MOBILE ERP: TAKING ERP ROI INTO YOUR OWN HANDS

August, 2014

➜ **Nick Castellina,** Research Director,
Business Planning and Execution

in t

Report Highlights

P3

56% of Best-in-Class organizations enable access to ERP on mobile devices for employees, in comparison to 24% of All Others.

P5

Organizations with mobile ERP are over twice as likely to have real-time visibility into the status of all processes.

P5

Organizations with mobile ERP are 138% more likely to have a fully integrated view of all customer information.

P6

Organizations with mobile ERP saw a 17% improvement in the cycle time of key business processes over the past 12 months.

This report, based on a survey of over 200 organizations, examines the top pressures that organizations are facing in business management, uncovers adoption rates of mobile ERP, and illustrates the benefits that mobile access can provide.
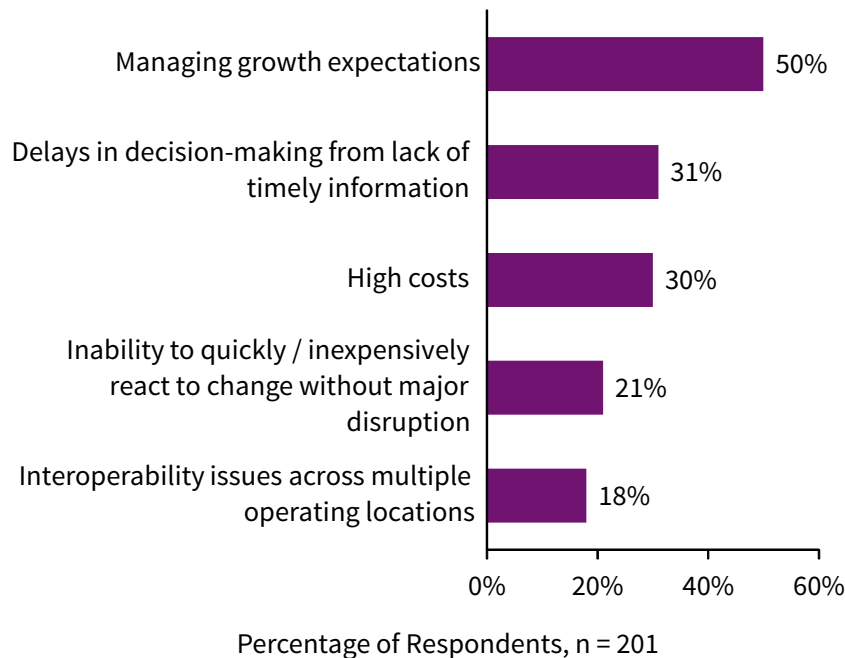
ABERDEEN
GROUP
A Harte Hanks Company

2

Both back-office and front-office employees can utilize the myriad of modules available in ERP in order to perform more efficiently and effectively. But as the pace of business changes and an increasing number of employees are removed from traditional workstations, the valuable data contained within ERP can go underutilized.

Enterprise Resource Planning (ERP) is a business solution that organizations use to run their business from end-to-end. Both back-office and front-office employees can utilize the myriad of modules available in ERP – ranging from general ledger accounting, to inventory control, to sales and marketing –in order to perform more efficiently and effectively. But as the pace of business changes and an increasing number of employees are removed from traditional workstations, the valuable data contained within ERP can go underutilized. Therefore, Aberdeen's 2014 Business Management and ERP Benchmark Survey found that Best-in-Class organizations are 2.4 times as likely to provide mobile access to ERP. The intent of this report is to educate organizations on how they can improve ERP ROI with mobile access.

Time for Action

Respondents to Aberdeen's 2014 Business Management and ERP Benchmark Survey were asked to select their "top two" pressures that they face in business management (Figure 1). These pressures call for organizations to be more reactive, agile, and efficient. For example, two of the top five pressures are managing growth expectations and high costs. As an organization grows, decisions need to be made more quickly. And in order to negate growing costs, process efficiencies must be uncovered. At the same time, a growing organization may be spreading across larger geographic boundaries. All of these factors call for better access to critical information as well as an ability to share data to collaborate outside of the traditional office environment.

ABERDEEN GROUP
A Harte Hanks Company

Net @ Work
www.netatwork.com

3

Figure I: Top Pressures in Business Management

Percentage of Respondents, n = 201

Source: Aberdeen Group, August 2014

But the other top five pressures are even more indicative of a need for access to mobile technology. These include an inability to access information in a timely manner and a need to quickly react to business change. This requires instant access to information. Today's business leaders just do not have the time to wait for reports to be created and sent to them or to wait until they are back at their desk. Therefore, the ways in which employees interact with ERP must change.

For these reasons, 56% of Best-in-Class organizations enable access to ERP on mobile devices for employees, in comparison to 24% of All Others. Further, another 37% of all organizations plan to implement mobile ERP in the near future. If these trends hold, there will very quickly be a time where mobile ERP becomes ubiquitous.

The Aberdeen maturity class framework is comprised of three groups of survey respondents. This data is used to determine overall company performance. Classified by their self-reported performance across several key metrics, each respondent falls into one of three categories:

- **Best-in-Class**: Top 20% of respondents based on performance
- **Industry Average**: Middle 50% of respondents based on performance
- **Laggard**: Bottom 30% of respondents based on performance

Sometimes we refer to a fourth category, **All Others**, which is Industry Average and Laggard combined.

In Aberdeen's 2014 Business Management and ERP Benchmark Survey, respondents were ranked on the following criteria:

- **Complete and on-time delivery:**
  - Best-in-Class - 96%
  - Industry Average - 90%
  - Laggard - 77%
- **Improvement in profit margins over the past two years:**
  - Best-in-Class - 27%,
  - Industry Average - 7%
  - Laggard - 2%
- **Change in time to decision over the past year:**
  - Best-in-Class - 48% decrease
  - Industry Average –9% decrease
  - Laggard - 1% increase
- **Improvement in cycle time of key business processes over the past two years:**
  - Best-in-Class - 27%
  - Industry Average –9%
  - Laggard - 6%

Net @ Work
www.netatwork.com

Figure 2: Best-in-Class Enable Mobile Access
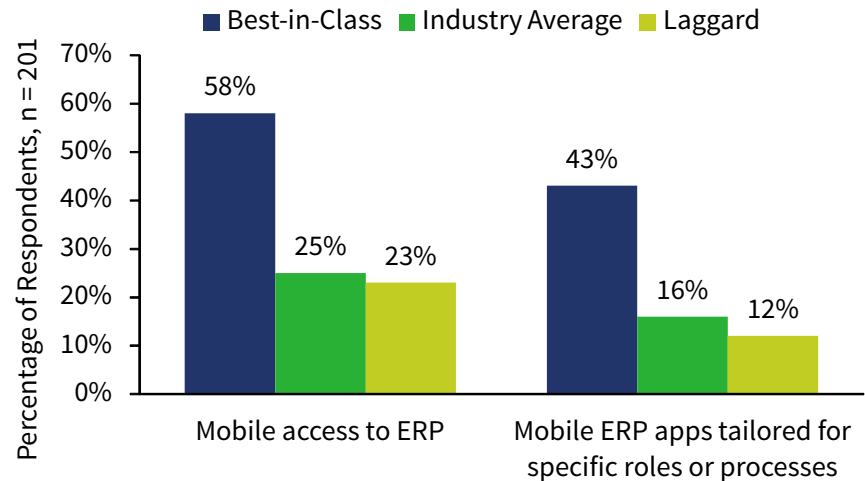
Source: Aberdeen Group, August 2014

Mobile ERP, however, involves more than simply throwing the whole business suite onto a mobile platform. That would be extremely cumbersome and not necessarily all that useful. Rather, mobile ERP is most effective when the software vendor has enabled mobile specific ERP module apps with individual processes in mind. These could include tasks such as expense management, order management, or service. Truly, the Best-in-Class are over three times as likely to have mobile ERP apps tailored for specific roles or processes. There are many different tasks that can benefit from mobile ERP. Note the job roles that organizations provide mobile ERP to (see sidebar).

The Benefits of Mobile ERP

Comparing organizations with mobile ERP to organizations without reveals how mobile ERP provides greater visibility to business leaders across the organization (Figure 3). For example, organizations with mobile ERP are over twice as likely to have real-time visibility to the status of all processes. Whether it enables decision-makers to trace processes (or materials) as

5

events happen, or it provides real-time information into financial data, mobile ERP means that decision makers can act immediately based on relevant information. It is all about making it as easy as possible for business leaders to access data. In fact, organizations with mobile ERP are 73% more likely to enable reports to be accessed in a self-service capacity.

Figure 3: Mobile ERP Enhances Visibility

Source: Aberdeen Group, August 2014
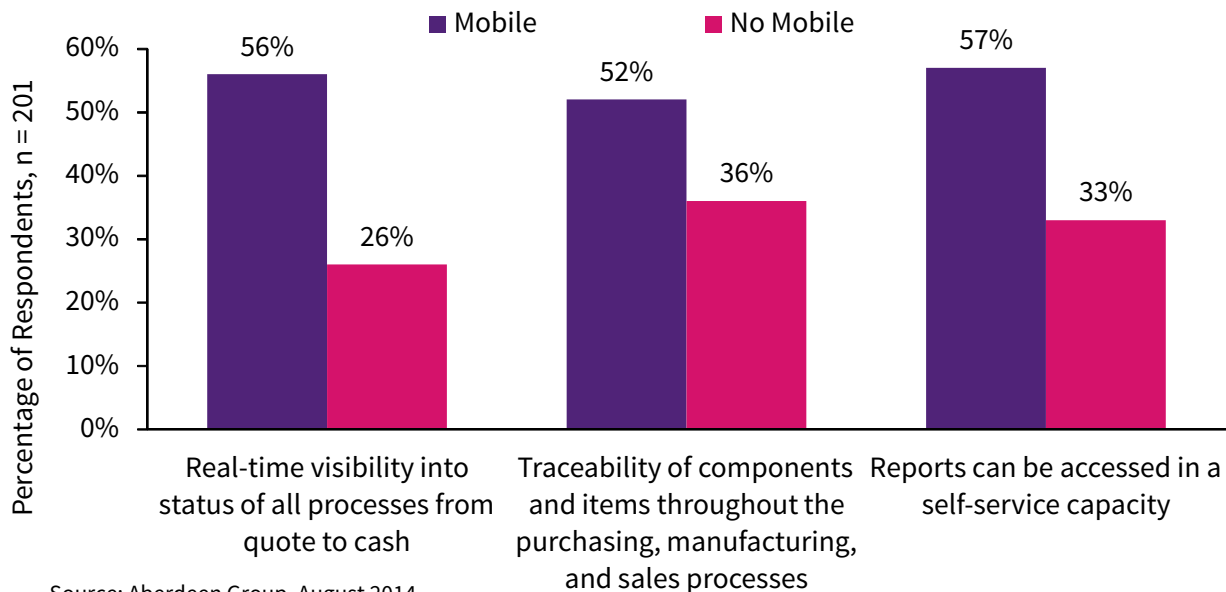
Again, it's important to note that mobile ERP is about more than simply accessing data; it can also be used to perform tasks more efficiently. For example, organizations with access to mobile ERP are 88% more likely to enable data entry at the point of activity. Rather than walking back to a workstation, warehouse employees can take inventory or salespeople can enter orders when they are out in the field.

Net @ Work
www.netatwork.com

Figure 4: More Agile and Efficient Processes and Decisions

Source: Aberdeen Group, August 2014
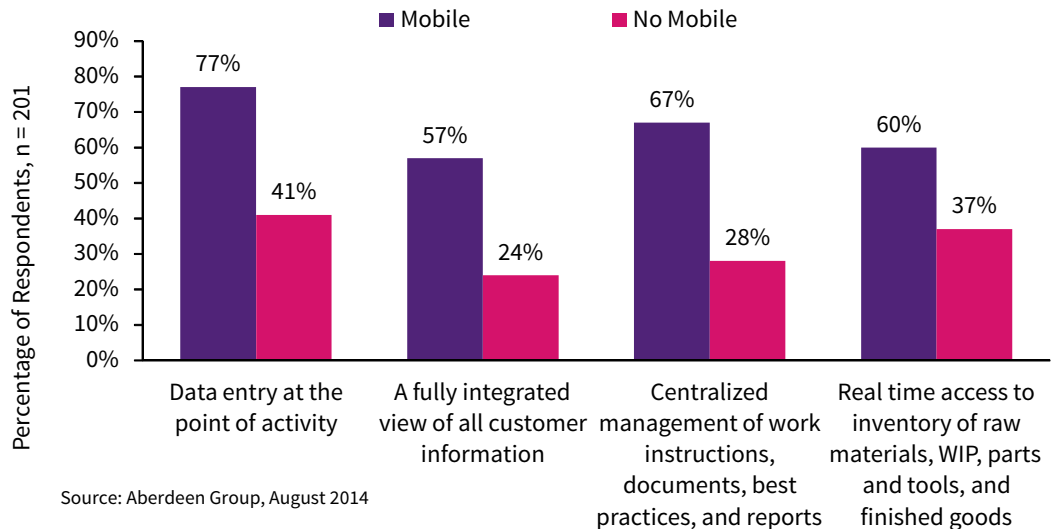
In fact, mobile ERP can greatly impact customer interactions and influence satisfaction. Having a fully integrated view of customer data at their fingertips enables employees to serve customers as they expect to be served since it can provide immediate insight into preferences, agreements, and past sales. Or, in the case of service technicians, access to work instructions on a mobile device can influence a first time fix. Ultimately, mobile access to ERP provides information to influence how processes flow no matter where employees are.

The proof of the influence of mobile ERP comes in the performance metrics reported by Aberdeen survey takers. First, mobile ERP actually improves the return that organizations get as a direct result of their ERP solution (Table 1). This is proven by the fact that organizations with mobile access to ERP saw significant increases in improvements to inventory turns and operational costs as a result of ERP. Additionally, note the performance differences in efficiency metrics such as complete and on-time shipments and internal schedule compliance. Efficiency not only impacts costs and time to decision, but is also reflected in customer interactions. In fact, organizations with mobile access to ERP report that 82% of their customers claim better than average satisfaction. Collectively, these results present the value proposition for mobile ERP.

7

Table 1: The Benefits

Average Performance	Mobile	No Mobile
Improvement in inventory turns (result of ERP)	42%	22%
Improvement in operational costs (result of ERP)	14%	9%
Complete and on-time delivery	93%	89%
Improvement in time to decision over the past year	27%	13%
Internal schedule compliance	92%	87%
Inventory accuracy	93%	91%
Customers that report better than average satisfaction	81%	76%
Improvement in cycle time of key business processes over the past 12 months	17%	12%

Source: Aberdeen Group, August 2014

Key Takeaways

Mobile technology can greatly enhance the benefits that an organization gets out of its ERP solution. But, as with any technology, organizations should be careful to understand the ways in which mobile technology is best applied to ERP. Simply sticking the whole suite onto a device is not ideal. Rather, Best-in-Class companies are over three times as likely to provide function and role specific applications on mobile devices. These solutions are designed to perform a defined task, such as order taking and payment. For your organization to get the most out of mobile ERP, you must determine where efficiency can be gained by providing employees with instant access to data and functionality. As a result, they can receive two main benefits:

→ **Visibility.** Organizations with mobile ERP are over twice as likely to have real-time visibility to the status of all processes.

→ **Efficiency.** Organizations with access to mobile ERP are 88% more likely to enable data entry at the point of activity.

With mobile ERP, organizations can achieve greater ROI and compete in the modern environment.

Related Research
Mobile EPM: Decision-Making when Time is of the Essence; June 2014   *Mobile BPM: Fueling Efficient Processes*; January 2014
In-Memory and Social Business: Coming Soon to Your Large Enterprise; April 2014   *Mobile ERP in SME: Growth through Efficiency and Visibility*; May 2013

Author: Nick Castellina, Research Director, Business Planning and Execution (nick.castellina@aberdeen.com)

About Aberdeen Group

For 26 years, Aberdeen Group has published research that helps businesses worldwide improve performance. We identify Best-in-Class organizations by conducting primary research with industry practitioners. Our team of analysts derives fact-based, vendor-agnostic insights from a proprietary analytical framework independent of outside influence. The resulting research content is used by hundreds of thousands of business professionals to drive smarter decision making and improve business strategy.

Aberdeen's content marketing solutions help B2B organizations take control of the Hidden Sales Cycle through content licensing, speaking engagements, custom research, and content creation services. Located in Boston, MA, Aberdeen Group is a Harte Hanks Company.

ABERDEEN GROUP
A Harte Hanks Company

Net@Work
www.netatwork.com