

## **ERP/Business Application in Japan: Key Research Findings 2014**

### **◆ Research Outline**

**Yano Research Institute has conducted a questionnaire to domestic companies and local governments on intention of using in-house systems and SaaS for ERP (Enterprise Resource Planning) and business application with the following conditions:**

1. Research period: July to October, 2014
2. Research target: 617 domestic companies and local governments
3. Research methodologies: In-mail questionnaire

**<What is an ERP (Enterprise Resource Planning)?>**

It is an enterprise software package for building an integrated system for corporate mission-critical tasks, such as accounting, HR, sales administration, production management, etc. that used to have been operated separately within the company.

### **◆ Key Findings**

#### **■ Migration of Systems in Progress from In-House to Packaged Software**

According to questionnaire conducted to local governments and private companies in Japan, the ratio of in-house systems used for sales management is 51.1%, for assembly & production/SCM 56.0%, and for process manufacturing 56.3%. It means that more than 50% of the surveyed private companies and local governments are still using their own in-house systems for the above-mentioned business tasks.

However, as for the companies and local governments scheduled for system update, the utilization ratio of in-house systems after the system update decreases to 28.7% for sales management, and to 22.6% for assembly & production/SCM, down by 20 to 30 points from the current utilization ratio. It indicates that the companies and local governments facing system update are planning to replace their in-house systems with packaged software. This tendency is likely to increase as functions of packaged software become diverse and applicable to various industries and business tasks.

#### **■ Transforming of Business Using Cloud Shows Little Progress, Except for CRM/SFA Where SaaS Has Been Preferably Used**

Today, companies most use SaaS for CRM/SFA, with utilization rate of SaaS for CRM/SFA accounts for 12.9%. The research shows that utilization ratio of SaaS for CRM/SFA among the companies and local governments scheduled for system updates is likely to grow further after the system update to 29.0%, up by 16.1%. On the other hand, the utilization ratio of SaaS to financial affairs/accounting after the system update only accounted for 5.1%, a slight growth from the current 2.4%. It is because some large foreign vendors lead SaaS service market in the category of CRM/SFA, so that user companies tend to select SaaS rather than packaged software for CRM/SFA. However, use of SaaS for other business tasks is not likely to increase in a rapid manner, for companies have no strong intention of using it.

◆ **Report format:**

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Price: 150,000 yen (The consumption tax shall additionally be charged for the sales in Japan.)

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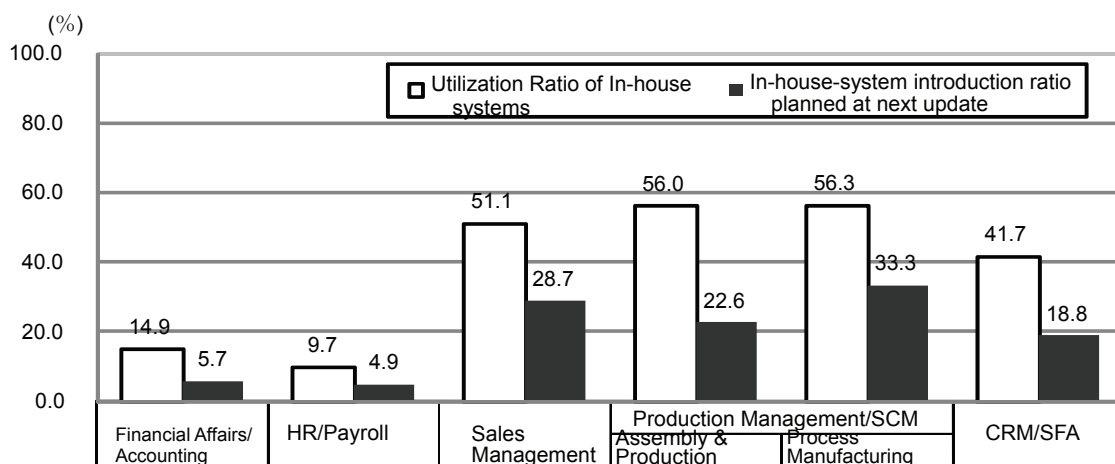
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■ **Figure & Table 1: Utilization Ratio of In-House Systems and Ratio of Introducing In-House Systems Planned at Next Occasion of System Updates**

(%, Number of Companies)

	Financial Affairs/ Accounting	HR/Payroll	Sales Management	Production Management/SCM		CRM/SFA
				Assembly & Production	Process Manufacturing	
Utilization Ratio of In-house systems	14.9%	9.7%	51.1%	56.0%	56.3%	41.7%
Number of companies that have introduced the systems	592	569	470	100	80	139
In-house-system introduction ratio planned at next update	5.7%	4.9%	28.7%	22.6%	33.3%	18.8%
Number of companies that plans to introduce/update systems	158	123	150	31	21	69



■ **Figure & Table 2: Utilization Ratio of SaaS (including ASP) and SaaS (including ASP) introduction Ratio Planned at Next System Update**

(%, Number of Companies)

	Financial Affairs/ Accounting	HR/Payroll	Sales Management	Production Management/SCM		CRM/SFA
				Assembly & Production	Process Manufacturing	
Utilization Ratio of SaaS (Including ASP)	2.4%	1.9%	2.1%	0.0%	0.0%	12.9%
Number of companies that have introduced systems	592	569	470	100	80	139
SaaS (including ASP) introduction ratio planned at next update	5.1%	8.1%	7.3%	0.0%	0.0%	29.0%
Number of companies that plans to Introduce/update systems	158	123	150	31	21	69

