The global ERP industry blossomed in the 1990’s automating back office operations. The Australian ERP industry matched this global trend and has kept pace with the latest amalgam of front office applications including CRM, demand planning and sales-force automation being merged with the traditional ERP applications. ERP vendors are frantic in their attempts to ride the “E” wave whilst ERP customers struggle with the people, process and technology implications that ERP brings. This paper presents the preliminary results of an analysis of the Australian ERP market place. This study looks at the market movement and demographics of SAP, the dominant ERP vendor within the Australian marketplace.

ERP IN AUSTRALIA

A recent Boston Consulting Group report (BCG, 2000) on the Australian ERP marketplace found that executives reported that only 33 percent of ERP implementations were successful. The metrics used to report success included value creation, cost-effectiveness and tangible financial impact. This report also reported significant vendor dissatisfaction among client executives. ERP vendors (Bell, 2000) balance this dissatisfaction by reporting that organisations have trouble identifying the value adding processes that a large scale ERP implementations will augment. The six main vendors in the Australia, SAP, Peoplesoft, Baan, Oracle, JD Edwards and Great Plains have dominated the large organisation marketplace. In analysing any large scale ERP suite payback and ROI are crucial to measures
of success. A Deloitte Consulting Report (Deloitte, 1999) identified a number of expected benefits from ERP, these include cost reductions, inventory reduction and cycle time reduction. Identifying the back-office ROI has been a struggle in most large Australian organisations (Chung, 2000). As in the global marketplace Australian enterprises have struggled with the large-scale change necessary in ERP. Weston Foods implemented one of the largest SAP installations in Australia in 1999 and their finance director Douglas Forgie (Bass, 1999) commented on the need to change organisational culture when implementing ERP. This point is supported by John Julian (Forsyth, 1999), director of Information systems at Monash University, when they implemented a SAP back office HR/Finance system. He commented that any ERP implementation is more a people rather than a technical problem.

**ERP and the Internet Marketplace**

The move in the 1990’s to adopt integrated ERP systems at the expense of best of breed solutions is now being reversed as E-Business (Freedman, 1999) is now dominating front office applications. Worldwide there is a move to find a viable business model for B2B on-line exchanges. AMR research (McKenna, 2000) reports that lower transaction costs will drive the B2B marketplace and will force a consolidation with major B2B companies claiming market dominance. Based on a survey of Fortune 1000 companies AMR predict the B2B (McKenna, 2000) marketplace will be worth US$5.7 trillion by 2004. The need to extend the reach of technology into the front office and the external driver of E-Business has forced both enterprises and ERP vendors (Gartner, 1998) to adopt flexible approaches to Customer Relationship Management (CRM), supply chain management, call-centres and E-Commerce. Vertical, canned and component based implementations addressing supply-chains, customer and marketing channels are emerging as the dominant ERP strategy for the coming decade (Chung, 2000). To accommodate the E-Business wave SAP AG is using the mySAP.com strategy to develop B2B marketplaces, role based portals, business applications and application hosting services to role out internet based capability.

**Australian MySap.com Marketplaces**

In the Asia-Pacific region there are 114000 mySAP.com workplace users (Roach, 2000) in 201 installations. The workplace concept has been extended through the use of mySAP.com mobile workplace. SAP Hosting and SAP Markets are leading SAP’s foray into creating globally interconnected B2B marketplaces. The Asia Pacific region has five mySAP.com marketplaces providing commerce, collaboration, content and community service within the wider community. In January 2000, SAP Australia and Telstra launched the largest B2B market-
E-Government Management Practice: Enterprise Resource Planning
www.igi-global.com/chapter/government-management-practice/58595?camid=4v1a