



Drilldown » Applications » Feature

5 Reasons Businesses Still Hate Enterprise Software

Houston, we have a problem: Businesses have major issues with the enterprise software they're paying millions of dollars to implement and support, according to new Forrester data. The solution? More software!

By Thomas Wailgum

Comments (4)

THU, MARCH 04, 2010 — CIO — Got Issues? Enterprise software sure does.

CONNECTIONS

Forrester Research

That's according to a new report from Forrester Research's principal analyst Paul Hamerman, appropriately titled [Enterprise Apps Customers Have Issues](#).

[[Just how far will Oracle go to protect its ERP support Golden Egg? CIO.com reports](#) | [And an analysis of The Future of ERP](#)]

What issues, you might ask? Respondents to the 2009 survey (business process and applications pros from 111 enterprises) cite their top five:

1. High Cost of Ownership: 91% of respondents said it was a "significant" or "very significant" business problem.

Forrester Comment: "We believe that the concerns related to **cost of ownership** are primarily due to the installations of on-premises packaged applications, where internal support requirements and **vendor maintenance contracts** are a **significant burden to IT shops**, often causing other projects to take the back seat."

2. Difficult Upgrades: 87% said it was a "significant" or "very significant" business problem.

Forrester Comment: "While upgrading the packaged apps will extend their useful life and provide relief from vendor-imposed version support deadlines, the **upgrade process itself** is often disruptive and expensive."

3. Poor Cross-Functional Processes: 86% said it was a "significant" or "very significant" business problem.

Forrester Comment: "The issue results from the fact that enterprise applications have been **designed and implemented as functional modules**, whereas the real end-to-end processes span multiple business functions."

4. What the Apps Deliver Doesn't Match Business Requirements: 80% said it was a "significant" or "very significant" business problem.

Forrester Comment: "While packaged applications are mature in many of the core ERP areas (such as finance, procurement and HR), **most customers still find gaps** that must be addressed via customization or workarounds."

5. Inflexibility Limits Process Change. 75% said it was a "significant" or "very significant" business problem.

Forrester Comment: "**Inflexibility** tends to be more acute in older legacy packages, as well as modern packages that have technically complex tools for workflow and business rules configuration."

Gee. That's it?

The staggering **intensity of dissatisfaction**, coupled with the idea that **enterprise software** is a not just an IT concern but a *real business problem*, doesn't just beg the question—it *screams* the question: What, then, is **enterprise software** actually doing well right now? (Perhaps that's in Forrester's next report.)

Unfortunately, Hamerman offers an (unintentionally) ironic and sobering fix for all the app issues that are ailing companies.

"Better technology will address some of these concerns over time, as better process configuration tools and flexibility appear in the packages," writes Hamerman. "Most customers, however, will not see significant improvements unless they invest in major upgrades or replacements with **next-generation packages**."

More **software investment**? Given all the aforementioned business app issues, that shouldn't be too

Recent Articles

[ERP Support Drama: How Far Will Oracle Go to Protect Its Golden Egg?](#)
[The Future of ERP](#)
[ERP's Paralysis Problem and the Repercussions for Businesses](#)

Applications MarketSpace



Technical Report: NetApp Solutions Guide
This document provides guidance on how to design and architect a scalable Microsoft applications mixed workload solution on highly available VMware vSphere 4 virtual infrastructure. [Learn more »](#)

Discovering Improved Data Protection Strategies for the Virtual World
This report examines the impact that virtualization has on data protection and disaster recovery and the need for highly virtualized servers and storage within this context. [Learn more »](#)

Consolidation to Cloud Foundation
This white paper offers advice on how to shift your virtualization initiatives from tactical to strategic using the cloud computing business model. [Learn more »](#)

Private and Public Clouds
In today's fast-paced, online-oriented and interconnected global economy, companies must be agile, responsive and flexible in order to compete. [Learn more »](#)

The Transformative Power of Software Testing
This white paper describes how to achieve software test transformation in the enterprise. [Learn more »](#)

Enterprise content management for Microsoft software
Enterprise content management (ECM) can help you reduce the costs of managing all kinds of unstructured content and deliver a quick return on investment (ROI) by enabling your organization to more effectively manage content... [Learn more »](#)

SharePoint and ECM Working Together
In this report, we have measured the current thinking amongst the AIM user-community as regards where to use SharePoint and where to use ECM suites. We do not focus on comparing feature-sets, but more consider the enterprise implications of different SharePoint and ECM strategies, and how to combine the best of the two product types. [Learn more »](#)

Searching for a Competitive Edge Case Study
Google achieved a competitive edge by launching a new search appliance and migrating an existing product to the latest Dell hardware [Learn more »](#)

hard to get approved in next year's budget.

Do you Tweet? Follow me on Twitter @twailgum. Follow everything from CIO.com on Twitter @CIOonline.

Read more about applications in CIO's Applications Drilldown.

COMMENTS (4) ↓

Print

Share/Email

LinkedIn

More from IT Drilldown

[« Back to Applications](#)

Articles

- Apple Plugs 16 Holes in Safari As Pwn2Own Looms
- Microsoft Tries to Lure NetSuite Users with New Deal
- When IT Projects Founder, Emotions Run High
- Security Industry Faces Attacks it Cannot Stop
- Microsoft Tries to Lure NetSuite Users with New Deal
- MySpace Revamps for Revival
- Work Smarter with Online Collaboration Tools
- Poor Bill Gates: Mexican Telecom Tycoon Grabs Richest Man Title

[More Articles »](#)



Enterprise Newsletter

Sign up for the latest on enterprise news.

SIGN-UP >>

READER FEEDBACK

Paul.. Fri, 2010-03-05 04:43

You could have used pretty much any IT survey over the past 20odd years and received the same results. Adding even more technology - as the story suggest - isn't going to solve the problem..!

Anonymous Mon, 2010-03-08 10:27

More technology? That sounds like a typical IT answer to every problem. Two problems:

- 1) Understanding of the critical requirements / functions (must haves) and selecting the right solution to match those needs is a right start. Too often companies are distracted by all the other bells and whistles of the system only to find out it doesn't really fit their needs - after implementing the solution.
- 2) A true "TCO" is never ever really completed prior to the selection process.

Mike Meikle Mon, 2010-03-08 18:47

Basically, the only way around these issues is to implement the plain vanilla configuration of whatever ERP you have selected. Of course that mitigates most of the ERP issues, but drastically increases the business process problems. This will necessitate a business process re-engineering effort to fit the company processes to the tool....why are ERP's so wonderful again?

[Read more comments](#) | [Post a comment](#)

WHITE PAPERS

- Technical Report: NetApp Solutions Guide
- Discovering Improved Data Protection Strategies for the Virtual World
- Virtualization: Consolidation to Cloud Foundation
- Laying the Groundwork for Private and Public Clouds
- The Transformative Power of Software Testing
- Enterprise content management for Microsoft software: seeing the whole picture.
- SharePoint and ECM Working Together
- Searching for a Competitive Edge Case Study
- Four Key Reasons That Dried-Up Capitol Budgets Prompt Companies to Consider SaaS
- Improving the performance of your business critical applications can add millions to your bottom line

- IBM Global CIO Study - Implications for IT Managers
- Is Your Imaging and Printing Environment an Asset or an Albatross?
- Nine Considerations When Choosing a Managed Hosting Provider
- Virtualization: A Strategic Look
- BPM Accelerated - Slashing Cost and Time with Agile Business Processes
- Virtualization Dream Team: Citrix and Microsoft
- Now's the Time for Application Virtualization
- How to Improve Delivery of Advanced Web Applications
- Citrix Remains the Leader in Application Virtualization
- Citrix NetScaler 9: Automated Web Application Management

More White Papers »

SPONSORED LINKS

- Counting Up the End User Benefits of Desktop Virtualization
- Manage limitless content today. Read EMC's 15-minute guide to ECM.
- WAN optimization techniques significantly improve application performance. Read More.
- Best Practices to Reduce IT Operational Costs
- Unlocking the Mainframe: Modernizing Legacy System to SOA
- State of the Data Integration Market
- Enhance Customer Loyalty through Higher Responsiveness
- Achieving Business Agility with Application Grid
- Let Progress Software help your business make progress.
- HP pays back. Trade in your old printer and get up to \$1000
- Read report on how to improve decision making with business analytics.
- Dynamic Virtual Client: What's in store for client technology going forward?
- The ISP that focuses exclusively on information security? SecureWorks.
- Does your IDS really work? Find out with a free Endace Audit
- Take the Netezza TwinFin TestDrive!
- CA ARCserve r12.5 is More Than Backup! Download Trial Version Today
- Enterprise search helps employees get more done. Get the facts from Google.
- Trend Micro ranked #1 against real-world malware. Read more.
- Turn your desk phone and mobile phone into one with Sprint Mobile Integration.
- Maximizing efficiencies with unified communications.
- Stay informed with custom newsletters from Tech Dispenser
- Register for more Windows Enterprise Webcasts today.
- Build a smart, practical path to the internal cloud.
- Selecting the Right Reporting Technology
- An IT Leadership Action Plan for the Economic Recovery

- Supercharge Your End Users with Desktop Virtualization
- Ensure cost effective application delivery. Learn More.
- The Revolution and Evolution of Private Cloud Computing
- What's New in SOA Suite 11g?
- Unleash the Power of Java with Oracle JRockit Real Time
- SOA Best Practices and Design Patterns
- Application Grid: Ideal Platform for IT Consolidation
- Seven Ways ITIL Can Help You in an Economic Downturn
- Google Webinar: Why Cloud-Based Security and Archiving Make Sense
- Midsized company CIOs and experts connect at infoBOOM!
- Core™ i5 vPro® Processor: Control meets cost savings in the most intelligent PC processors ever!
- Article: The Dynamic Virtual Client offers thin client advantages with rich client user experience & mobility.
- Simplifying Risk Management: Is Your Company Measuring Up?
- HP Extream. Get a Free Document Assessment for Financial Services.
- Verint Systems. Discover the Power of Intelligence in Action™
- Webinar: Jump-start your in-house e-discovery with Ringtail QuickCull from FTI Technology
- See why ShoreTel is named best overall VoIP provider by Nemertes Research
- Real-world testing ranks Trend Micro #1 against malware. See results.
- Efficiency goes up. Costs come down.
- Dark Fiber from Sunesys Save on Unlimited Bandwidth with Fixed Costs.
- Trend Micro ranked #1 against real-world malware. Read more.
- Entrust IdentityGuard™ Strong Authentication for your Enterprise
- How Healthcare CIOs Achieve a High-Performance Emergency Department
- Webcast: Solve Your Data Visualization Needs with Open Source BI
- Webcast: Delivering the Enterprise-Ready Cloud

RESOURCE CENTER

buy a link »

ADS BY **techwords**



