreadsheets?
 - Can you accurately track and manage key activities and performance metrics to compete in your industry?
 - When needed, can your business systems allow for rapid changes and overall flexibility to assist with organizational structure or operations?
 - Has your organization recently executed or is it planning to execute a key growth initiative such as a merger or acquisition, expansion in locations or sales channels, the addition of new product lines, etc.?

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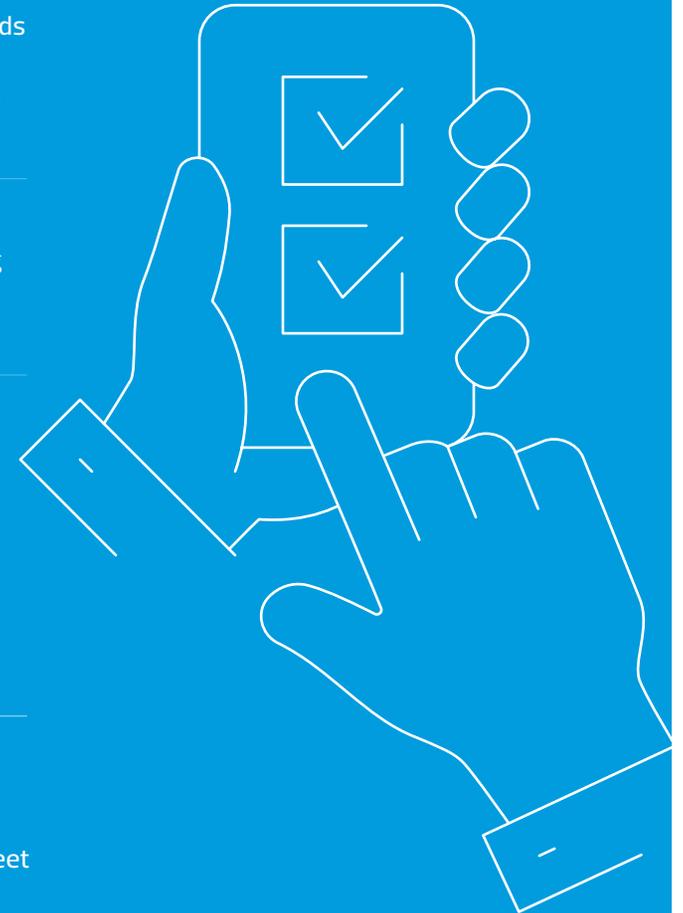
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GETTING STARTED: ERP READINESS QUESTIONNAIRE *continued*

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- > Will your current system sustain your growth in two to three years?
 - > Do you have global needs? Do you require a multilingual, multicurrency or international taxation solution?
 - > Does your current ERP solution help your organization automate, track and record processes to meet and maintain regulatory compliance requirements?
 - > Do you currently work with a technology partner that demonstrates knowledge of industry standards and best practices?

- > Does your current ERP meet the needs of your industry, and does it have a roadmap to provide industry focused capabilities?
- > Have you considered using artificial intelligence (AI) and machine learning within your ERP to further automate your processes?
- > Do your other important systems support native integrations with your current ERP system?



The ERP software market encompasses many vendors, offering several diverse cloud ERP applications. Some of these ERP software companies have developed vertical solutions to meet specific industry requirements for retail, distribution, manufacturing and more. This selection guide is designed to assist your company with evaluating cloud-based ERP systems so you can choose the right solution that meets your needs and supports your unique requirements.

➤ AVOID THESE COMMON PITFALLS OF ERP SELECTION



DON'T:

- Lose sight of the original goals
- Just buy what a peer has at his/her similar company
- Skip evaluating the software vendor
- Forget to evaluate a qualified and reputable advisor who will assist with the implementation
- Only look at the initial upfront costs
- Miss looking at the core technology
- Forget to build a definitive list of requirements
- Limit the requirements gathering and selection process to a small group within the organization
- Purchase dead, obsolete or even new but unproven software products
- Neglect your company's business strategy
- Buy new software without fixing bad internal processes
- Ignore the need to follow a well-defined implementation methodology

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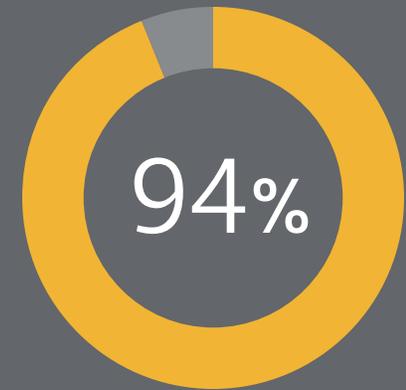
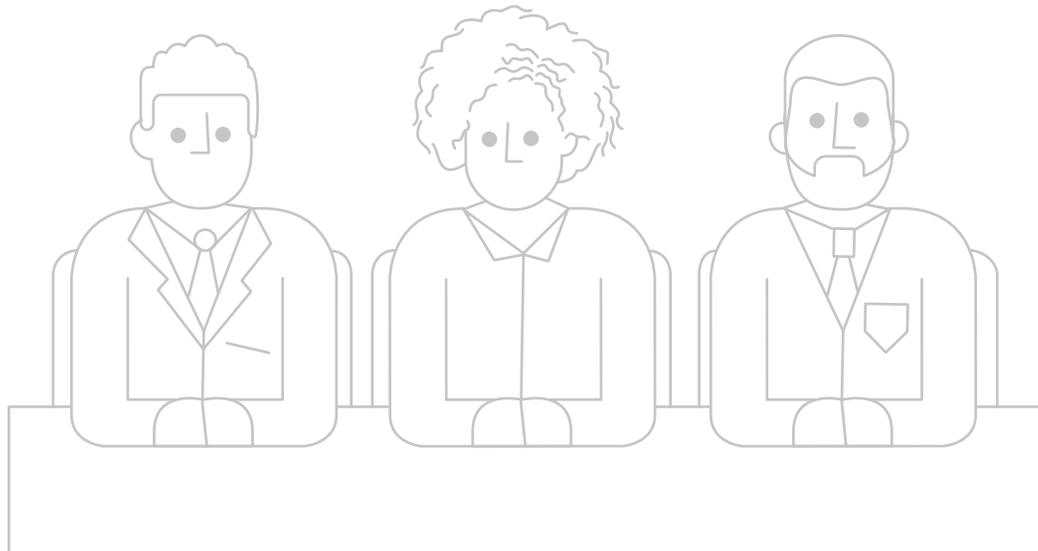
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> IT MODERNIZATION THROUGH ERP INNOVATION

Bleeding-edge technologies tend to get the most attention, but IT modernization doesn't have to come from a big splash to deliver major gains. For example, modernizing core applications such as ERP can lead to significant business benefits. Middle market businesses in all types of industries are hitting their growth and efficiency goals by leveraging business platforms with enhanced ERP capabilities.



94% of CFOs consider CRM and ERP platforms to be important elements of IT modernization strategies

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> WHY MODERN ERP HAS THE POWER TO TRANSFORM

These five trends reflect the evolution of ERP from a basic application to an enhanced system that can help middle market companies make breakthrough changes that improve growth and efficiency.

1

SaaS for finance is growing in popularity.



SaaS cloud applications are becoming the default option for most CFOs. Some of the top benefits are cost savings, ease of scalability and maintenance, better security and access to technologies that augment capabilities such as advanced analytics and integration with other core applications and partner solutions. Increasingly, ERP and other core applications are part of an integrated business platform.

2

ERP mobility is on the rise.



People can securely access key metrics or complete tasks from a phone or tablet from any location while staying within standards and practices that ensure data and process quality. Teams can work seamlessly across locations, time zones and workspaces—a foundational capability for agility.

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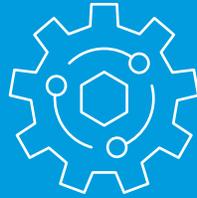
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WHY MODERN ERP HAS THE POWER TO TRANSFORM *continued*

3

Workflow automation is gaining traction.



Companies are using the automation capabilities of modern ERP applications to drastically reduce the time and human effort required for repeatable tasks and projects. Automation in ERP also reduces manual errors.

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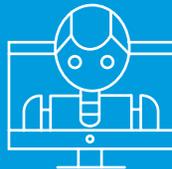
The monthly close process is becoming easier and less costly.



One popular area to apply automation is the monthly close. Tools that automate reconciliations and close daily are becoming more affordable for small and midsize businesses. This frees up people to focus on financial analysis and strategic action rather than transaction processing.

5

Modern ERP systems have improved analytics and AI capabilities.



ERPs equipped with AI have enhanced capabilities that can drive strategic decision-making. For example, machine learning can take historical sales data and forecast demand to optimize the procurement process.

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➤ SELECTING THE RIGHT CLOUD ERP IMPLEMENTATION

Today's ERP applications are more complex and have expanded capabilities. Many organizations don't have the wide business and technology experience to make the best decisions about ERP on their own. Common pitfalls include:

- Losing sight of original goals
- Buying new software to fix bad processes
- Purchasing the hottest new technology without evaluating other options
- Reactively buying the same systems that top competitors are using
- Focusing only on the initial costs

Consultants with knowledge of applications and business processes can provide guidance and services for the unique needs of each organization they work with. It's best to find an advisor who provides the following elements during the project-planning process:

- Discovery
- Design
- Configuration
- Integration
- Data conversion
- Training
- Testing

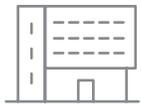


When evaluating different consulting organizations, look for a team that has experience with the ERP solution and is certified, has experience with software add-ons and has the ability and willingness to provide ongoing support. It's also important to select a consultant who is the right cultural fit for your organization and understands your project requirements.

> INDUSTRY RESEARCH

According to Gartner, the market for core financial management suites will continue to achieve strong adoption over the next five to 10 years.

Gartner's definition of this market includes cloud core financial management suites marketed and sold to the following sizes of enterprise:



> **Midsize enterprise:**
Annual revenue from \$50 million to \$1 billion



> **Large enterprise:**
Annual revenue from over \$1 billion to \$5 billion



> **Global enterprise:**
Annual revenue over \$5 billion

BY 2025,



80%
of all new midsize core financial management application projects and



45%
of large and global ones will be deployed in the public cloud.

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In addition, Gartner's definition of a cloud service is not associated with a specific technical architecture, such as one involving multitenancy at the application level.

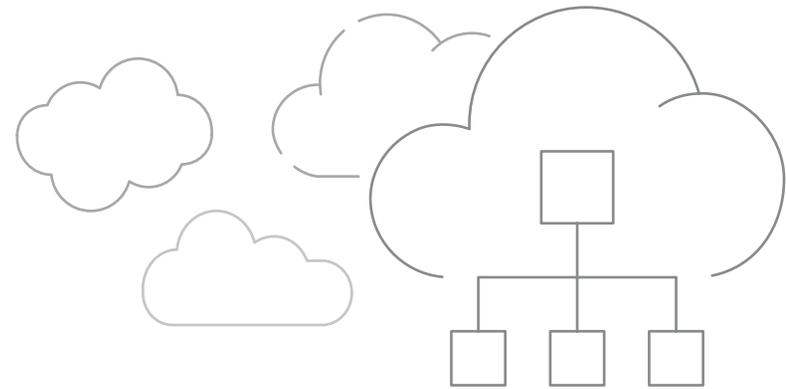
The four types of cloud service solutions that met the inclusion criteria are:

> **Born in the cloud solutions**

Architected from the outset only as cloud services, these typically have a multitenant application architecture.

> **New-generation solutions**

These are architected for multiple deployment models, typically public cloud, private cloud and on-premises. These solutions often support multitenancy at the database or operating system level, though sometimes not at the application level. They may use virtualization techniques.



> **Existing solutions**

substantially rearchitected as cloud services

These are similar to new-generation solutions in that they also support multiple deployment models (e.g., public cloud, private cloud and on-premises). But rather than being built from scratch, their vendors have made substantial changes to the underlying architecture of existing applications to support public cloud deployment.

> **Existing solutions delivered as public cloud SaaS**

These are existing solutions in which the underlying architecture has not changed significantly, but the vendor has developed an infrastructure-provisioning layer in order to deliver them in public clouds. These solutions are also offered in private cloud, hosted or on-premises environments.

Gartner's definition of this market is broad, covering midsize, large and global enterprises across all major regions. In such a broad market, many vendors will struggle to become leaders because they either focus on companies of a particular size (several focus on midsize enterprise) or have limited geographical reach. The fact that we classify certain vendors as leaders does not mean that their solutions are necessarily the best in terms of functionality and technology for all use cases. All the vendors featured in this Magic Quadrant deliver viable suites and are equally worthy of evaluation.

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Gartner's Magic Quadrant for Cloud Core Financial Management Suites for Midsize, Large and Global Enterprises Includes:¹

> Microsoft Dynamics 365

Microsoft is a Visionary in this year's Magic Quadrant. It offers Dynamics 365 Finance, available on a stand-alone basis, as well as part of a larger ERP suite (Dynamics 365 Finance and Supply Chain). The solution is aimed at midsize and large enterprises with suitability for some global enterprises. In our Peer Insights study for this evaluation, Microsoft Dynamics 365 Finance placed in the first quartile for client satisfaction. Consider this solution when your requirement is a globally supported middle market and large solution that encompasses a broad set of industries and a large spectrum of ecosystem partners.

> Oracle NetSuite

Oracle NetSuite is a Leader in this Magic Quadrant. It continues to maintain its position relative to both its Ability to Execute and Completeness of Vision since last year's Magic Quadrant, with a continuously executed roadmap and broad industry support. The solution is applicable to a wide range of geographies and industries, including business services, manufacturing, high tech, retail, wholesale and not-for-profit. In our Peer Insights study for this evaluation, NetSuite's rating for client satisfaction dropped from prior-year responses. Oracle NetSuite should be a consideration for both product- and service-centric organizations that are in the lower and upper middle market.

> Sage Intacct

Sage Intacct continues to be a Visionary in this Magic Quadrant. It targets small and lower-midsize enterprises. Its future roadmap includes globalization and integration with Human Capital Management (Sage People), along with continued strengthening of its micro vertical industry focus. In our Peer Insights study for this evaluation, Sage Intacct places in the third quartile for client satisfaction. Consider Sage Intacct when seeking a lower middle market, robust, best-of-breed solution that can act as a hub for other third-party applications, or where a strong presence in supported countries is required.

¹ Gartner® Magic Quadrant™ for Cloud Core Financial Suites for Midsize, Large, and Global Enterprises, published 10 May 2021. ID: G00733936. Analysts: John Van Decker, Greg Leiter, Robert Anderson.

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> COMPARISON MATRIX

CLOUD ERP PROVIDERS

We have created five assessment categories based on how we would classify certain functionality and industry alignment to support a given company profile. Please keep in mind that the categories we assign are our opinion and not one validated by each of the software solutions represented in our document. Many software providers claim to address a wide variety of industry and functional needs. Our goal is to provide a nonbiased and objective viewpoint based on our years of experience working with a large variety of clients.

> Mature (M)

By our definition, a mature software solution offers in-depth functionality and supports a high percentage of business needs, including specific requirements for a given industry. These solutions have a strong presence in the market, revealed through their ability to win deals and profile successful deployments across a range of companies.

> Growth (G)

In growth-based solutions, the core solution supports a high percentage of business and reporting requirements. We recognize that not all companies have the same needs, even in a defined industry.

This category is used for aligning solutions that continue to make investments in these industries or functional areas but haven't yet reached the level of a fully mature platform. This assignment is not a negative reflection, assuming the needs of your business are fulfilled by the software vendor or a third-party solution.

> Emerging (E)

An emerging provider offers core functionality for a given industry or business need but is limited in its ability to support complex or expanded needs. In addition, investing for expansion may not be a strategic focus in the near future. The solution provides basic functional or industry capabilities.

> Third-Party Solutions (TP)

Major ERP vendors also support an ecosystem of independent software vendors, companies that create applications to enhance and extend the core ERP solutions. These companies may have formal partnerships with the ERP vendors and have their applications certified through the ERP vendor's partner program. Third-party solutions may provide functionality that an ERP vendor has decided not to build into their solution, offer more robust functionality in a specific area than an ERP does natively or extend functionality to meet the needs of a specific industry. In some cases, third-party applications are built on the cloud ERP platform using the same toolset for full integrations and an identical look and feel. In other cases, they are standalone applications with pre-built integration to the ERP system.

> Not available (N/A)

In our opinion, a solution in the N/A category lacks functionality or focus. Therefore, we are unable to offer an assessment of its value at this time.

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> COMPARISON MATRIX CLOUD ERP PROVIDERS

COMPANY	MICROSOFT		ORACLE	SAGE
Products	Dynamics 365 Finance and Supply Chain Management	Dynamics 365 Business Central	NetSuite	Intacct
Customer profile				
Typical revenue range	\$200M+	\$10M–500M	\$10M–750M	\$10M–500M
International	M	G	M	E
Industry Specialization				
Manufacturing	M	M	G	N/A + TP
Wholesale distribution	M	M	M	G + TP
Food and beverage	M	M	G	N/A
Life sciences R&D	M	M	M	E + TP
Life sciences manufacturing	G	G	E	N/A + TP
Retail	M	N/A + TP	M	N/A + TP
Field services	M with D365CE	M with D365CE	E + TP	N/A + TP
Media and publishing services	N/A	N/A	M	M
Professional services	M	G + TP	M	M
Technology and software	M	G + TP	M	M
Nonprofit	M	E + TP	M	M
Construction and real estate	TP	TP	G + TP	G
Family office	N/A	N/A	G	M
Hospitality	N/A	G	G	M
Healthcare	N/A	G	M	M
Compliance				
HIPAA	G	E	N/A + TP	M
ASC 606 – Revenue recognition	N/A + TP	E + TP	M	M
ASC 842 – Lease accounting	N/A + TP	N/A + TP	E + TP	N/A + TP

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> COMPARISON MATRIX CLOUD ERP PROVIDERS

COMPANY	MICROSOFT		ORACLE	SAGE
Products	Dynamics 365 Finance and Supply Chain Management	Dynamics 365 Business Central	NetSuite	Intacct
Common ERP features, functionality and modules				
Core financials	M	M	M	M
Multicurrency	M	M	M	M
Multibook	M	E	M	M
Multi-entirety, single database	M	M	M	M
Automated consolidations	M	M	M	M
Electronic banking — bank reconciliation, vendor payments and customer payments	M	M	M	G
Business intelligence	M	M + TP	M + TP	G
Human resources	G	E + TP	G	G (Sage People)
Payroll	E + TP	N/A + TP	G (US Only)	N/A + TP
FP&A / CPM	M + TP	M + TP	G + TP	G
Product and purchase planning	M	M	M	E + TP
Manufacturing	M	M	M	N/A + TP
Demand planning	M	M + TP	G + TP	E + TP
Inventory management	M	M	M	G + TP
Shipping	M	M + TP	M	E + TP
Supply chain management	M	M	G + TP	N/A + TP
CRM – Marketing automation	M with D365CE	M with D365CE	G + TP	N/A + TP (SFDC native integration)
CRM – Sales Force automation	M with D365CE	M with D365CE	M	N/A + TP (SFDC native integration)
CRM – Customer service	M with D365CE	M with D365CE	G + TP	N/A + TP (SFDC native integration)

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> COMPARISON MATRIX CLOUD ERP PROVIDERS

COMPANY	MICROSOFT		ORACLE	SAGE
Products	Dynamics 365 Finance and Supply Chain Management	Dynamics 365 Business Central	NetSuite	Intacct
Common ERP features, functionality and modules, cont.				
Integration tools	M	M	M	M
REST	M	M	M	M
SOAP	M	M	M	M
CSV	M	M	M	M
Artificial intelligence	G	G	E + TP	G
Advanced revenue recognition	E + TP	E + TP	G + TP	M
E-commerce	E + TP	N/A + TP	M	N/A + TP
Localization	M	E	M	E
Translation	M	M	M	N/A
RSM services				
ERP system selection	M	M	M	M
ERP implementation	M	M	M	M
ERP optimization	M	M	M	M
Application development	M	M	M	G
E-commerce integration	M	M	M	G
CRM implementation	M	M	M	M
Security and controls	M	M	M	M
Sales use tax	M	M	M	M
Managed application services (help desk)	M	M	M	M
Finance and accounting outsourcing	N/A	E	M	M
Industry developed intellectual property (IP)	Food and beverage, retail and life sciences	Food and beverage, and industrial products	Association management, member management, life sciences and banking integration	N/A

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9 > SELECTING THE RIGHT CLOUD ERP IMPLEMENTATION PARTNER

ERP and financial management solutions involve more than just software. Whatever your needs—managing multiple locations, merging new business, enhancing purchasing decision-making, managing inventory, handling complex accounting functions or migrating to the cloud—your ERP solution should help to improve processes and streamline operations.

The process of implementing a new ERP system usually requires consultants with specialized knowledge of application and business processes. A cloud solution may not require fees for software installation, but otherwise, the costs are very similar to an on-premises implementation. It is important to choose the right implementation partner who has worked with a significant number of CFOs and their teams and knows how to navigate complex challenges and drive strategic decision-making.

Make sure you review your implementation partner's methodology and approach to ensure they take the time to understand your company's needs and goals and provide the best solution for your business. To accomplish this, every project plan should include the following elements: discovery, design, configuration, integration, data conversion, training and testing.



“ Our employees think of RSM as part of the team. They challenge parts of the business in a good way and help us think about what we really need from a solution. RSM knew what questions to ask—they understand the language, the lingo and the processes. ”

MATT JAMES
Chief Operating Officer,
Hickory Farms

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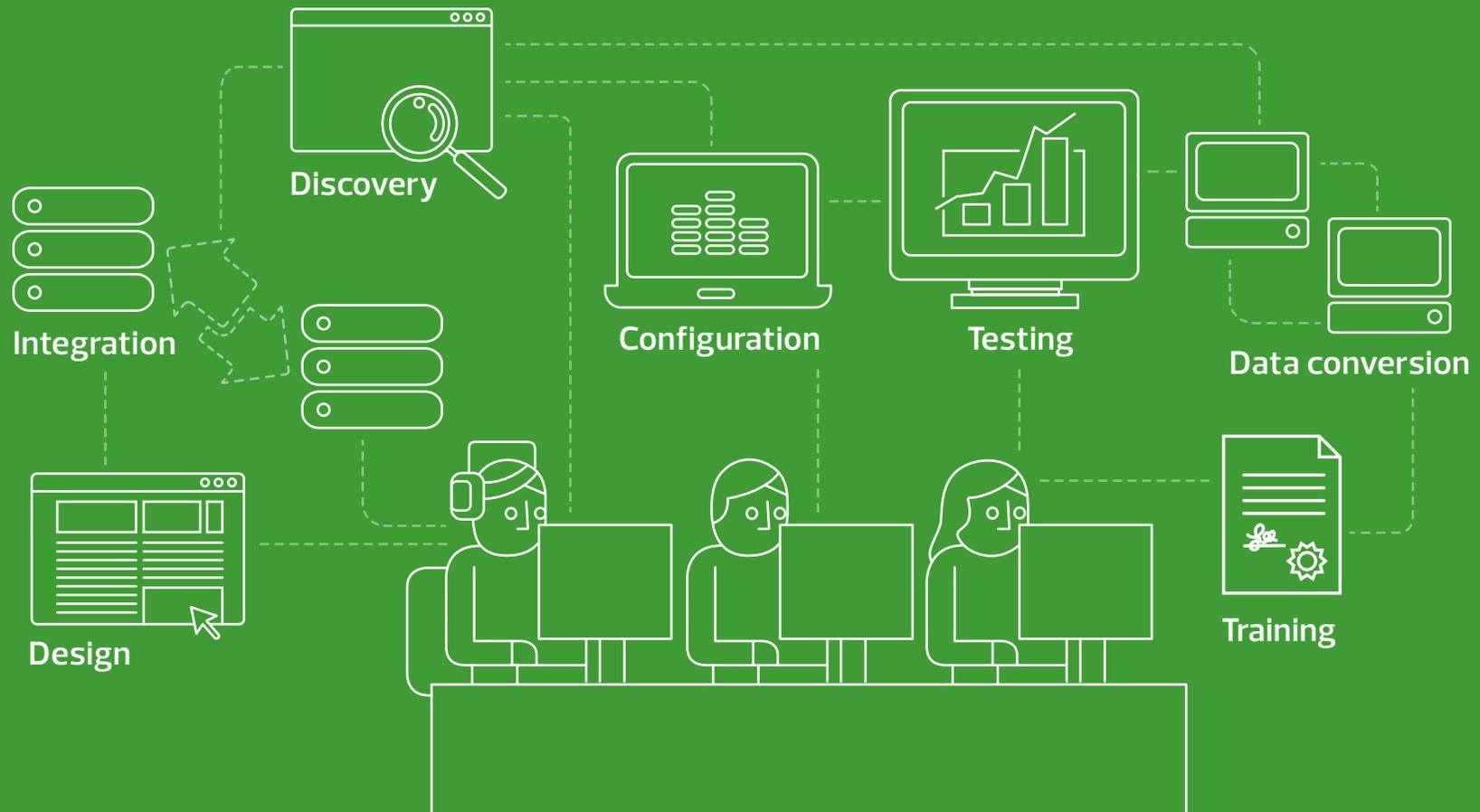
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Implementing an ERP system requires support from an experienced team



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SELECTING THE RIGHT CLOUD ERP IMPLEMENTATION PARTNER

> EVALUATION CHECKLIST

- > Evaluate a potential partner's methodology and approach.

- > Is there a cultural fit—can your team work with their team?

- > Do they have experience with the product? Are they certified?

- > Do they have industry experience with projects like yours? Can they provide references?

- > Do they have experience with add-on functionality?

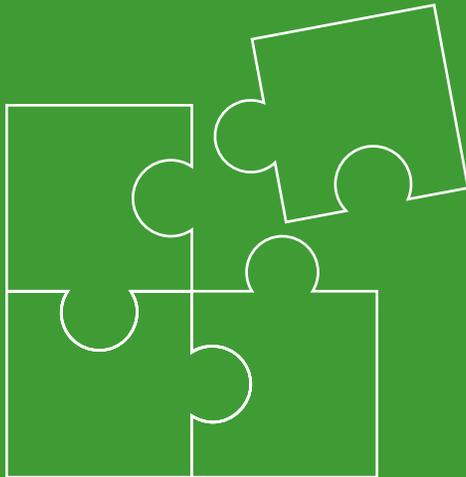
- > Do they have any preconfigured industry solutions?

- > What are their implementation practices, tools and methods?

- > How will they provide ongoing support?

- > How will they train? Are they flexible?

- > Do they offer value? What are their rates (taking into consideration the above)?



BOTTOM LINE

Do you feel comfortable that your partner will get it done on time, on budget and in line with quality expectations?

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Working with RSM

RSM has been ranked the #1 Value-Added Reseller consistently by Accounting Today for reselling and implementing ERP software for middle market companies. Our business technology consultants go far beyond implementing new software—they seek to align people, process and technology for a successful ERP implementation.

Our clients are represented across every industry and RSM seeks to be a first-choice advisor to help identify and implement the right ERP for your business needs. As such, we have partnered with the strongest middle market ERP software vendors in [Microsoft](#), [Oracle](#) and [Sage](#). Learn more about these products individually by downloading our product-specific buyer's guides:

Dynamics 365
Buyer's Guide

NetSuite
Buyer's Guide

Sage Intacct
Buyer's Guide

ADDITIONAL RESOURCES:

- > Rhythm Pharmaceuticals partners with RSM to implement a new ERP
- > IT Modernization through ERP Innovation
- > 3 underused technologies you can take advantage of today

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rsmus.com

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