

ERP goes East©

ERP Projekte in China erfolgreich managen

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Systems München

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Voices from China

We came to China to work cost efficient. Now a license is more expensive than the user's monthly payment.
IT manager, chemical industry, Shanghai

There is no user experience with ERP we can build on.
CFO, international group, Chongqing

There is no user experience with ERP we can build on.
CFO, branch office, international group, Chongqing

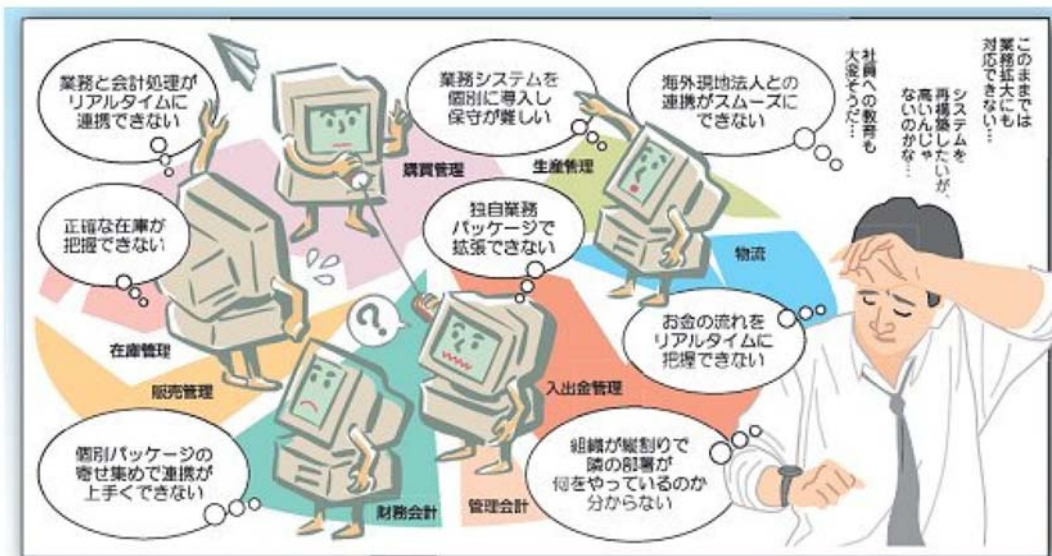
We run our world-wide system like a pet dog. We feed it with some data, so HQ is satisfied – not more.
CFO, branch office, international group, Chongqing

Everything is about speed.
IT manager, Shanghai

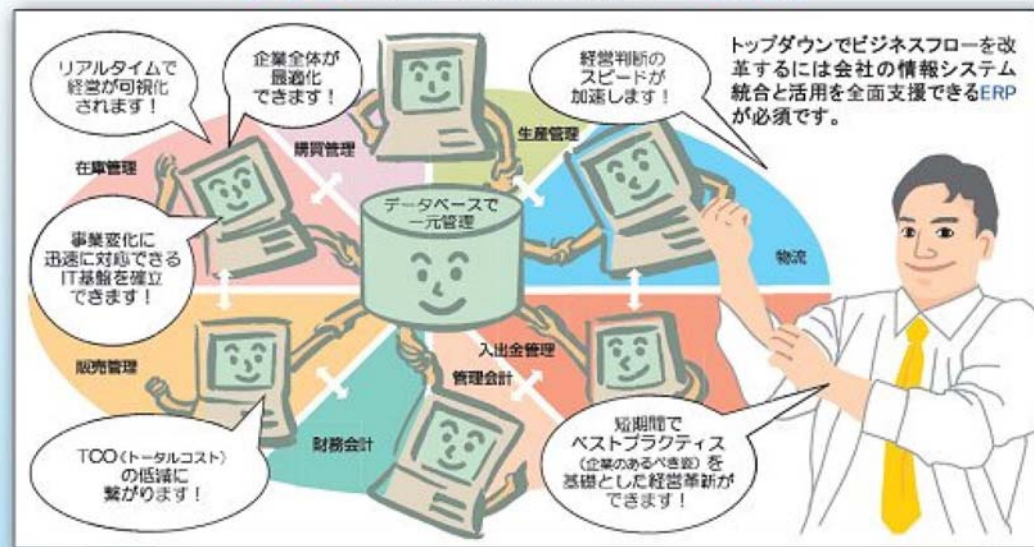
I don't even know, what my chinese IT manager is doing!
CEO, watch industry, Hong Kong

Do you know how much effort it needs, to get a tax certification?
IT consultant, Shanghai

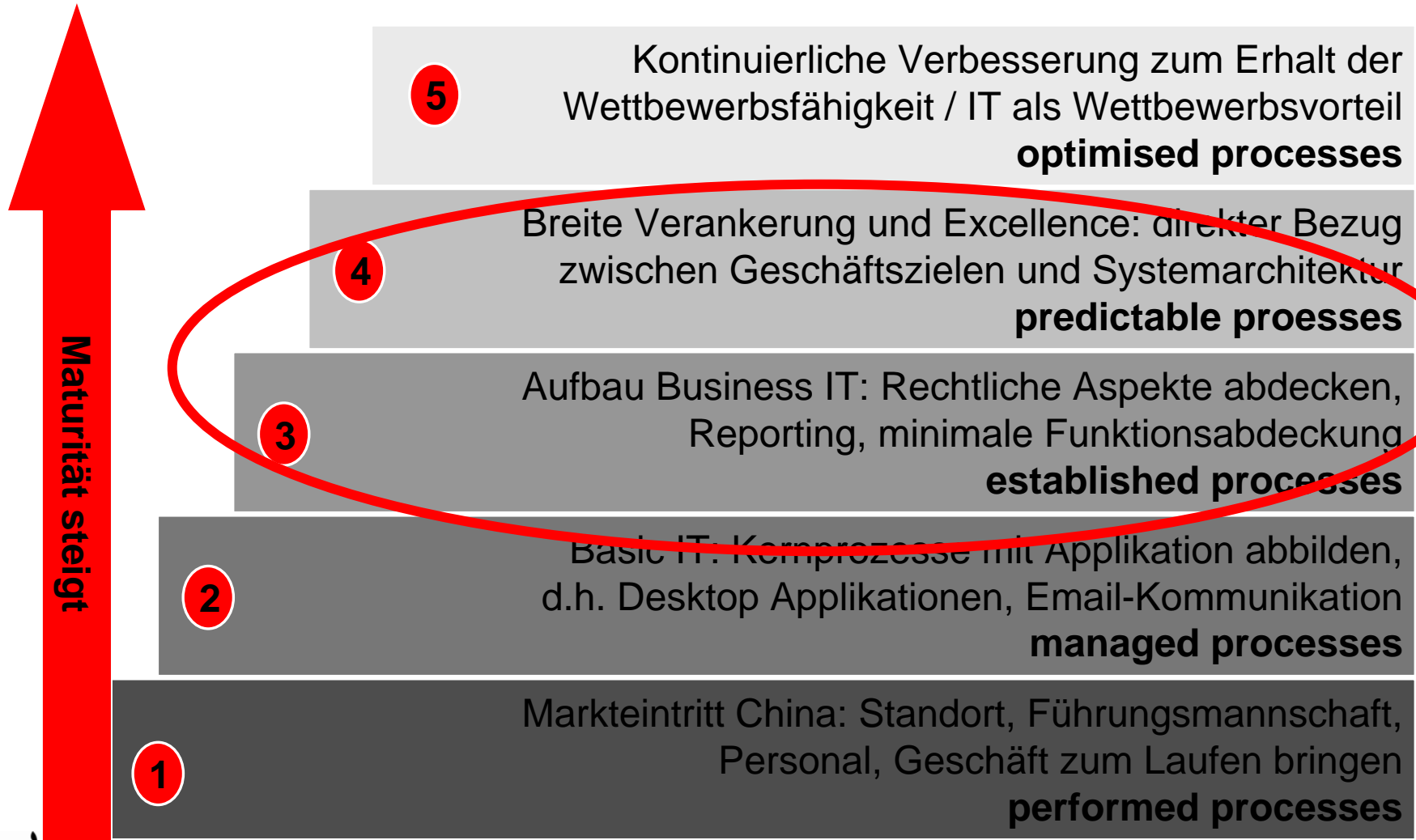
Do you know this?



↓↓↓↓ ERPを導入すると... ↓↓↓↓



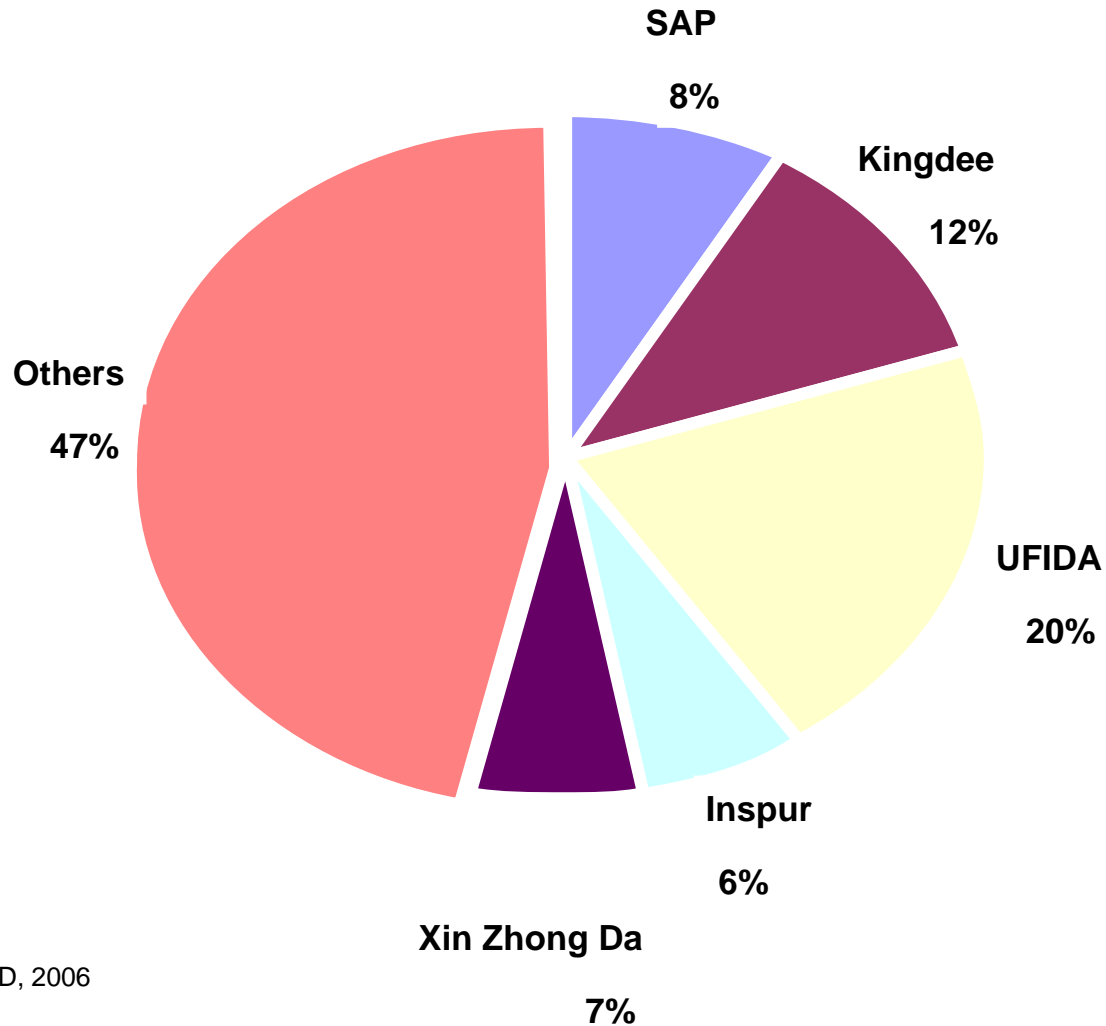
Maturität von ERP-Installationen



Challenges for ERP projects in China

- Localisation requirements
- Integration with the group
- Cost pressure
- Skills & Culture
- Security/intellectual property
- Estimation for services
- Being an Expat in China

ERP Market in China



Quelle: CCID, 2006

ERP Market Situation in Europe und China

Europe

- European market is mature and highly competitive
- High equipment rate (60-70%)
- More and more players in the SMBs market
- High R&D investment required to stay competitive

- ERP market is getting global, even for vendors specialized on SMBs
- Existing customers and prospects require global support

➔ Turn to emerging market with high growth potential

China

- Estimated annual growth >21% for 2006-2008
- Less than 5% equipment rate (Vs 60-70% in EU)
- Business operations & legal regulation slowly shifting to western style

- Growing number of foreign companies in China
- More than 100'000 western companies in China
- Increasing trend of more and more SMBs to open subsidiaries in China

- Nevertheless market size remains relatively small
- Total market: 600 Million USD
- Very low adoption, almost limited to western companies

Comparison ERP players in China

Vendors	Market Entry	Product Features	Product Localization	Service & support	Estimated % local customers
Local players (Kingdee, UFIDA...)	1990s	- (Supply Chain, manufac.)	++ (accounting practices)	+/- (retain qualified consultants)	95 to 100%
Global Players (SAP, Oracle,...)	1995 - 2000	++	+	+ -	<50%
ERP for SMBs (MS, Infor, 4 th Shift, Vantage, Adonix...)	Since 2000	+	- (Chinese specific processes)	+ -	<50%

Critical success factors

- ERP projects need planning
- Understanding for the interaction of group strategy and cultural factors concerning
 - Sustainability
 - Development perspective
 - Cost efficiency
- Unreflected all-in-one strategy isn't sufficient

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Success factors in China

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Local systems aren't a tabu!

Standardized global processes aren't necessarily the best processes for china.

Localization issues mean relationship Management.

Global strategies have to be customized to China.

Mind the cost gap!

ERP projects in China are training projects.

Mind the fact, that you may need local ressources.





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Vielen Dank für Ihre Aufmerksamkeit

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