The market of the Enterprise Resource Planning (ERP) is dominated by four strong players: SAP, Oracle, PeopleSoft and JD Edwards. They share the juicy pie of 50% of the big companies market.

The purchase of JD Edwards by PeopleSoft and the offer for acquiring PeopleSoft announced by Oracle are simply jostles in the race to catch up with SAP, the indisputable leader in this area.

The German giant has indisputably been on the podium for years thanks to a product that is more and more complete, which includes everything from financial resources management – that gave rise to ERP — to a sophisticated business intelligence system – assigned to extract corporate information for decision making.

All of this is of course without forgetting the management of human resources, the supply chain or the products lifetime. This is called an extended ERP, which allows SAP to attend to a diversified and constantly renewed portfolio. All in all, SAP has both share and functionality, two axes around which the ERP market pivots.

The importance of the volume is obvious. The more users of a corporative system there are, the more benefit can be gained from one’s own and foreign development, from the learning of users and the integration with others. In this way, the PeopleSoft and Oracle operations are trying to widen their client base, although it could end up being a single combined portfolio.

On the other hand, as offers are concentrating, the only difference between ERP vendors will be functionality. The trend to create giant multifunction systems – which include CRM, SGM… and a very long etcetera — has been understood by the providers, who buy those applications that they can’t develop on the market. Oracle’s movement also responds to this diagram: the database vendor wants to improve its facilities in human resources, an area where PeopleSoft holds a privileged position.

However, it has not been proved yet that ‘all in one’ is the best solution for management systems of companies. Although these macro systems get to simplify the implementations, they also reduce the level of characteristics of every application and limit flexibility. So, for example, the German organization capabilities that have put SAP at the top haven’t got a system of costumer relationship management (CRM) as powerful as North American Sibel has.

The truth is that extended ERPs have still a long way to go to compete on an equal basis with specialized applications. The real multifunctionality of these systems will arrive...
through standard technologies that allow applications designed from different points of view and even different makers to dialogue without problems.