

ERP Cloud Survey Factsheet The Netherlands

Management Summary

According to industry analysts, 84% of the CFOs believe that half of their business transactions will be delivered through the cloud within the next four years. Therefore, cloud is becoming a pervasive force in today's organizations bringing strategic and competitive advantages. Cloud initiatives within areas such as Human Resources and Customer Experience are leading the way, but organizations are now rapidly turning their attention to their ERP functions.

Cost reduction strategies and quicker implementation lead times are key drivers for taking ERP into the cloud. Recent research from Accenture and Oracle shows that organizations can be plotted onto different stages in their thinking about ERP Cloud. For several organizations the transition to a cloud-based ERP environment is already well on its way. But for those still in the early stages of their thinking around ERP Cloud topics, there is a clear risk of falling behind with the IT industry moving so fast and functionality reaching almost on-par levels of maturity with on-premise applications.

Whatever stage an organization is in, our research shows that the vast majority is still struggling with defining a clear vision on ERP Cloud. More than 65% of respondents indicate that although ERP Cloud is clearly on their mind, they still haven't decided upon the cloud solution and/or its provider. For these organizations it is recommended to first take a Cloud Readiness Assessment to understand their level of readiness and business case for moving into the cloud. This assessment should ultimately provide the necessary input for a standardized roadmap helping the organization steer their cloud initiatives effectively into the future.

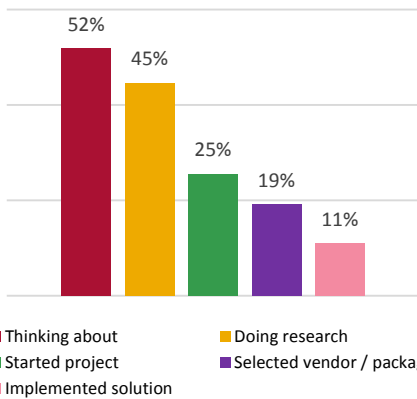
ERP Cloud Survey Factsheet

Accenture and Oracle have recently conducted a joint ERP Cloud survey in the Netherlands. The goal of this survey was to better understand the current thinking around certain ERP Cloud topics within all types of organizations and their actual adoption rate of ERP Cloud solutions. ERP Cloud refers to functionality required for various Enterprise Resource Planning (ERP) processes like Finance, Procurement, Supply Chain, Projects and Reporting, which is being offered as a Software-as-a-Service solution.

The survey included 110 responses from different companies based in the Netherlands (out of which 65 were from commercial business organizations, 25 from governmental organizations and 20 from non-governmental organizations or NGOs). It was held during two events organized by Accenture and Oracle in November 2014. The questions asked in the survey were vendor agnostic in nature. This factsheet presents the most significant data points.

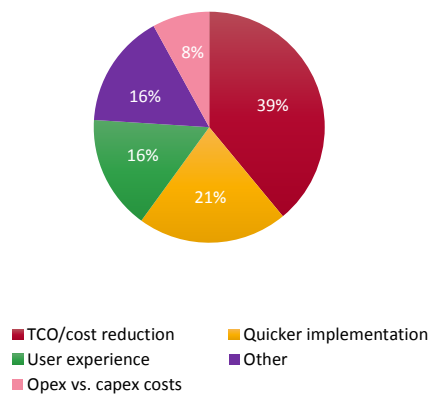
1. Is ERP Cloud on your mind?

General observations regarding appetite for ERP Cloud.



2. Key drivers for ERP Cloud

Top 5 most important reasons for choosing an ERP Cloud solution.

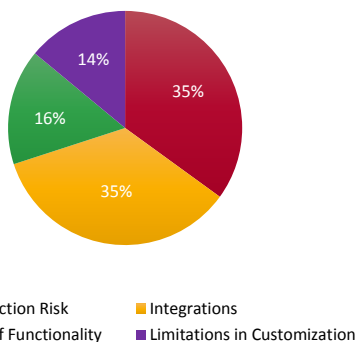


Key Facts

- Organizations find themselves in different stages of adopting ERP Cloud. Compared to areas like Human Resources and Customer Experience, the ERP area is still in its early days with respect to cloud functionality (indicated by only 11% of the respondents having implemented such a solution). On the other hand more than 50% of the respondents indicate that they are currently thinking about moving their ERP solution into the cloud.
- None of the governmental organizations participating in the survey have already implemented an ERP Cloud solution, though these same respondents show similar levels of interest in ERP Cloud as within business organizations.

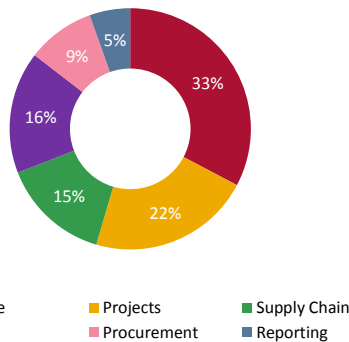
3. Biggest obstacles for ERP Cloud

What is being considered as the biggest obstacles for moving to ERP Cloud?



4. First ERP domain in the cloud

What will be the first ERP domain which will be moved into the cloud?

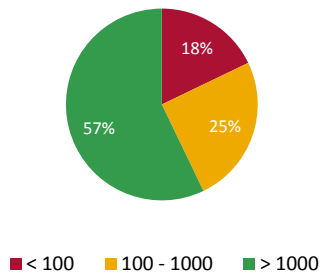


- 'TCO/cost reduction' has been selected as the most important reason for organizations to move to ERP Cloud solutions (indicated by 39% of the overall respondents). Further analysis shows that for those who have already finished implementing an ERP Cloud solution, 50% state 'Quicker implementation' as the key driver.
- 'Data Protection Risk' and 'Integrations' are considered as the biggest obstacles for moving an ERP function into the cloud (both indicated by 35% of the respondents).
- 'Finance' is mentioned by most of the respondents as the first ERP domain they will move to the cloud.

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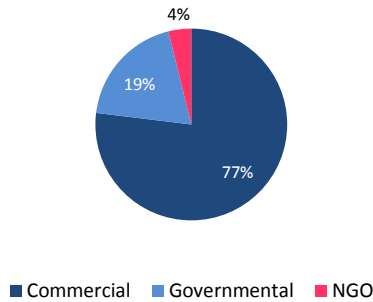
5. Starting ERP Cloud projects - per organization size

Breakdown in organization size (FTE) of organizations which have started an ERP Cloud project.



6. Starting ERP Cloud projects - per organization type

Breakdown in organization type of organizations which have started an ERP Cloud project.

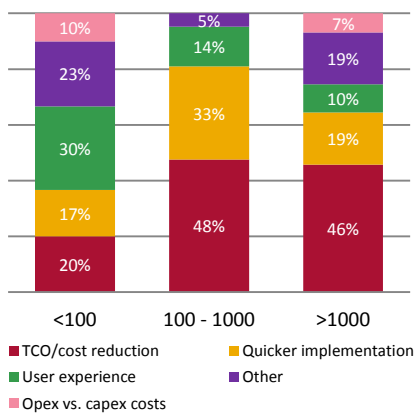


Key Facts

- Organizations actively conducting research into the area of ERP Cloud (in terms of its business case, benefits, etc.) can be classified as large (61% has more than 1000 FTE) and as a commercial business organization (88%). None of the participating NGOs is currently researching the topic.
- The top 5 drivers for choosing an ERP Cloud solution differ significantly per organization size and type. E.g. 'User experience' is considered most important in smaller organizations (<100 FTE) whereas 'TCO/cost reduction' leads the list for medium and larger size organizations. In general it can be concluded from the data that converting capex into opex costs is less of a driver than pure 'TCO / cost reduction'.
- Small and medium size organizations indicate 'Integrations' with the rest of the IT landscape as the biggest hurdle to bring ERP to the cloud, whilst large organizations view 'Data Protection Risk' as their biggest blocker.
- 43% of the respondents indicating that their organization has started an ERP Cloud project have not selected an ERP Cloud solution or provider yet.
- Out of all respondents only 19% have already selected an ERP Cloud solution and/or provider - whereas for those who are thinking about moving ERP to the cloud, 65% still has not decided upon a solution and/or vendor. There is a clear need for a roadmap helping organizations steer their cloud initiatives into the future.
- Analysis shows that for medium and larger sized organizations 'Finance' is mentioned by most of the respondents as the first ERP domain to move into the cloud, whereas for small organizations this is 'Projects'.

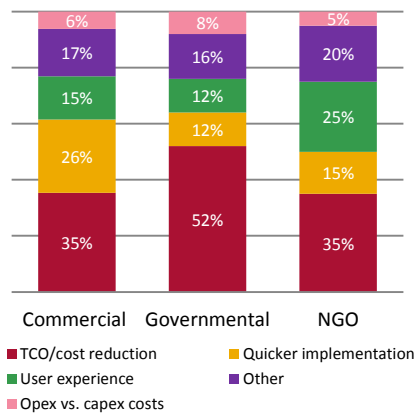
7. Key drivers for choosing ERP Cloud - per organization size

Top 5 most important reasons for ERP Cloud with breakdown by size (FTE).



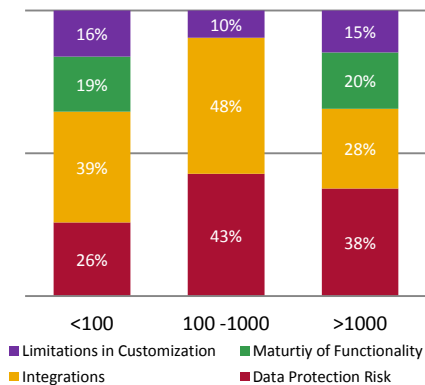
8. Key drivers for choosing ERP Cloud - per organization type

Top 5 most important reasons for ERP Cloud with breakdown by type.



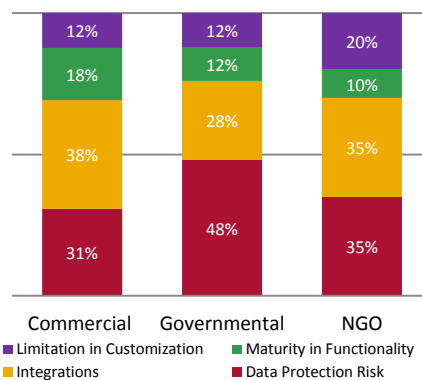
9. Biggest obstacles - per organization size

Biggest blockers for moving to ERP Cloud with breakdown by organization size (FTE).



10. Biggest obstacles - per organization type

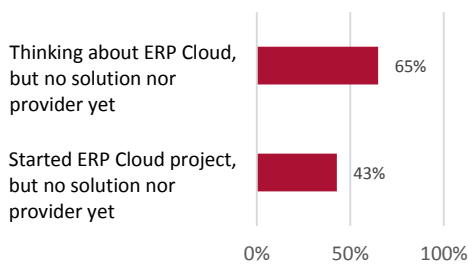
Biggest blockers for moving to ERP Cloud with breakdown by organization type.



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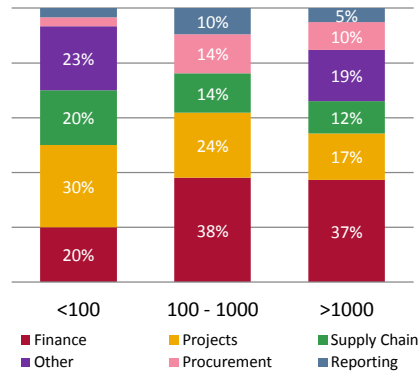
11. Status of ERP Cloud in organizations

Percentage of respondents who have not chosen an ERP Cloud solution nor a provider, whilst thinking about or already starting an ERP Cloud project.



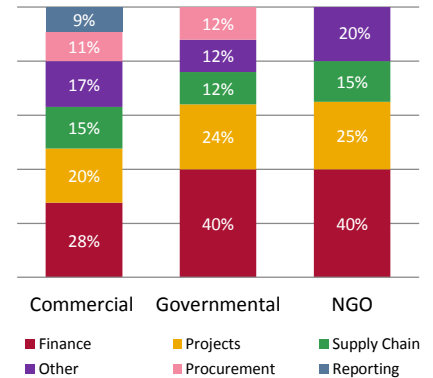
12. First ERP domain in the cloud - per organization size

ERP domain priorities with breakdown by organization size (FTE).



13. First ERP domain in the cloud - per organization type

ERP domain priorities with breakdown by organization type.



For more information on this ERP Cloud survey, please contact Xander Jansen at Accenture or Joost Maliepaard at Oracle.

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