

A Veteran Mid-market ERP Vendor with a Pragmatic Vision Chimes In

Thomas Schiesl - September 12, 2008

Continuing our popular question-and-answer (Q&A) series, in which we ask vendors to comment on our observations on market trends (see previous articles [Two Stalwart Vendors Discuss Market Trends](#), [A Partner-friendly Platform Provider Discusses Market Trends](#), and [Open Platform Provider Answers Questions about the State of the Market](#)), another market player that has voiced its opinions is [SYSPRO](#).

Recently, we published a short series of blog posts about SYSPRO on **Technology Evaluation Centers'** (TEC's) web site: [Surviving Amid "ERP Sharks" as a "Visionary Vendor for the Pragmatic User" \(Part I\)](#) and [Surviving Amid "ERP Sharks" as a "Visionary Vendor for the Pragmatic User" \(Part II\)](#). In addition to providing an overview of the vendor's history, these posts discuss in quite some depth SYSPRO's new PragmaVision strategy, which involves the targeting of the buyer group that bridges the gap in offerings between the "early adopter," visionary-type buyer group and the more pragmatic, "early (market) majority"-type buyer group, defined in the classic marketing technology book *Crossing the Chasm* (Geoffrey Moore, 1999). Before delving into the heart of this article—SYSPRO's answers to our stimulating, sometimes provocative market trend questions—we suggest you take a look at these posts to gain a better understanding of where SYSPRO has been, and where this veteran mid-market enterprise resource planning (ERP) vendor is headed.

Just a Few More Points before We Begin ...

From the corporate vantage, SYSPRO has many good things going for it:

- A strong, feature-rich, vertically focused and proven product suite, bundled with a globally applicable structured implementation methodology, and all at a manageable cost for the customer.

- The choice, without force, of more conservative technology options for its more conservative smaller mid-market manufacturer and distributor users, but also really good .NET- and *service-oriented architecture* (SOA)-based stuff for the future-thinking, "show me the cool stuff" buyer.

- A "power tailoring bundle" that allows users to customize their interface to SYSPRO products, including highly personalized views that resemble "homegrown" software, and complete access via the standard **Microsoft Office** product environment.

- A proven sales and implementations partnership model that lets the company expand much more rapidly than a direct sales force ever could.

- An obsession with making the customer happy—at any cost—SYSPRO is the epitome of over-service even if it hurts the bottom line. Consequently, the vendor can boast an outstanding retention rate and exceptional customer service.

SYSPRO seems to have the right combination of product and technologies, plus a successful "partner-dominant" go-to-market strategy that can (and should) be leveraged more aggressively going forward.

Only time will tell whether this strategy will bring SYSPRO breakthrough success. Besides concentrating specifically on the uniquely defined SYSPRO buyer category—see [Surviving Amid "ERP Sharks" as a "Visionary Vendor for the Pragmatic User" \(Part I\)](#)—the PragmaVision strategy entails exploiting fast growth within the smaller mid-market sweet spot (existing customer base), and leveraging scalability and flexibility features to extend into larger mid-market and multi-site companies, all within the vendor's four targeted vertical sectors.

2008 and beyond is slated to bring more of vertical focus, highly focused strategic marketing messages, more precise prospective customers targeting, more advanced sales qualification processes, recruitment of vertical channel partners, and some more channel nurturing initiatives like certification.

TEC Asks, SYSPRO Answers

TEC: *SOA stack approaches (wars): are they all converging to virtually the same thing, or might there still be some differentiation?*

SYSPRO: SYSPRO has an inherent ability to meet the requirements of SOA, through its underlying technology architecture. Being an early adopter of the **Microsoft .NET** architecture, Web services, and the use of [Extensible Markup language] XML, we had arrived before the term "SOA" was coined. Most vendors found themselves on the wrong technology foot and have spent the last couple of years scrambling to change and bend technology to meet SOA compliance. All these efforts do definitely create a convergence, and there is more functionality today than ever before to simplify interoperability and cross system connectivity. However, as a result of the quick-fix SOA solutions of other vendors, there will always be some differentiation, some aspect will never be standardized.

TEC: *Any comment regarding pro-et-contras for both the platform choice and rationalization ("lock-in," and constantly waiting for the moving parts to be in sync)?*

SYSPRO: Holistically, customers should not be locked in to a specific platform, and software vendors should attempt to never be in a situation where they are forcing platform choices. However, the inherent complexity of the software platforms today force a lock-in, specifically on the server side. The use of technology and database functionality to meet standards like .NET and SOA force a platform lock-in.

TEC: *What are your views regarding the "wrap-around versus rewrite" dilemma? Will any products in your family be completely rewritten in managed code?*

SYSPRO: In order for a system to be truly SOA-compliant, the underlying foundation of its technology needs to support the concept of a service-oriented architecture. There are no shortcuts to meeting SOA—either you have it or you have to rewrite. Anything in between is sure to be a "spaghetti[-like] code."

TEC: *Vendors often de-emphasize major upgrades, turning rather to vertically oriented and optional value or service packs. Anything on that matter on your side—that is, what will be the "quantum leap" versions of your products?*

SYSPRO: SYSPRO is unique in that issues are released on a weekly basis. Customers have the option of installing these weekly, monthly, or at their leisure. The emphasis is to create an evolutionary process as opposed to a revolution. Constant, evolving change for the users as opposed to a big blast

results in long-term, happy customers.

TEC: *Microsoft Desktop supremacy—solo, Duet, or can many still play at this game?*

SYSPRO: There is no doubt that Microsoft is supreme. At the same time, many can play at the game. Technological innovation can change overnight, especially on the desktop. The next best thing could be anybody's. I think many will still be playing in that space, hoping to take a small piece of the pie and [gambling] on being the next latest and greatest.

TEC: *Incidentally, what about partners—independent software vendors (ISVs) and value-added resellers VARs? Anything similar (or more impressive) on your side, with regard to the above?*

SYSPRO: The concept of having VAR's and SYSPRO's philosophy of delivering exemplary customer service are one and the same. The ability to deliver world-class ERP software with exemplary personalized, one-on-one service across a large geography requires partnering. After over 25 years of delivering our product using this mode, we stand firmly behind our channel.

TEC: *Going mid-market versus defending it: what, to your mind, will the key success factors (KSFs) be in this market, and what have you additionally been doing there?*

SYSPRO: For over 25 years SYSPRO has been in the mid-market space. Having lived in the space for such a long time, we have had the benefit of being able to identify and target a SYSPRO-specific buyer category. SYSPRO has founded a new IT buyer category that it calls "PragmaVision"—the pragmatic buyer looking for mid-market ERP solutions that are visionary with proven technology. These buyers demand a unique combination of robust, scalable, yet current technologies that provide zero risk and high return. They buy into new technologies only after there is a clear, easy understanding of the benefits. They do not love technology for technology's sake—they demand strong references, desire proven track records with new technologies, and seek evolution, not revolution. Having always been focused on the mid-market, we live it every day.

TEC: ***SureStep, QuickStep, and Accelerate:** breakthrough implementation methodologies, or just "baby steps" in that regard? Are we missing something earth-shattering in your offering there?*

SYSPRO: SYSPRO has always supported implementation methodologies. The SYSPRO STARS (Structured Technique to Achieve a Rapid Solution) Implementation Methodology is a highly structured, business-centric methodology that guides implementers in all aspects of the implementation procedure, and provides a framework by which business practices can be examined and re-energized to maximize overall operational efficiency. In order to succeed in the mid-market with complex ERP software, you have to provide implementation tools to facilitate the roll out of your software, and ensure a solid foundation on which the company can grow. SYSPRO has been doing this for years.

TEC: *At the end of the day, which vendor do you think is in a better position to ultimately win in the market? Or maybe no one, and everyone will simply remain at the current equidistant positions?*

SYSPRO: Users need to look past the "smoke and mirrors" [hype] and scrutinize the underlying technology of the software vendors. More emphasis should be placed on the integrity of both the software solution and the relationship end users expect from their software vendors. The ongoing quest [for] and introduction of new technologies, misleading marketing by the large players, and a technologically uneducated end user, will ensure that there will be no single winner. However, the

positions of the players will constantly change.

Further Readings on SYSPRO

For more on SYSPRO's genesis and thought process of late, see [*Syspro Hatches 'Encore' IMPACT On SME Manufacturers, Future Compatible, Demand-driven Supply Networks for Small and Medium Business*](#), and [*ERP II Demystified*](#).