

## Extended ERP vs Vertical Best of Breed Solutions – Position Paper

Extended ERP provides enhanced solutions, such as integrating Softengine WMS, Food One, or Fashion One with traditional ERP, using modern integration principles such as SDK, Service Oriented Architectures and Web Services. When done properly, this approach can provide a tight integration without creating duplicate data and "application gridlock" that prevents future upgrades.

### Drawbacks of Vertical Best of Breed Solutions

Whether they are run in place of a proper, integrated, ERP system or run alongside ERP in a one-off integration, standalone and best of breed solutions present distinct drawbacks.

- Integrating best of breed solutions requires the work of systems integrators, adding cost and substantially extending implementation time. These efforts are typically unnecessary with a Suite application.
- Reporting and access to information can be more expensive using a best of breed solutions because corporate information is spread across multiple applications and platforms. This typically leads to expensive data warehousing projects to pull together a common view of data. This is also problematic because the source data exists outside the data warehouse, leading to timing and data integrity issues. These projects and expenses are typically not required by Suite solutions.
- A best of breed solution can increase costs for supporting technology acquisition and maintenance costs. Each solution often has separate technology and version requirements for things like databases, software environments and middleware. This is usually not true with a Suite application that shares a common technology. Further, Suites are often sold with a special runtime version of a supporting technology, further reducing cost and complexity.
- Different best of breed solutions tend to have distinct or unique security models, and that means it is harder to maintain security and privacy across an integrated collection of products. Technologies are available to simplify

authentication, but authorization (what a user can actually do) is typically controlled at the application level. An application Suite will offer consistent and straightforward authorizations and user permissions across all functions.

- Usability and the ability to collaborate are often diminished with a collection of best of breed solutions because users that must work cross-functionally must learn different user interfaces and systems. This is in contrast with a Suite product that offers a consistent, well-thought-out user experience.
- Common data like customers and product information is typically shared by multiple applications in a scenario involving multiple best of breed solutions, requiring data to be replicated or otherwise synchronized across applications. This can lead to duplicate data, complex synchronization scenarios, and data integrity issues not experienced with Suite solutions.
- The expense of keeping up with current technology is usually prohibitive for most "best of breed solution" vendors. For example, SAP is currently the only ERP vendor whose solutions come with **out-of-box Mobility functionality using iPhone and iPad** devices available from the iTunes App Store.

### Conclusion

As business processes become more challenging and complex, there is an increased, rather than a diminished, need for simplicity. **Extended ERP Software Suites deliver this simplicity** by bringing data and processes together cross-functionally. A good ERP Suite ought to be like an open concept office, where everyone can interact and collaborate freely, maximizing organizational agility. Best of breed solutions, whether or not they are owned by the same software vendor, throw up walls where there should be windows and doors.

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