A New Era for ERP in Manufacturing

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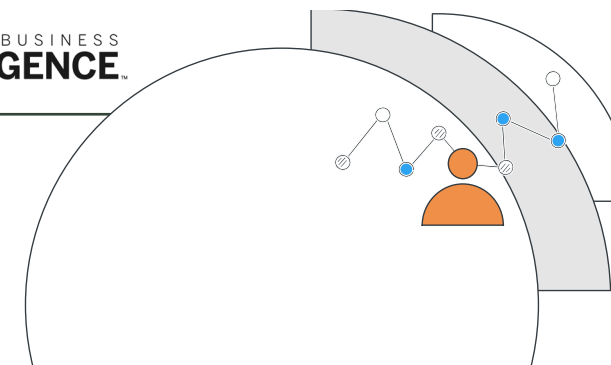
TALAN

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OVERVIEW & METHODOLOGY

IndustryWeek.

IndustryWeek is conducting a survey on how manufacturing leaders are planning and investing in ERP solutions. As an experienced decision-maker, they'd like to hear your insights.

All qualified respondents who complete the survey will be entered in a drawing for 1 of 4 $100 Amazon gift cards!

Will you please take a few minutes to complete this survey?

BEGIN SURVEY

Thank you in advance for your time and feedback!

Best regards,
The *IndustryWeek* Research Team

Overview
- Endeavor Business Intelligence conducted this study, including data collection and analysis, on behalf of Talan.
- The methodology conforms to accepted marketing research methods, practices, and procedures.

Methodology
- The study was conducted April 17-25, 2025.
- In total, 105 qualified responses were received.
- Respondents were required to:
  - Work in North America for a manufacturing company
  - Be involved in the ERP decision-making at their company
  - Have annual company revenues of at least $100 million

Response Motivation
- The invitations and survey were branded with the *Industry Week* logo to instill respondent trust based on brand affinity.
- Respondents were pulled from the Endeavor Business Intelligence databases and were entered in a drawing for one of four, $100 gift cards to encourage participation.
- Panel sample was also used to meet the specific sample requirements.

EXECUTIVE SUMMARY

Manufacturing in North America is experiencing a significant resurgence of interest and investment in enterprise resource planning (ERP) solutions. This trend is driven by a complex array of evolving business needs and the advanced capabilities of modern ERP technologies. A recent survey, conducted from April 17-25, 2025, gathered insights from 105 manufacturing leaders from across sectors with annual revenues between $100 million and $10 billion, revealing a vibrant market poised for substantial investment.

The research unequivocally demonstrates that ERP systems are not just maintaining relevance but are growing in importance as a critical technology for addressing today's increasingly complex manufacturing challenges. A striking 94% of respondents intend to invest in an ERP solution in the next 12-24 months. This overall high intent signals a robust market and a collective recognition of ERP's strategic value.

Manufacturers are actively seeking ERP functionality to solve their most pressing operational challenges, with nearly half of all respondents (46%) planning to invest specifically to improve overall manufacturing productivity. On average, companies identify more than 20 distinct reasons for investment, reflecting the multifaceted role ERP plays. Beyond productivity, top drivers include enhancing quality control, migrating to cloud-based solutions, leveraging advanced AI tools within ERP, reducing operational costs, and simplifying workforce management.

The breadth of these needs underscores how far ERP capabilities have advanced, now addressing concerns from factory floor efficiency to strategic data utilization. Notably, there's significant interest in advanced capabilities, with 57% keen on cloud-based ERP with built-in AI, and half expressing interest in AI-driven cybersecurity protection (50%) and AI for demand forecasting and inventory optimization (50%).

Key factors influencing purchase decisions highlight the demand for adaptable, scalable, and value-driven solutions. The ability to customize an ERP to company needs (72%), scalability (70%), and return on investment (63%) emerged as the top three considerations. Post-implementation success will primarily be measured by access to more accurate data (52%) alongside lower operating costs (35%), faster production (35%), and better forecasting (34%). These metrics emphasize a desire for tangible, data-driven improvements across the entire operation.

The shift toward cloud-based solutions is a defining trend. A strong preference for cloud-based ERP deployment was expressed by 90% of respondents, though flexibility was open to hybrid and on-premises options. This aligns with the fact that nearly seven in ten (69%) are looking to replace existing ERP solutions due to outdated systems and a need to modernize or move to the cloud. When considering new systems, Microsoft Dynamics (73%), Oracle Fusion Cloud ERP (70%), and SAP S/4HANA (67%) are the most frequently considered technology companies, indicating a clear preference for established, comprehensive platforms over in-house development (25%).

Finally, the complexity of modern ERP implementations underscores the critical role of external support. Respondents anticipate significant third-party support during and after deployment, most notably for tailoring the ERP solution to specific business needs (53%), troubleshooting technical issues (53%), and assisting with connecting to other vital business systems (49%). On average, companies expect to need help in nearly ten different areas, affirming that successful ERP adoption is significantly enhanced through strategic partnerships and specialized third-party consultants.

This research highlights a dynamic and sophisticated ERP market in manufacturing, where businesses of all sizes are actively seeking advanced, integrated solutions to drive productivity and enhance data insights. This drive is fueled by significant investment in scalable, AI-enabled cloud-based ERP solutions and the recognition that expert outside support is crucial to maximize these investments.

DEMOGRAPHICS

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RESPONDENT DEMOGRAPHICS

Nearly two-thirds of the respondents (65%) describe their job role as a **director or manager**. Few identify as an **individual contributor** (2%) or **an engineer or technical employee** (2%).

Which of the following best describes your role at your company?

Role	%
Director / Manager	65%
Top Leadership (founder, owner, president, CEO)	15%
Vice President, SVP, Division or Group Head/Lead	13%
Individual Contributor	2%
Engineer / Technical	2%
Other (please specify)	3%

■ All respondents (n=105)
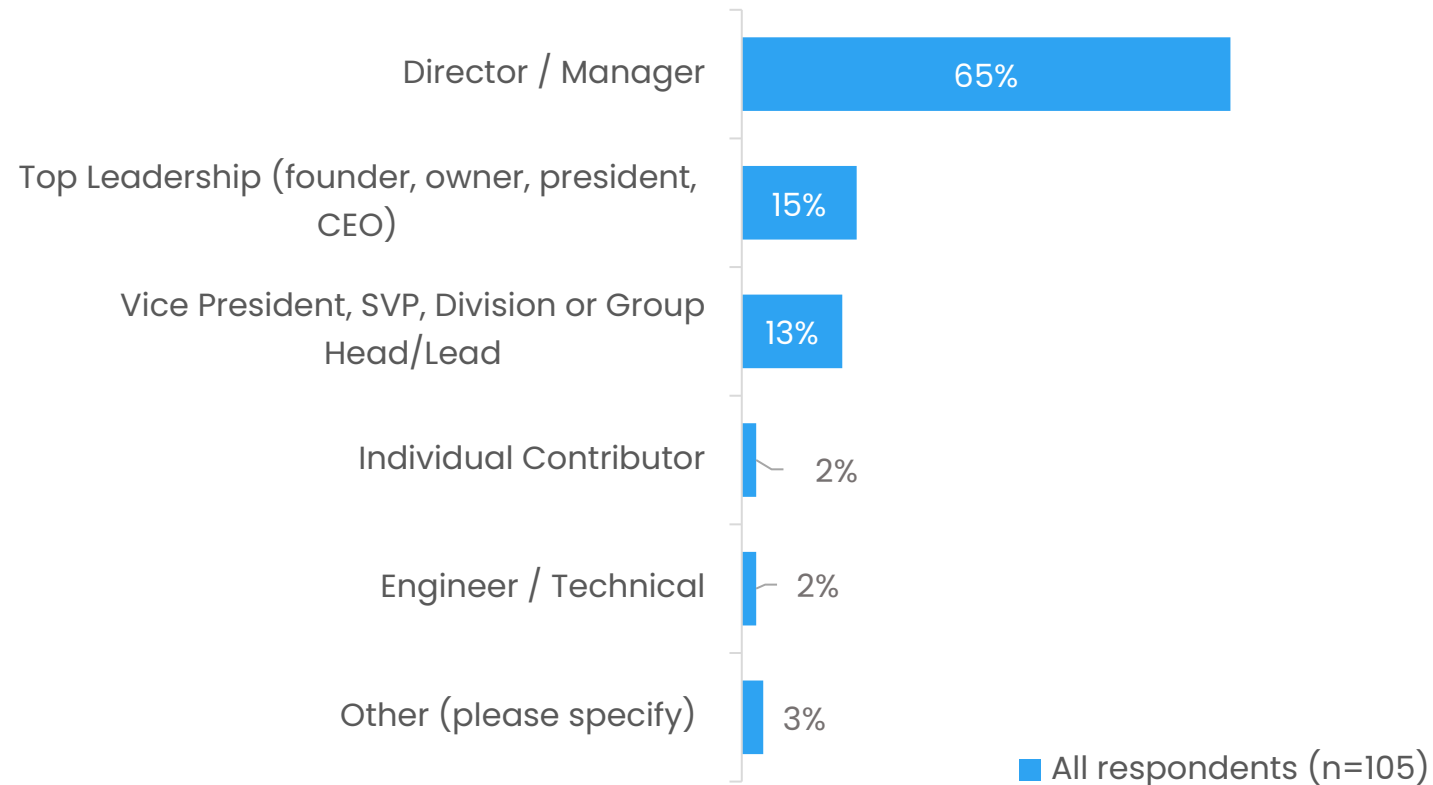
RESPONDENT DEMOGRAPHICS

Seven in ten respondents (70%) have responsibilities in **IT management, information systems and technology**. **Half** (51%) are in **operations, production, and plant management**. **Over half** (54%) are the **final decision-maker for ERP solutions** at their company.

Does your role today include any of the following responsibilities?

IT management, information systems and technology	70%
Operations, production, plant management	51%
Business management	42%
Procurement/sourcing	31%
Compliance/legal	26%
Finance	23%

■ All respondents (n=105)
Average number of responses = 2.4
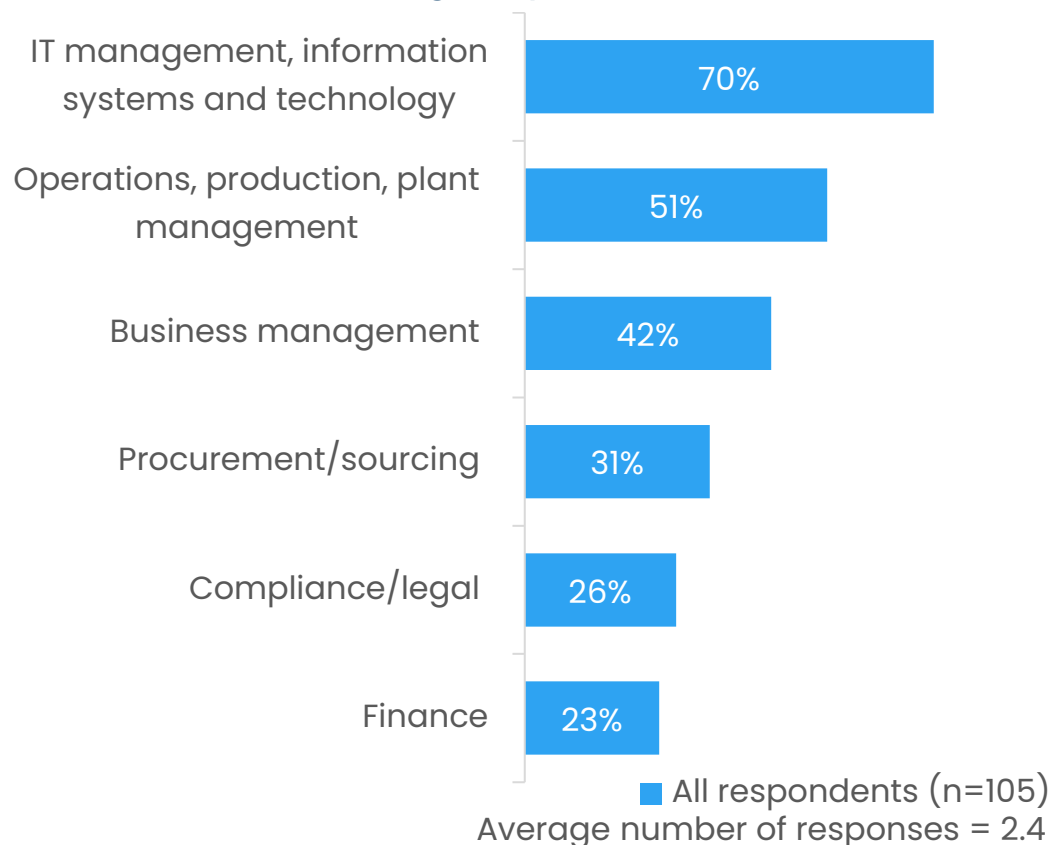
To what extent are you involved in ERP decision-making at your company?
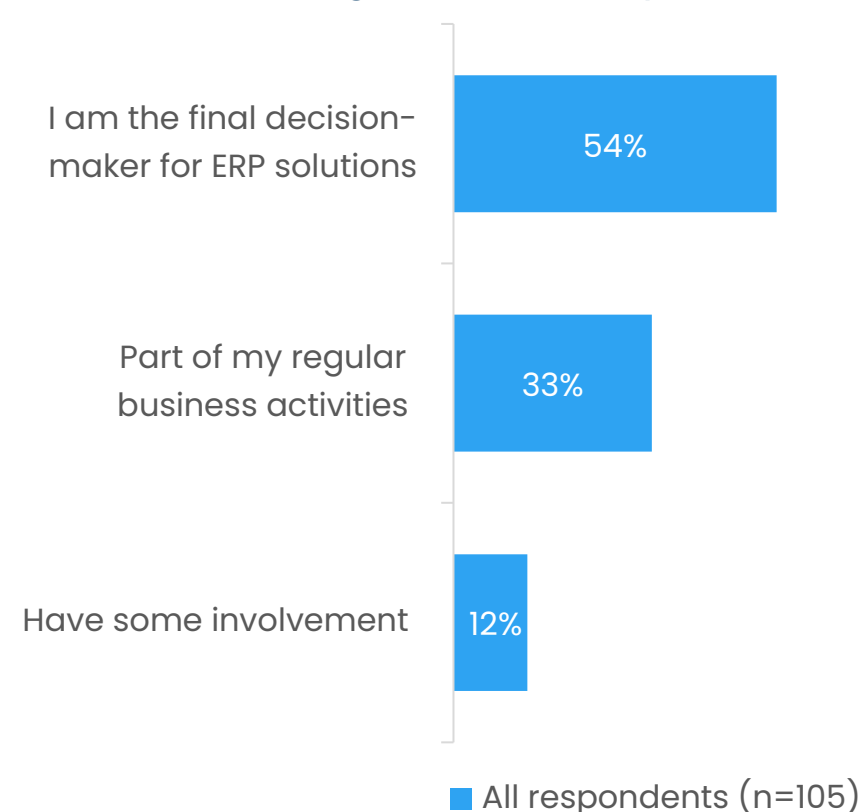
I am the final decision-maker for ERP solutions	54%
Part of my regular business activities	33%
Have some involvement	12%

■ All respondents (n=105)

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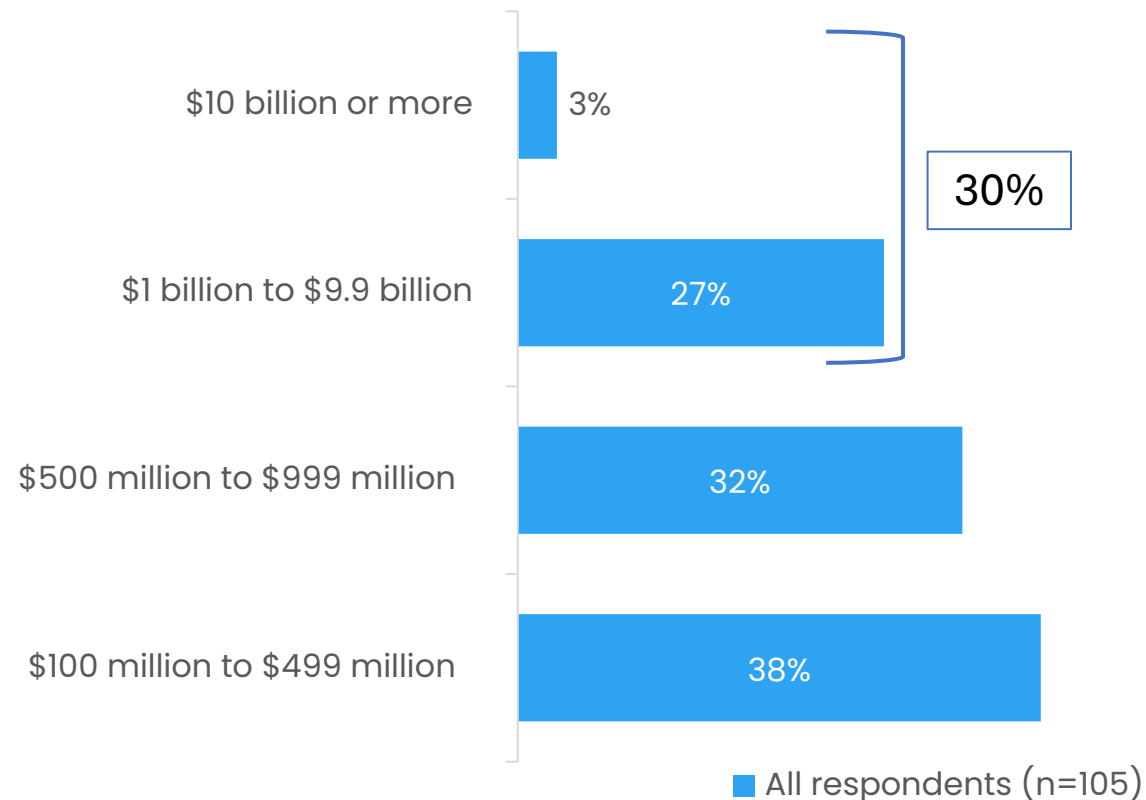
FIRMOGRAPHICS

Just under a third of respondents (31%) work in a manufacturing sector dealing with **industrial equipment, heavy equipment for agriculture, or commercial infrastructure**. **A quarter** (25%) work in the **electronics sector**.

Within which sector is your manufacturing company?

Sector	Percent
Industrial eqpt., heavy eqpt. for agr., comm. infrastructure	31%
Electronics (con. & comm., network appliances/server)	25%
Other (please specify)	11%
Automotive parts	9%
Medical devices	8%
Chemicals/Oil/Gas	7%
CPG/Food & Beverage	6%
Mining or Mills	3%
Aerospace and defense (e.g., comm. aerospace, military)	1%
Other (please specify)	11%

■ All respondents (n=105)
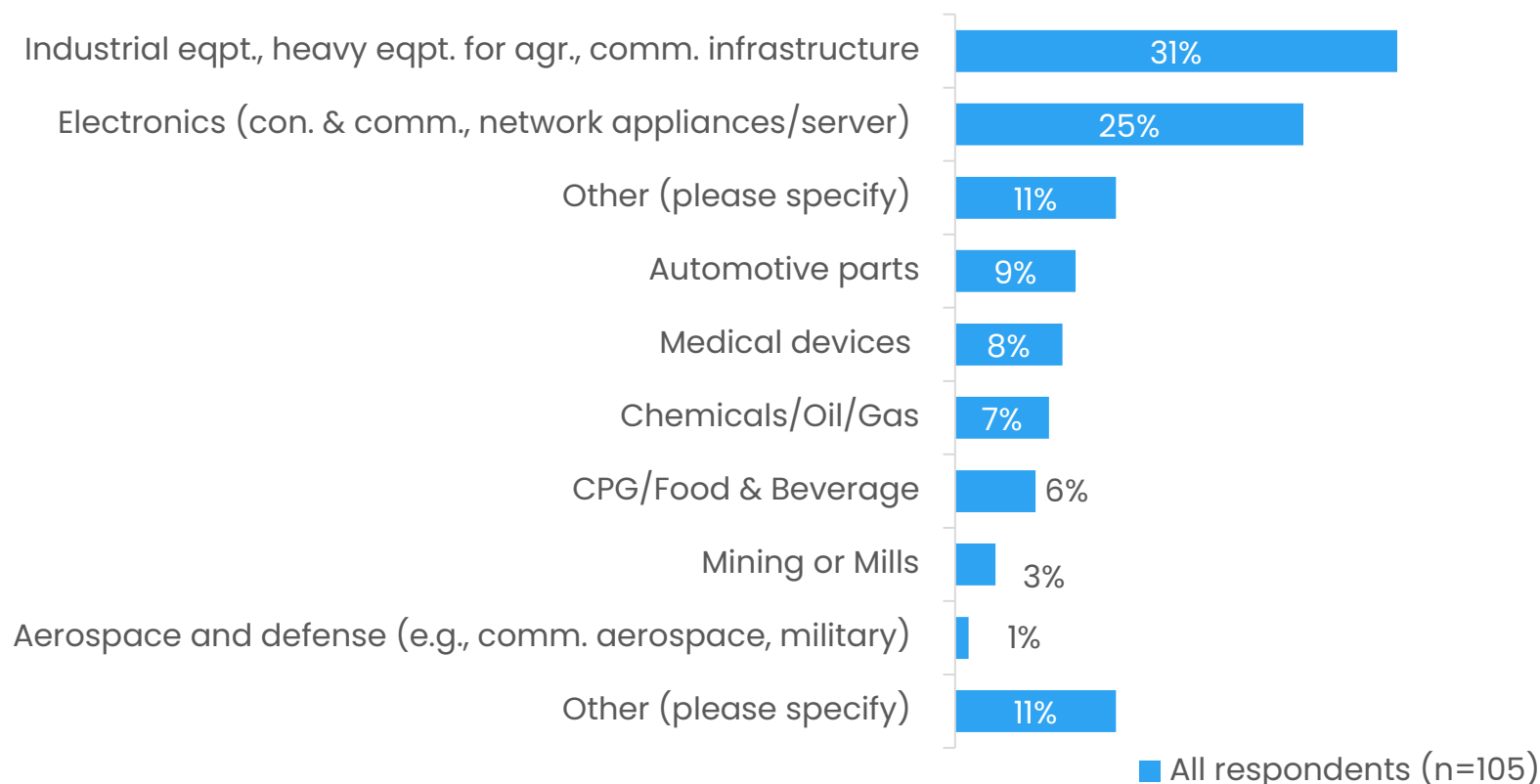
ERP PURCHASE PLANS

ERP PURCHASE INTENTIONS

More than nine in ten respondents (94%) indicated they intend to **invest in an ERP solution in the next 12-24 months.** Among the **few not planning to invest**, the top reasons are that they **are happy with their current solution** (67%) and **perceive no need for a new alternative** (50%).

To your knowledge, do you intend to invest in an ERP solution in the next 12-24 months?
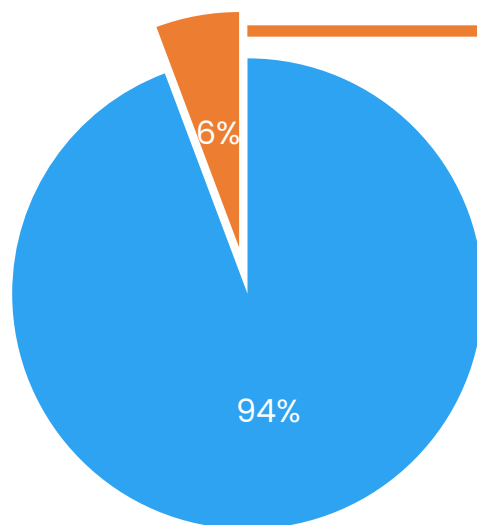
What are the reasons your company doesn't intend to invest in an ERP solution within the next 12-24 months?

- Yes
- No

6%

94%

All respondents (n=105)

Happy with current ERP solution — 67%

Lack of perceived need — 50%

Using another platform and satisfied — 33%

Cost of upgrading is prohibitive — 17%

Don't know where to start — 17%

Lack of technology investment funds — 17%

Due to small sample size, responses should be viewed as directional.

Those not investing (n=6)
Average number of responses = 2.0

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FACTORS DRIVING ERP INVESTMENTS

Nearly half of respondents (46%) **plan to invest in an ERP solution** in the next 12-24 months **to improve their company's overall manufacturing productivity**. On average, respondents have nearly seven reasons supporting their planned investment.

What are the driving factors for investing in an ERP solution in the next 12-24 months?

Factor	Percentage
Improve overall productivity of manufacturing	46%
Improved quality control	41%
Move to a cloud-based ERP	40%
Leverage new AI tools within an ERP	39%
Reduce operational costs	39%
Simplify workforce management	38%
Increase data security through consolidation of systems	35%
Improve accuracy of inventory and fulfillment	34%
Replace legacy or outdated ERP	34%
Faster time to market	32%
Ability to handle more complex orders	31%
Access real-time information from all departments of the company	31%
Support better regulatory compliance efforts	30%
Better customer service	29%
Improve our ability to scale to greater demand	29%
Enhanced production scheduling	27%
Gain a competitive advantage	25%
Reduced lead times	25%
Create better manufacturing forecasting	24%
Reduce carrying cost of inventory	23%
Create agility in response to mkt. dynamics (tariffs, regulatory, etc.)	22%

■ All respondents (n=99)
Average number of responses = 6.8

ERP CAPABILITIES

ERP CAPABILITIES OF INTEREST

Nearly three in five respondents (57%) are interested in better understanding **cloud-based ERP with built-in AI.**
Half expressed interest in AI driven cyber security protection (50%) and the ability to predict demand and optimize inventory with AI (50%).

Which emerging or cutting-edge ERP capabilities are you most interested in understanding more?

Capability	Percentage
Using cloud-based ERP with built-in AI.	57%
AI driven cyber security protection for the ERP & prod. floor.	50%
Predicting demand & optimizing inventory with AI.	50%
Automating ERP tasks w/robotic process automation (RPA).	48%
Better shop floor control through integrated MES and ERP.	46%
Easier ERP customization with low-code/no-code tools.	43%
Real-time prod. tracking & machine maint. using IoT.	38%
Tracking the supply chain with blockchain.	32%
Remote main. & training with augmented reality (AR).	30%
Virtual simulations of production processes (digital twins).	19%
Don't know/Not sure	2%

■ All respondents (n=105)
Average number of responses = 4.2

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ERP PURCHASE DECISION PROCESS

FACTORS INFLUENCING PURCHASE DECISIONS

The top three **factors likely to influence ERP purchase decisions** are the **ability to customize to company needs** (72%, first + second + third), **scalability** (70%), and **ROI** (63%).

What other factors influence your decision to purchase an ERP solution?
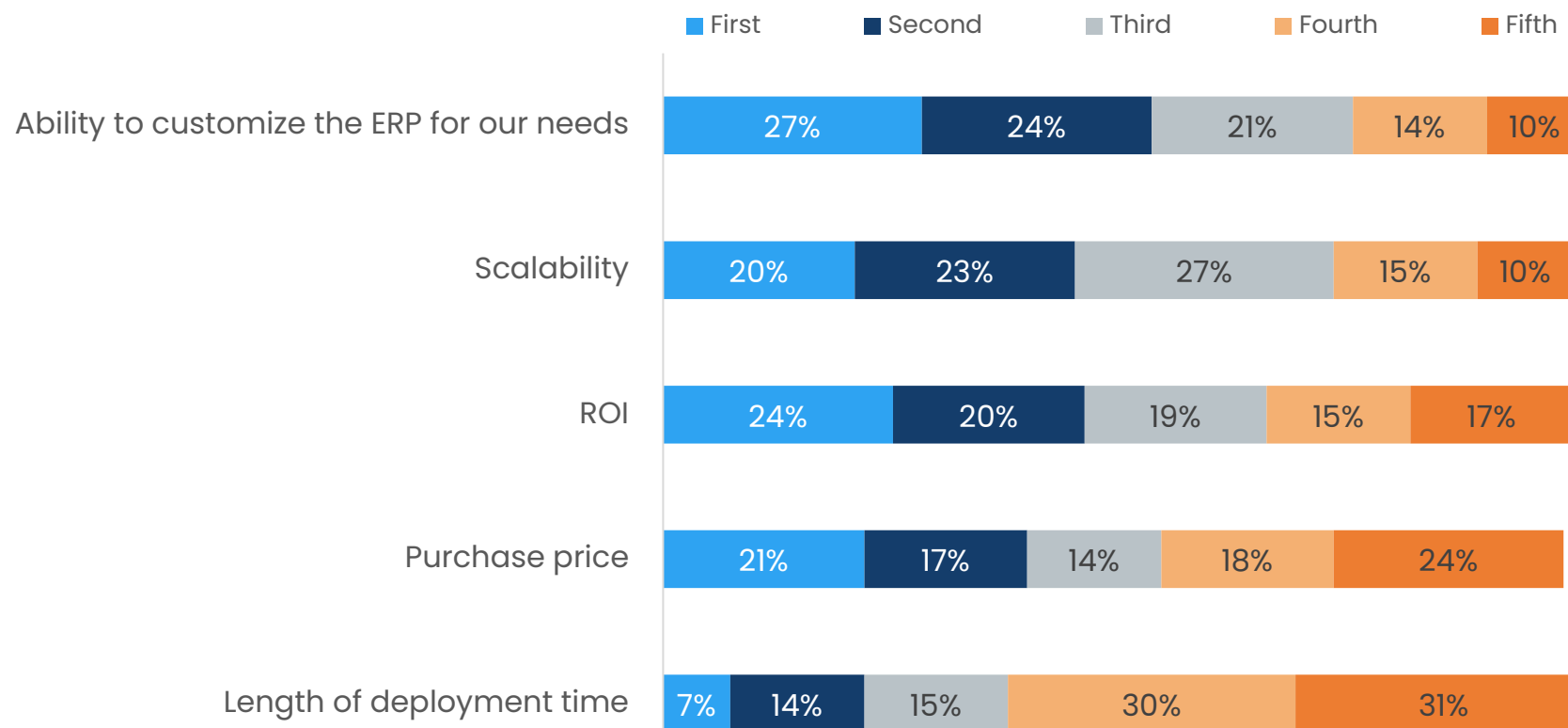
All respondents (n=99)
Average number of factors ranked= 4.8

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STAGE IN ERP PURCHASE JOURNEY

More than two out of five respondents (44%) are in the **initial planning and discovery stage** of the ERP purchase journey. **Over a quarter** (27%) are **in discussions with a third-party** regarding their needs.

At what stage is your organization in terms of getting a new ERP?

Stage	Percentage
Initial planning and discovery (We are evaluating options for software and deployment partners)	44%
In discussions with a third-party (We have a relationship with a consultant or deployment partner regarding our needs)	27%
Deployment pending (We have chosen the partner and ERP solution and are working on deployment)	16%
Post implementation (Our new ERP has been deployed)	11%
Other	1%

■ All respondents (n=99)

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CONSULTANT RELATIONSHIPS & DEPENDENCIES

Nearly seven in ten respondents (69%) **have a relationship with a third-party ERP consultant. Less than a third** (29%) consider themselves **extremely dependent** on that consultant.

Do you have an existing relationship with a third-party ERP consultant?

Don't know/Not sure, 8%

No, 24%

Yes, 69%

All respondents (n=105)
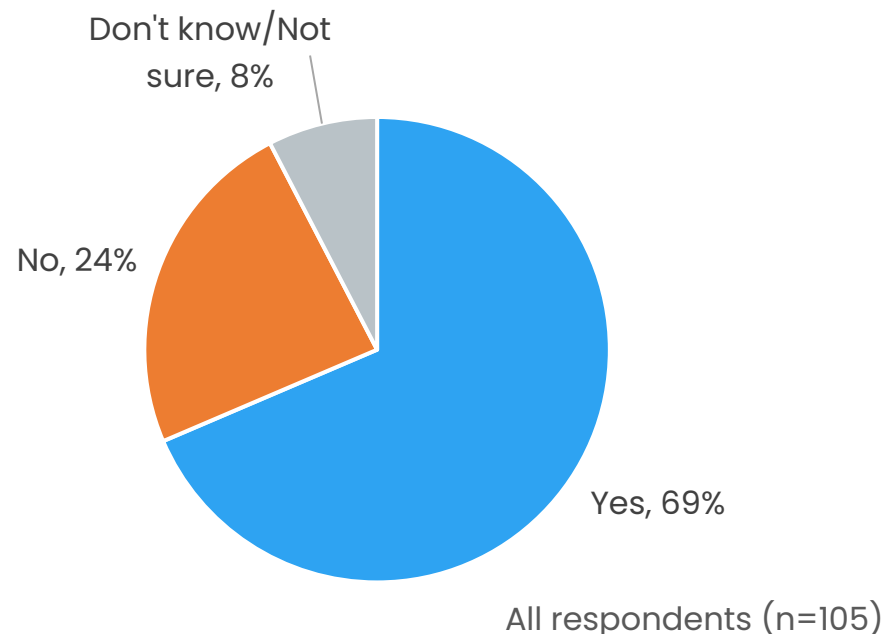
How dependent are you on having a third-party consultant for a successful ERP deployment?

Not at all dependent — 12%

Somewhat dependent — 56%

Extremely dependent — 29%

Don't know/Not sure — 3%

■ All respondents (n=99)

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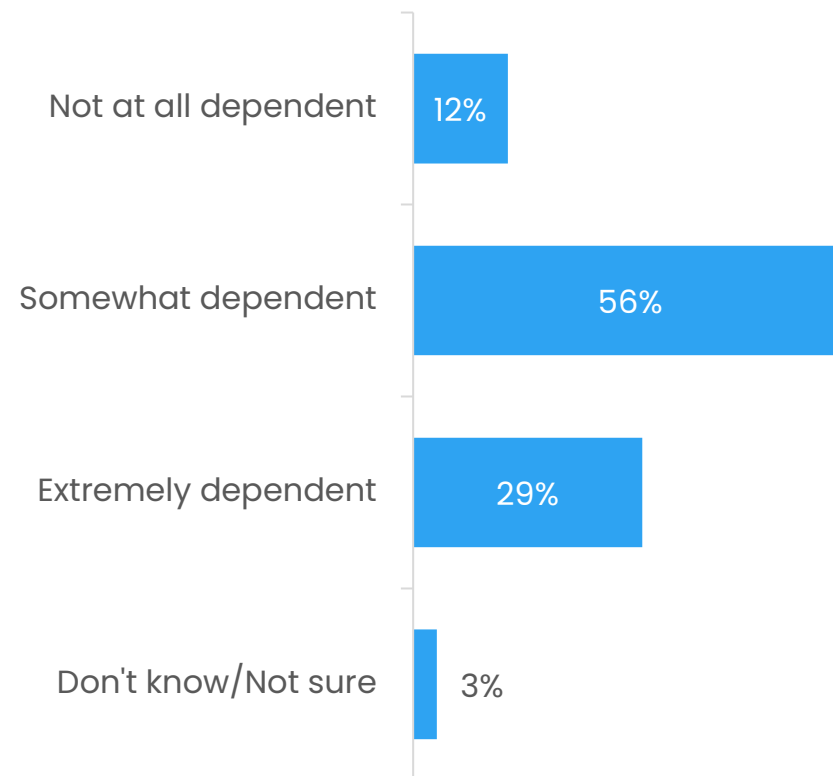
IMPORTANT ERP CONSULTANT RELATIONSHIP FACTORS

Over half of respondents (53%, 1st + 2nd / 3rd) want a third-party consultant with **expertise in the respondent's industry**. Following that, respondents want the consultant to have **knowledge of multiple ERP options** (38%), have **a hands-on approach** (37%), and **provide ongoing support and maintenance** (36%). While less than a quarter (23%) rank references in the top three relationship factors, only 5% didn't rate references as important.

What factors are important to you in a third-party ERP consultant relationship?

Legend: ■ 1st ■ 2nd / 3rd ■ 4th / 5th ■ 6th / 7th ■ 8th / 9th

Factor	1st	2nd / 3rd	4th / 5th	6th / 7th	8th / 9th	% Who Didn't Rank Factor
Expertise in my industry	30%	23%	17%	16%	10%	4%
Knowledge of multiple ERP options	14%	24%	24%	14%	16%	8%
Hands-on approach	11%	26%	9%	26%	23%	6%
Ongoing support and maintenance	9%	27%	27%	20%	13%	5%
Price of consulting and/or deployment service	9%	22%	23%	24%	19%	4%
Consultant's reputation in the market	7%	16%	27%	25%	19%	7%
Ability to guide us through the process	5%	27%	24%	21%	10%	13%
References from past successful deployments	5%	18%	29%	21%	23%	5%
Local teams	3%	14%	10%	18%	44%	10%

All respondents (n=99)
Average number of factors ranked= 8.4

HELP NEEDED DURING & AFTER IMPLEMENTATION

Respondents are most likely to **believe they will need third-party support to troubleshoot technical issues** (53%) and **tailor the ERP solution to their specific business needs** (53%). On average, respondents chose nearly five areas in which they expect to need help.

What types of third-party support do you anticipate needing during and after the implementation of your new ERP system?

Category	%
Troubleshooting and fixing technical issues that arise	53%
Help tailoring the ERP to specific business needs	53%
Assistance connecting the ERP to other vital business sys.	49%
Training for employees and managing the change process	48%
Guidance on improving & streamlining business processes	48%
Monitoring sys. performance & identifying areas to improve	46%
Regular system updates & ongoing maintenance support	45%
A dedicated point of contact for support & questions	43%
Assistance transferring & cleaning data from old systems	36%
Help with detailed project planning and scheduling	31%
Don't know/Not sure	2%

■ All respondents (n=99)
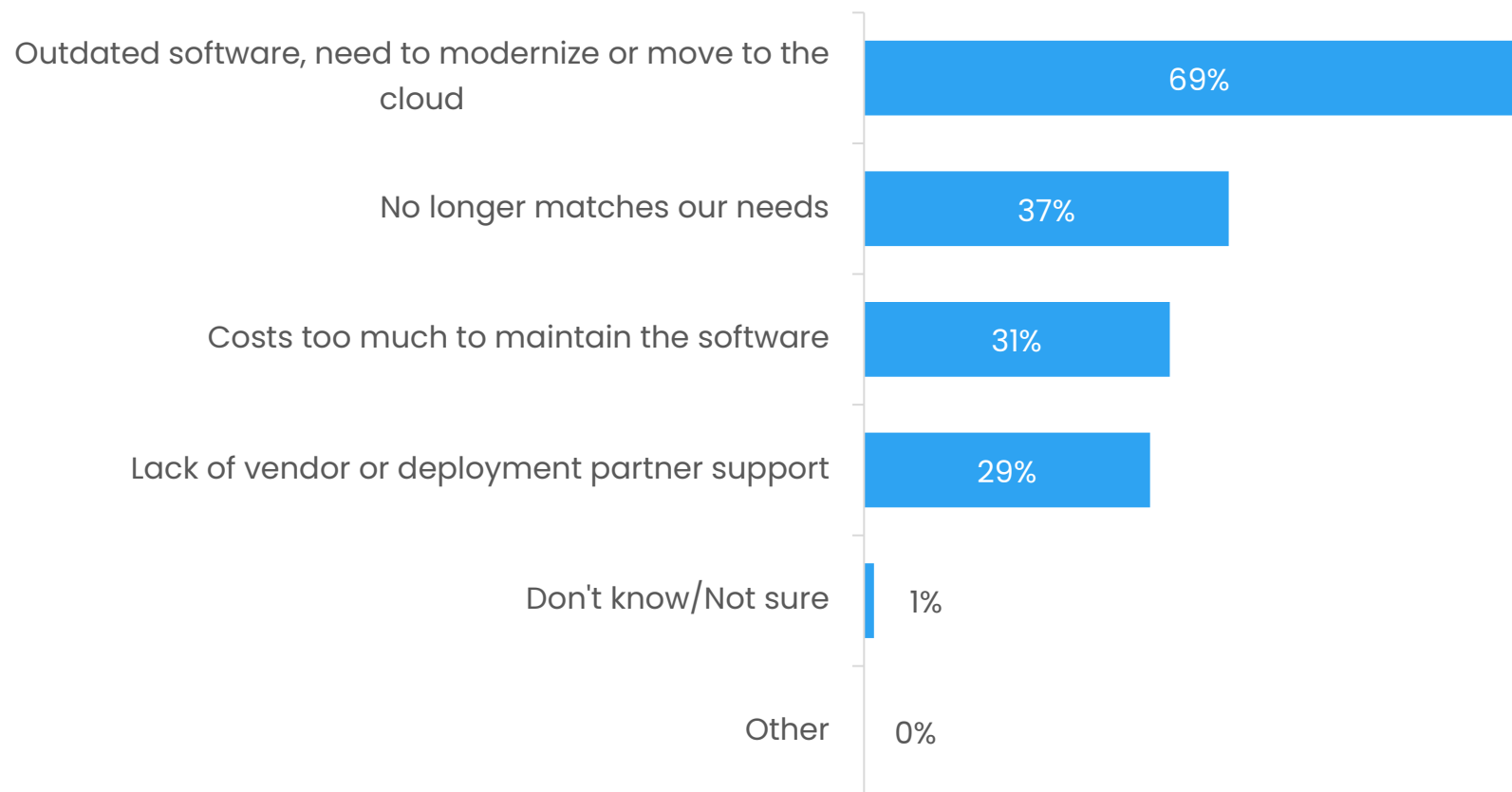Average number of responses = 4.6

ERP
CONSIDERATIONS

REASONS FOR REPLACING AN EXISTING ERP

Nearly seven in ten respondents (69%) are looking to **replace their existing ERP solution because it is outdated** and they need to modernize or move to the cloud.

Why are you currently looking to replace your existing ERP?

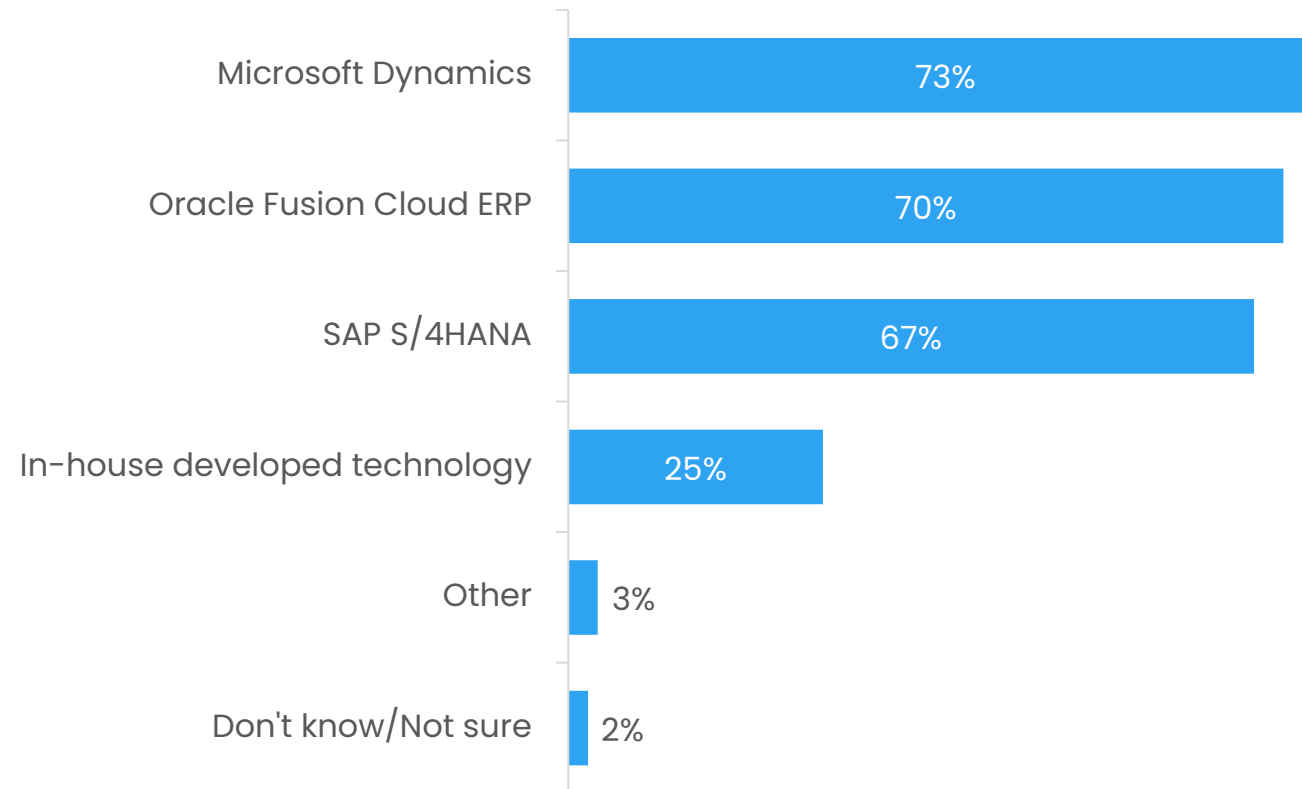| Reason	
Outdated software, need to modernize or move to the cloud	69%
No longer matches our needs	37%
Costs too much to maintain the software	31%
Lack of vendor or deployment partner support	29%
Don't know/Not sure	1%
Other	0%

■ All respondents (n=99)
Average number of responses = 1.7

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TECHNOLOGY COMPANIES BEING CONSIDERATION

Respondents are considering multiple technology companies for a new ERP system. Those marked most frequently are **Microsoft Dynamics** (73%) and **Oracle Fusion Cloud ERP** (70%). Only a quarter (25%) plan to develop their solution in-house.

Which technology companies would you consider for a new ERP system?

Company	Percentage
Microsoft Dynamics	73%
Oracle Fusion Cloud ERP	70%
SAP S/4HANA	67%
In-house developed technology	25%
Other	3%
Don't know/Not sure	2%

■ All respondents (n=105)
Average number of responses = 2.4

ERP DEPLOYMENT OPTIONS

Nine out of ten respondents (90%, 5 – extremely preferable + 4) **have a strong preference for a cloud-based ERP deployment option.** In general, respondents are open to all three options measured.

Please rate your preference for each of the following ERP deployment options.

■ 5 - Extremely preferable ■ 4 ■ 3 ■ 2 ■ 1 - Not at all preferable ■ Don't know/Not sure

Option	5 - Extremely preferable	4	3	2	1 - Not at all preferable	Don't know/Not sure
Cloud (n=105)	62%	28%	10%			1%
Hybrid (n=105)	38%	41%	16%	1%	1%	3%
On premise (n=105)	28%	31%	26%	7%	8%	1%

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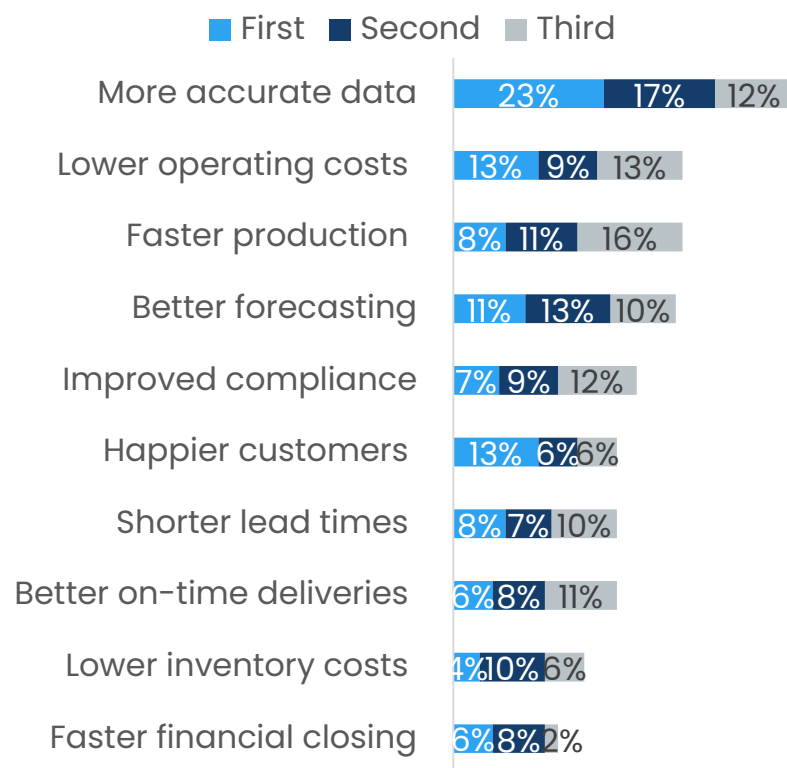
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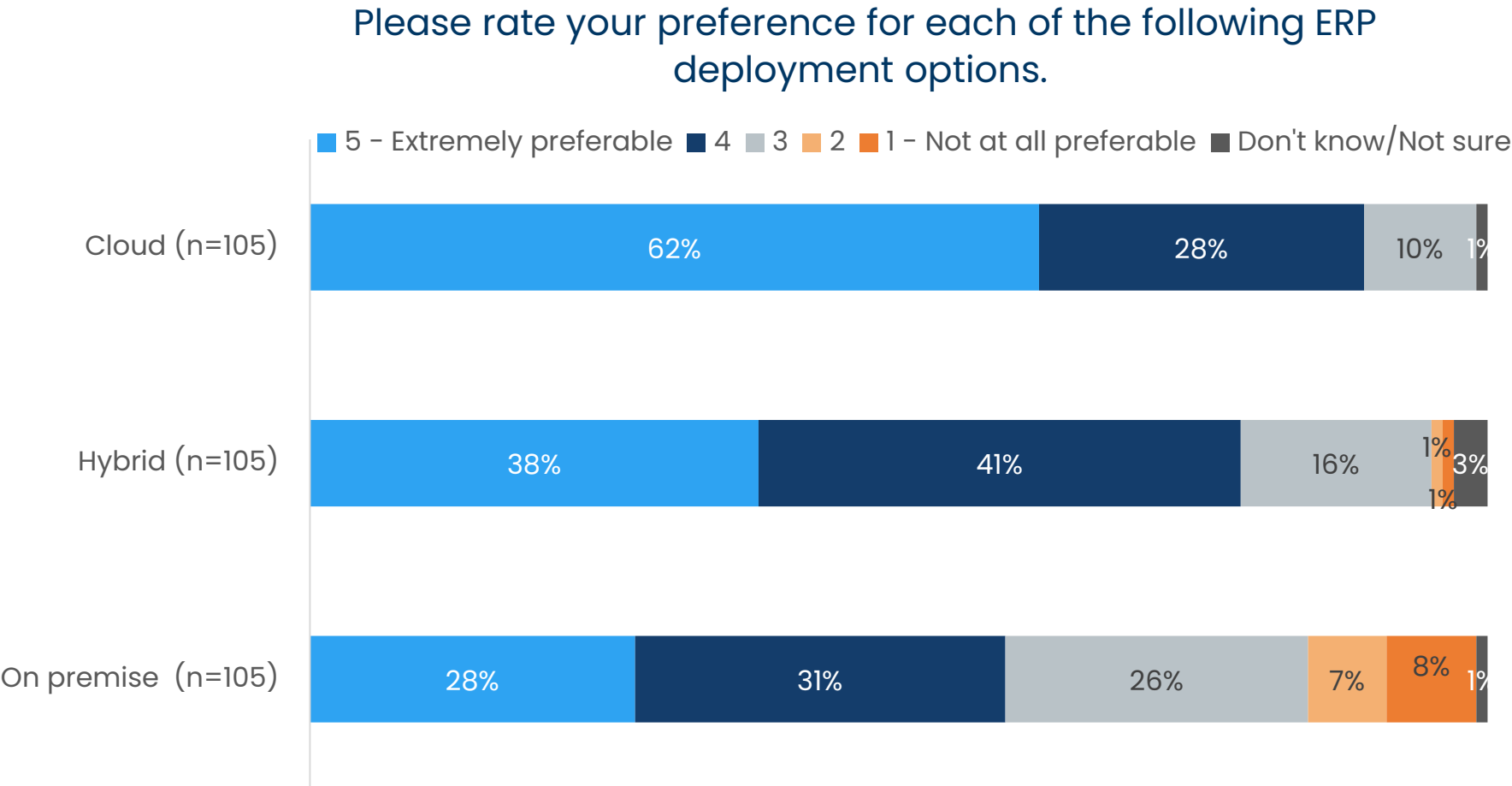
METRICS TO MEASURE ERP SUCCESS

ERP SUCCESS METRICS

Over half of respondents (52%, first + second + third) **plan to measure the success of their new ERP system by having access to more accurate data**. Lower operating costs (35%), faster production (35%), and better forecasting (34%) are other metrics likely to be used.

Following the implementation of a new ERP system, which of the following metrics will your organization primarily use to measure its success? (Choose your top three)

■ First ■ Second ■ Third

Metric	First	Second	Third
More accurate data	23%	17%	12%
Lower operating costs	13%	9%	13%
Faster production	8%	11%	16%
Better forecasting	11%	13%	10%
Improved compliance	7%	9%	12%
Happier customers	13%	6%	6%
Shorter lead times	8%	7%	10%
Better on-time deliveries	6%	8%	11%
Lower inventory costs	4%	10%	6%
Faster financial closing	6%	8%	2%

All respondents (n=99)

ERP INFORMATION SOURCES

ERP INFORMATION SOURCES

About half of respondents learn information about ERP solutions **through ERP vendors** (50%), **professional organizations** (48%), and **industry events** (48%).

How do you or your organization obtain information about ERP solutions and consulting partners ? (Choose your top three)

■ First   ■ Second   ■ Third

Source	First	Second	Third
ERP vendors	26%	14%	10%
Professional organizations/associations	14%	18%	16%
Industry events (trade shows, webinars)	11%	14%	23%
Industry peers or influencers	12%	10%	12%
Industry media/publications	8%	13%	9%
Direct referrals	9%	6%	11%
Content marketing (white papers, case studies,...	9%	9%	7%
General web searches	7%	10%	4%
Social media	5%	5%	6%

All respondents (n=105)

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WRITE-IN RESPONSES

WHICH OF THE FOLLOWING BEST DESCRIBES YOUR ROLE AT YOUR COMPANY? (WRITE-IN)

- Project Engineer
- Team manager
- Top leadership

WITHIN WHICH SECTOR IS YOUR MANUFACTURING COMPANY? (WRITE-IN)

- Bicycles
- Biomedical
- Education
- Healthcare
- Information technology
- information technology

- Insurance
- IT
- National Energy Company
- Software(2)
- Software Services, Non-Manufacturing

WHAT ARE THE DRIVING FACTORS FOR INVESTING IN AN ERP SOLUTION IN THE NEXT 12-24 MONTHS? (WRITE-IN)

- Getting everyone on same ERP

WHAT OTHER FACTORS INFLUENCE YOUR DECISION TO PURCHASE AN ERP SOLUTION? (WRITE-IN)

- Application
- na
- Service (2)

AT WHAT STAGE IS YOUR ORGANIZATION IN TERMS OF GETTING A NEW ERP? (WRITE-IN)

- Rolling out existing ERP to additional sites

WHAT FACTORS ARE IMPORTANT TO YOU IN A THIRD-PARTY ERP CONSULTANT RELATIONSHIP? (WRITE-IN)

- Communication abilities
- Research
- Service

WHICH TECHNOLOGY COMPANIES WOULD YOU CONSIDER FOR A NEW ERP SYSTEM? (WRITE-IN)

- Infor XA
- Plex, Epicor
- Several