

EMEA businesses rethinking legacy ERP - investment pumped into Modernization and Innovation

Submitted by: Boomi

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Organizations tackle the ERP Innovator's Dilemma – 'keeping the lights on' budgets fall to just 36%

London – 30 March, 2020 – Boomi™, a Dell Technologies™ business, today revealed the findings from its ERP Innovator's Dilemma survey (<https://boomi.com/content/ebook/erp-modernization>). The independent research of 825 EMEA-based Enterprise Architects revealed how EMEA organizations are tackling ERP application modernization and revealing how they will overcome barriers posed by the complex hybrid IT environments they operate in.

The research reveals EMEA organizations have broken the cycle of spending the majority of their IT budgets, historically between 70% and 80%, on "keeping the lights on" (KLTO) activity. This reduction in KLTO spending, to just 35% has enabled significant IT budget to be diverted in favor of IT modernization, 33%, and innovation, 32%.

The research also reveals the majority, 68%, of EMEA organizations are focused heavily on moving enterprise applications to the cloud and are specifically focused on modernizing legacy ERP applications to enable strategic growth, 53%, rather than remain a cost-centre.

EMEA organizations are rethinking their view of ERP: from fearing it too complex to be modernized to embarking on a large-scale migration of ERP applications to the cloud. For EMEA organizations, the benefits are clear: assurance of uptime, performance and security, according to 58%; driving business growth, 55%; and improving IT agility, 52%.

Derek Thompson, VP of EMEA Boomi said "IT leaders can be rightly proud of the clear actions they are taking to further innovation, while at the same time driving down spend on decades-old technologies, and it is encouraging to see the marked increase in investment towards application modernization and digitally driven business innovation."

The ERP Innovator's Dilemma

Boomi's new research points to a new technology conundrum which leaves European organizations with a critical choice: boost investment in what most presume is the costly, complex process of ERP modernization – or get left behind by less risk-averse competitors.

We call this 'The ERP Innovator's Dilemma', a concept borrowed from The Innovator's Dilemma, a concept created by Clayton M. Christensen In his best-selling management book, The Innovator's Dilemma (1997).

EMEA organizations know tackling The ERP Innovator's Dilemma is paramount to completing their key goals of delivering excellent customer experiences, 52%; integrating their applications, 47%; and achieving IT agility, 40%. When asked how they intend to meet these goals, EMEA organizations cited focusing on: standardizing and consolidating applications, 76%; migrating infrastructure to the cloud, 79%; and

consolidating legacy infrastructure, 69%.

The main challenge faced by EMEA organizations is the lack of integration technologies which can ingest data from any device/data source, 51%, followed by the lack of right integration skills is a major obstacle, according to 39%. To tackle this, they are turning to iPaaS to solve specific use cases, whose benefits are already evident: designing and scaling APIs, 23%, improving business with partner networks, 19%, and synchronizing data across the enterprise to drive business outcomes.

Respondents predict increased efficiency will result and cite the majority of ERP deployments will be implemented in house, with maintenance undertaken by a third party. This will free up IT teams and budget to innovate more. In fact, 56% of EMEA organizations predict ERP deployments will be 100% cloud by 2021, and pure on-premise deployments will plummet to 0%.

“EMEA businesses are recognizing the opportunity that Cloud based applications provide them in shifting their investments to more strategic growth initiatives, be those applications ERP, CRM or iPaaS. ERP modernization requires integration modernization and Boomi is excited to be leading the industry in delivering on a platform designed for the 2020s – the data decade”, continued Derek Thompson, VP of EMEA.

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Methodology

The independent survey was carried out by Coleman Parkes on behalf of Boomi, among 825 Enterprise Architects, across 12 sectors in 12 EMEA regions.

About Boomi

Boomi, a Dell Technologies business, quickly and easily unites everything in your digital ecosystem so you can achieve better business outcomes, faster. Boomi's intelligent, flexible, scalable platform accelerates your business results by linking your data, systems, applications, processes, and people. Harnessing the power of the cloud to unify everything inside and outside of a business, Boomi gives more than 10,000 organizations globally, the ability to future proof their application strategy. For more information, visit <http://www.boomi.com> (<http://www.boomi.com>).

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About the Innovator's Dilemma:

Christensen, Clayton M. The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail. Boston, MA: Harvard Business School Press, 1997.

<https://store.hbr.org/product/the-innovator-s-dilemma-when-new-technologies-cause-great-firms-to-fail/10032?sku=10032E-KI>
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