

SYSPRO's Winter '12 Tour—Einstein Getting a Jolt from Espresso

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VENDOR NOTE

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SYSPRO remains a software company that both amazes and puzzles market observers. The global enterprise resource planning (ERP) software vendor has more than 30 years of focus on small-to-medium business (SMB) manufacturers and distributors. The privately held company's estimated revenues are about \$70 million (USD), but with a \$300 million (USD) footprint given that it sells primarily (over 90 percent) through channel partners. Currently, SYSPRO has more than 14,500 customers in 60 countries.

For a very long time, there was hardly anything wrong with the vendor's product offerings, with a single contiguous "ERP+" product suite based on **Microsoft .NET** technology and a sharp vertical focus on food, medical devices, electronics, and machinery/equipment. But its market messaging was confusing with meandering points "du jour" and no focus and consistency (at some point, the ERP product was known under the **IMPACT** brand, which was done away with a decade or so ago). For almost 30 years, SYSPRO's great value and technologically advanced ERP solutions were known for their genius by customers, but by neither the wider prospective buyer pool, nor the software influencer world at large.

Somewhat trapped within what almost seemed like conspiratorially stealth marketing (to the point that not many analyst reports and industry magazine articles could be found on the company prior to the late 2000s, despite a solid 30 years in existence and at the time more than 10,000 global customers), SYSPRO has gradually emerged in recent years from its marketing obscurity. Today, while the vendor still lacks the power megaphone and marketing millions of most of its larger ERP competitors, Web site searches actually produce volumes of influencer/analyst/PR reports, articles, blog posts, and webinars, as well as accompanying industry ERP rankings among the world's top 10–15 SMB ERP providers.

Getting Smarter

The point here is that prospective buyers can nowadays actually find a slew of third-party commentary, product endorsements, reporting, and synergistic marketing information on the company via, say, a **Google** search. After recognizing and benchmarking that its solutions are saving smaller manufacturing and distribution companies money and providing new efficiencies that they otherwise might not get (or might pay more for) from bigger name brand competitive offerings (i.e., **SAP, Oracle, Infor, Microsoft Dynamics, Epicor,**

Sage, QAD, Exact, etc.), the U.S. SYSPRO management team turned up the marketing positioning dial.

If the product was smarter than its peers (and in fact circa 2008 or so the company was using a “Simply Smarter” messaging framework, see Figure 1)—SYSPRO’s U.S. marketing engine put the fun in “smarter,” and evolved an **Einstein** messaging framework that has housed more than five rounds of announcements. The history of **SYSPRO U.S.** strategic Einstein announcements has been as follows:

- *December 2010*: SYSPRO-as-a-Service + Power Process Modeling (for more details, see [the post](#))
- *June 2011* (at **Grape Escape 2011**): $S=MC^2$ (SYSPRO=Materials + Cost and Cash Management, for more details, see [the post](#))
- *December 2011*: Quantum Architecture (for more details, see [the article](#))
- *June 2012* (at **Grape Escape 2012**): Relativity Reach—SYSPRO Point of Sale (POS) + SYSPRO App Store (for more details, see [the article](#))
- *December 2012*: Einstein meets **SYSPRO Espresso** Mobile Solution (for more details, see [the post](#))



Figure 1

Marketing Genius of “Einstein”

Given that each of these witty “Einstein” announcements has caused a number of analyst reports and reviews, one could draw a conclusion that the smart (pun intended) campaign has born fruit at least in North America. Those who attend a SYSPRO analyst roadshow can see a steadily growing crowd of 30-plus global “who-is-who” analysts that since 2008 (because of the company’s

improved and more cohesive U.S. marketing) are interested in learning about and writing about the once-obscure company.

The strategic use of Einstein's name is a SYSPRO U.S. initiative to rapidly spread a compelling, fun, and synergistic wrapper to the sundry of technologically advanced products that SYSPRO corporate in South Africa puts out. SYSPRO's top executives are quite proud of the fact that they sit on Microsoft (.NET's) most advanced/early adoption councils to test new capabilities well before their commercial availability. When one compares how advanced SYSPRO solutions are for the SMB space, the vendor's wares are simply hands down better. Why?

For one, SYSPRO is not trying to retrofit larger ERP vendors' solutions that often do not understand the pains and business issues of the smaller manufacturer like SYSPRO understands them. This group of companies runs on razor-thin margins—a minor efficiency gain or a minor miscalculation or glitch can have a huge impact, i.e., it can shut down a small manufacturer or it can conversely mean making a profit to hire more folks and/or add new equipment. This cultural understanding threads through SYSPRO's product line, its people, and its channel partners. SYSPRO's conservative customers like to think that because they are not as "rich" as their competitors, they must then be "smarter" in making their decisions (including their IT wherewithal) to be able to compete. On the other hand, one doesn't have to be a rocket scientist (err, Einstein) to be able to use SYSPRO ERP and remain competitive.

Winter 2012 Analyst Tour

Most recently, at the company's December 2012 winter roadshow, produced compellingly each year by **JRocket Marketing**, 32 analysts heard a series of announcements surrounding the company's soon-to-come (Q2 2013) Version 7 and mobile Espresso solution. Still injecting the fun that is often lacking in tired vendor briefings, SYSPRO U.S. management placed customized coffee mugs in front of each analyst showing Einstein enjoying espresso in a "before-and-after" view (proving, presumably that Einstein's memorable wild hair required an espresso shot to achieve the trademarked look, see Figure 2). All I know is that the cleverness worked, as no one left his/her Einstein mug behind (and, boy, how much vendor paraphernalia—backpacks, mugs, pens, USB drives, etc—have I left behind in hotel rooms). In addition, I've since seen numerous analyst reports on Espresso with considerable ink (i.e., **Aberdeen**, **Mint Jutras**, **ChainLink Research**, **New Florence**, etc.). See some of the recent influencer reports [here](#) and [here](#).

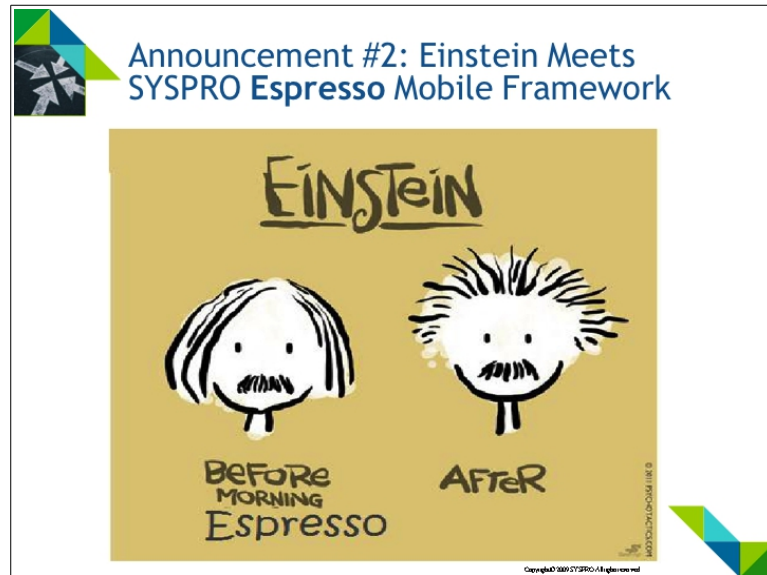


Figure 2

Given that both SYSPRO and **UNIT4** are JRocket Marketing’s clients and that have for years co-presented at these events side by side, it is worthwhile to note the differences between the two different buyer sets (**Agresso ERP** vs. **SYSPRO ERP**) as well as the corporate cultures that play to them. **UNIT4** is a pioneer/innovator (whether by accident or not), and the company doesn’t care much about what the rest of the market is doing. So **UNIT4** builds (or buys, i.e., **Coda** and its current workforce management products, and even does joint ventures, i.e., **FinancialForce.com** with **salesforce.com**) things to the beat of its own drummer. The drummer is “change,” i.e., post-implementation agility and change enablement in business life cycles. Enabling change threads through everything **UNIT4** does, and that is the way to compete with SAP, Oracle, and Microsoft Dynamics in the upper mid-market in several services industries. **UNIT4** sometimes must develop new game-changing features on its own, such as its upcoming social user interface (UI) and portable cloud (for more details, see [the report](#)).

On the other hand, SYSPRO is a vendor that plays it safe—surely, the company develops its own nifty gadgets and functionality, but it often waits for Microsoft’s products to get mature (i.e., **Azure**, **SharePoint**, **Windows 8**, etc.) and then it comes up with some great tools on top of it, often outdoing Microsoft (see [the post](#)). For example, Azure Cloud has finally matured and made it easier to integrate into **Microsoft SQL Server**. SYSPRO ERP has long been cloud ready, but the vendor will use the Azure vehicle at this time to have users get a look at **SYSPRO 7** by logging into an Azure account. The vendor could have just as easily used **Amazon EC2**, but decided to wait for Microsoft. Along similar lines, big data is also in SYSPRO’s roadmap, and my guess is that it is again waiting for Microsoft’s in-memory analytics technology to mature in SQL Server.

As mentioned earlier, SYSPRO's buyers are frugal SMB manufacturers with limited means. Needless to say, this group of buyers also has a zero appetite for trying bleeding-edge technologies (that in fact scare the heck out of them). Some of SYSPRO's top executives are basically software coders who tinker non-stop, are on Microsoft's pioneer council, and are always getting new "toys" early. They then personally play with new peek-preview technologies within their sandbox product line, and then pull out the real goodies that best serve their ultra-conservative buyer set by saving and/or making them money.

Good examples here are SYSPRO's customizing tools (which save customers a little fortune on avoiding an unneeded system integration and IT customization work), and the dual Lot/Serial traceability capabilities (most ERP systems excel at one or the other), which protect thin-margined manufacturers from immediately going out of business at a time of a major product recall. Or how about a vertical plastics manufacturing industry capability, where SYSPRO invented the capability to reuse scraps (offcuts) left by other jobs, which has earned the vendor a number of "green" awards, while achieving higher margins for customers?

System Tailoring Continuum

Without repeating a slew of reports on SYSPRO's upcoming SYSPRO 7 release and SYSPRO Espresso mobility platform and apps, the following is what has really impressed me. SYSPRO has always had really powerful user tools for product tailoring to individual user needs, dubbed **Power Tailoring**, as one of the six **Power Bundles** that the vendor had launched a few years back. **SYSPRO Quantum Architecture** (part of the current **SYSPRO 6.1** release, which was the vendor's most important release in five years and that had more than a thousand enhancements/upgrades), had many capabilities, but one of the most compelling indeed was **SYSPRO Process Modeling (SPM)**, see [the post](#).

The Quantum and SPM capabilities, once one gets past all of the corporate gobbledygook, basically puts customized deployments to each customer on steroids. Through this architectural prebuilt and highly customized template structure, companies can now not only rapidly deploy a software utilization environment that looks like they built the ERP system themselves, but they can also visually see the massive data/analytics/process infrastructure at a glance. This is something that most companies cannot do, as they have no idea as to the implications of the multitude of data/process touch points. Think of it like a personal annotated family "cookbook" of all the things critically important to you—set up in one easy-to-use and -understand framework.

SYSPRO 7 (currently in preview) expands on this capability by taking the powerful UI, born out of the Power Tailoring and SPM, into these two fronts:

1. Large-scale customization, i.e. to support new verticals, organizations, and whatnot
2. A rapid adoption framework for new users via a ribbon bar that is “self evident” (little training required, and if so, SYSPRO has embedded movie-stylized tutorials for users, see Figure 3)

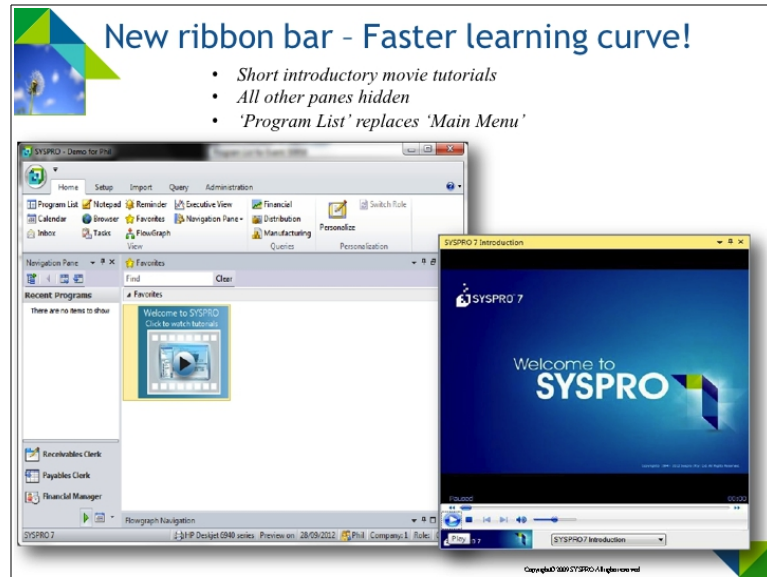


Figure 3

In a laymen’s view, there has been a succession of easy-to-use, highly tailorable (a “homemade-ERP-system” feeling) and “at-a-glance” master process views (see Figure 4). These capabilities let a small organization quickly get its arms around everything, find the areas of savings opportunities easily, and get up and running rapidly in a sophisticated framework that allows “freedom of expression” (if you will) for folks to tailor the system to their hearts content. SYSPRO’s upcoming Espresso mobile apps (HTML5 based and device agnostic) were also designed for this group of small-sized buyers who generally eschew gadgets. Again, it will be a handy, easy-to-use cost saver for this operating-on-razor-margins group of distressed smaller U.S. (and international) companies.

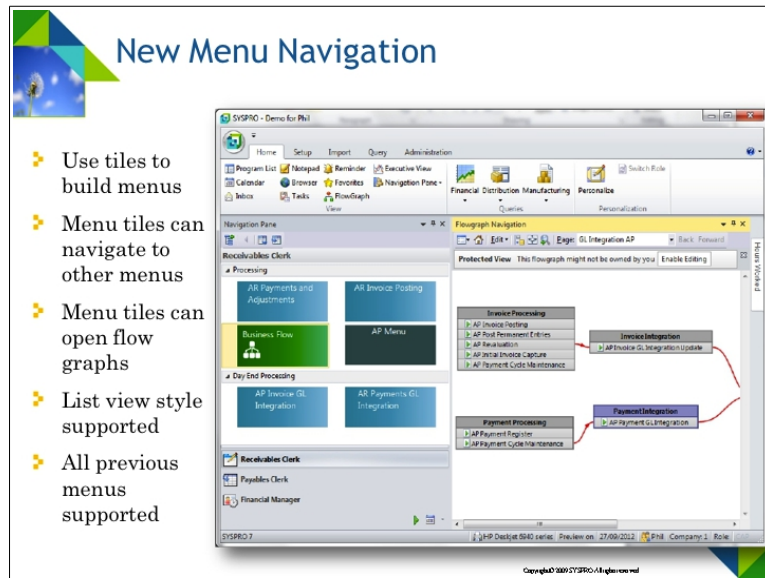


Figure 4

More of the Same in the Future?

SYSPRO’s offering is a high-class good for its target market, sold at a reasonable price point (thus delivering better value than most of its competitive offerings), and SYSPRO’s executives twist themselves into pretzels to please customers (hence the company wins innumerable awards each year). It’s a small wonder that the vendor has been holding its own in a lousy economic environment in manufacturing and distribution.

But while the aforementioned traits have been invariable for decades and known by its install base, SYSPRO’s marketing savvy of late is additionally helping its cause with prospective customers. Again, not many ERP market influencers and observers have heard of the vendor until a few years ago, when the company finally got its marketing act together first with the “pragmatic, yet visionary” value prop, and then moved into a comprehensive, easy-for-the-market-to-understand Einstein/SMARTER strategy that has thus far included a collection of catchy announcements. I look forward to SYSPRO 7 and Espresso’s general availability this year, and to the **Grape Escape 2013** event, which is tentatively themed “Reality vs. illusion—Finding the TRUTH in Enterprise Solutions.” Let’s see what Einstein’s kernel of wisdom and touch of genius will have in store for analysts.

Recommended Reading

[December 2012 Boston Analyst Roadshow Snapshot](#). January 10, 2013.

[Mid-market ERP Vendors Leveraging \(and Occasionally Outdoing\) Microsoft's](#)

["Plumbing" – Part 2](#). February 23, 2011.

[QAD Introduces Fully Embedded BPM in QAD Enterprise Applications](#). October 11, 2012.

[Surviving Amid "ERP Sharks" as a "Visionary Vendor for the Pragmatic User"](#)

[\(Part II\)](#). February 28, 2008.

[SYSPRO ERP Choice of Grato Holdings](#). January 18, 2013.

[SYSPRO ERP Version 6.1: A New Release for People Being Visionary and Pragmatic](#)

[—At the Same Time](#). March 4, 2010.

[UNIT4 Gearing Up for Game Changers in 2013](#). January 9, 2013.

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