



# ALERT ON ENTERPRISE MANAGEMENT

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## INCLUDED:

### **Moai Technologies Tries to Migrate From Reverse Auctioning to e-Sourcing**

*Moai Technologies unveiled its new CompleteSource e-Sourcing application and QuickStart pilot program. As its name implies, the new product adds some important e-sourcing features, but is not yet a complete e-sourcing suite.*

### **Adonix Retools and Reloads for the Mid-Market**

*Recognize the name Adonix? Probably not, but if you've been associated with enterprise applications for the past 20 years, then you'll recognize the source of functionality for Adonix X3. The product name and architecture are new, with the company leveraging the strengths of three products to serve a diverse market of mid-market manufacturers and distributors.*

### **On-Point Consulting Provides One-Stop Demand Management Services**

*Mid-market companies, like their larger brethren, are seeking planning software that provides the foundation to build collaborative and continual processes that yield inventory cost savings and better responsiveness to changing business demand. On-Point Consulting provides an option for one-stop expertise in demand management process consulting and applications software.*

### **SAP Acquires TopTier for New Enterprise Portals Unit—Caveat Emptor for Users**

*SAP has grand plans to integrate TopTier's technology into a new SAP Portals enterprise portals unit, which is theoretically independent of SAP AG the applications software company. However, existing customers and partners of TopTier need to carefully watch developments over the next twelve months.*

*The Alert on Enterprise Management is a weekly bulletin that offers AMR Research analysis of industry events. This is a news-driven publication. If you want to talk further about any item in this Alert, please call your Client Research Manager at AMR Research to schedule a discussion with the appropriate analyst.*

### **MBH Solutions Acquires Concur's HR Products Division**

*Concur Technologies has bucked the overall market trend of bundling expense management in with other desktop applications by selling off all but its expense management suite. Concur is betting its relationship with Microsoft will create a vast new channel for its technology.*

### **Random Notes**

### **Moai Technologies Tries to Migrate from Reverse Auctioning to e-Sourcing**

*Moai Technologies released CompleteSource, its new e-sourcing application, with much needed functionality beyond price-based reverse-auctioning. It now comes with weighted attributes, multiple line items, file attachments, rudimentary workflow, and wizard-based configuration. Moai also unveiled its QuickStart program, a \$60K 30-day pilot program for five e-sourcing events, including two weeks of professional services. If a customer is not satisfied, a free month's access to the hosted software is provided.*

*While it's a step in the right direction, Moai still has some work to do. The product now covers the Request for Quote (RFQ) and bidding analysis processes more deeply, but does not address other key sourcing processes like spending analysis, supply strategy, contract management, or supplier monitoring and improvement. Since Moai can't and shouldn't build this type of support, it needs to broaden and deepen its technology and professional services partnerships.*

*Even so, for end users, a program like QuickStart is a great way to save some quick money in a down economy. Moai should consider de-coupling the professional services and offer more risk sharing to entice all important end-user traction. For end users wondering whether*

spending money on e-sourcing is warranted, consider General Electric (GE). GE has run more than \$6B in e-sourcing events, and is looking to save \$600M of its \$1.6B 2001 savings plan from the \$14B spending of its \$45B total spending that it intends to run through this type of commerce. This 4.3% cost reduction is even low compared to the 10%-25% average savings realized by most e-sourcing pilots. The massive opportunity that e-sourcing technology brings to strategic sourcing processes will propel the e-sourcing market to \$3.5B by 2005.—*Pierre Mitchell*

### **Adonix Retools and Reloads for the Mid-Market**

**Adonix**, a French-based enterprise application veteran may not be a well-known mid-market vendor, but that could change the next 18 months. While many of its competitors suffered through a miserable 2000, Adonix' revenues were slightly more than the previous year's \$51M and remained profitable. It continues to pour more than 20% of revenue into development.

The company has an interesting make-up. The combined Adonix legacy applications have over 3,500 customers, many of whom need to upgrade mainframe applications to newer architectures. Adonix is targeting them, but it's unclear if the new *X3* product can meet the demands of larger corporations that continue to rely on the legacy applications. *X3* is aimed at mid-market manufacturers and distribution entities through a mixed channel of direct sales and Value-Added Resellers (VARs). The VAR channel will supply the volume of deals while direct sales are being handled by Adonix to ensure that the product meets the needs of complex corporate processes found at larger corporations. Known as a product development company, Adonix has recently developed an integrated Customer Relationship Management (CRM) suite, rolling out native Web extensions and a finite scheduler developed with **ILOG** components.

To be successful, Adonix needs to concentrate on the following:

- Build a base of referenceable accounts from the 200 companies that have initially purchased *X3*. It already has licensed 3,200 seats of the product, and is confident that this is the year it can begin to build up brand recognition and make a go of the European and North American markets.
- Avoid spreading its development team too thin trying to satisfy its multiple platform configurations that include *Windows 2000*, *UNIX*, *SQL Server*, *Oracle*, and *DB2* while the trend for its competitors is to standardize on the Microsoft platform.
- Develop templates and implementation methodologies to decrease the time and expense of implementation projects. The *X3* product is purposefully complex to implement. The company prides itself on the broad and deep functionality that can prove to be an issue for prospective customers wanting a quick and inexpensive implementation.

Although Adonix is not out the woods, signs point to it continuing on the road to growth with the *X3* product. The experience of the management team and the continued commitment of resources to product development tilt the odds toward success, but in the end, it is the referenceable customer that is key to sealing deals and promoting the brand.—*Tom Cook*

### **On-Point Consulting Provides One-Stop Demand Management Services**

Competitive pressures are pushing customer fulfillment processes to become more responsive and adaptive to ever-changing customer demand. End-users have many options in acquiring today's newer, Web-based and collaborative, demand planning and management applications. Companies also have options in securing management consulting and systems support for re-engineering processes related to managing and aligning demand to key market and channel management strategies. What is unique is securing a consulting and applications technology combined under one firm.

**On-Point Consulting Group**, formerly **Intrinsics**, fits this unique pattern. The vendor's consulting model is designed to help companies align their market-pull strategies with manufacturing capacity and logistics supporting processes. Among a client base in Food, Medical and Machinery manufacturing, On-Point cites previous engagements with **Anchor Food Products**, The Eyewear Division of **Bausch & Lomb**, and **Summit**. AMR Research has spoken with each of these clients, and validated benefits received in inventory cost savings, increased business, and better responsiveness to changing customer demand patterns.

Mid-market companies can benefit from considering an option for addressing a means to implement proactive demand management processes. With limited domain and in-house IT expertise, these companies seek a consulting firm like On-Point Consulting that can provide deep process knowledge, experience, process alignment, and software requirements in one-stop shopping. Alternative Web-based, demand planning software vendors such as **Epicor** and its *Epicor eIntelligence Suite* and *Epicor eManufacturing Suite*, **JD Edwards** and its *OneWorld* system, **Geac** and its *Geac Enterprise Solutions*, and **Lawson Software** and the *Lawson Tone* and *Lawson Insight 8.0 Series*, and Big Five consulting firms, like **Cap Gemini Ernst & Young**, **Accenture**, **PricewaterhouseCoopers**, and **Deloitte & Touche**, also have reengineering and implementation client services geared toward making sure other demand planning products are used to full advantage. The difference here is that a smaller consultant firm such as On-Point Consulting can provide its clients the personal attention and experience.—*Bob Ferrari and Bettina Zwerdling*

### **SAP Acquires TopTier for New Enterprise Portals Unit—Caveat Emptor for Users**

German software giant **SAP** is paying \$400M for its technology partner **TopTier Software**, a maker of portal software and integration products. TopTier has developed a significant customer base over the past several

years, selling to enterprise customers as well as applications providers such as **Baan**, **Siebel Systems**, **i2 Technologies**, **Manugistics**, **PeopleSoft**, and **Retek**. SAP currently uses TopTier as the drag-and-relate technology within *mySAP*. So, for example, it is TopTier's technology running underneath *mySAP* that would grab a FedEx account number of a role-based user and drop it into *mySAP*. SAP will incorporate the TopTier technology along with content from **Yahoo!** into a new subsidiary of SAP called **SAP Portals**, focused on selling enterprise portals to SAP and non-SAP customers.

The enterprise portal marketplace is under significant pressure from several fronts: large application suite vendors like **SAP**, **Oracle**, and **PeopleSoft** all have portal strategies. Independents like **Plumtree**, **Viador**, and **Sequoia**—recently purchased by **Citrix**—are facing funding and liquidity pressures. From the systems side, stalwarts like **Computer Associates** and **Sybase** have recently announced their portal strategies. 2001 is a year of consolidation for many of these vendors and there is pressure from many sides. All see tremendous upside growth in the space.

Customers with TopTier, either as an enterprise portal or via application vendors such as **Baan**, need make sure that SAP Portals does, in fact, create a portal strategy which protects and leverages users investment. The fear is that even though SAP Portals is a separate operating unit, it is still under the SAP umbrella. Users should carefully watch SAP Portals' development, pricing and implementation strategies for signals that SAP Portals remains an independent company with a separate customer base.—*Dave Boulanger, Tom Cook, and Colleen Niven*

### **MBH Solutions Acquires Concur's HR Products Division**

**Concur Technologies** has sold its Human Resources Products division to **MBH Solutions**, a consulting firm that specializes in workforce management products. *Concur HR*, to be renamed *Link2HR*, is a standalone



Employee Self Service (ESS) and Manager Self Service (MSS) product. Concur itself acquired the application with its purchase of **Seeker Software** in June 1999.

With this transaction, Concur Technologies will concentrate solely on corporate expense management systems, hoping to hasten its path to profitability. The company recognizes that it has gathered traction and prospects for growth, with 650 customers currently using its expense management application, and also adding **Microsoft's Great Plains Business Unit** as a strategic distribution partner. MBH Solutions' primary business has been implementing HR systems, mostly ADP's *CSS HRizon* product, with small forays into software with a contingent staffing procurement system and a payroll-GL data transfer utility.—*Monica Barron*

## Random Notes

E-sourcing application vendor **B2eMarkets** formed a partnership with Cap Gemini Ernst & Young U.S. (CGEY), including a rapid implementation allowing customers to be live in as little as two weeks. The partnership has existed for some time, and extends both vendors forays in e-sourcing. B2eMarkets also plays with Accenture, while CGEY does the same with other technology firms, including **MatrixOne** and **Prowess Software**, a subsidiary of **BIOS Group**, its joint venture with **The Sante Fe Institute**.