



Open Source ERP is Ready Willing & Able

For many years Open Source ERP has been quietly maturing. With a large following from impartial sites like SourceForge.net and Open Source ERP Guru as well as the sites sponsored by Open Source ERP integrators and commercial Open Source companies, the information and collaboration is remarkable. The key to ERP is maturity and stability. While not all available Open Source ERPs are mature, many are and it is those that deserve a serious consideration.

The world of ERP has been dominated for years by the likes of SAP, Oracle, PeopleSoft and Baan. These ERP systems are broad and deep in functionality, but as we all know, are difficult to implement and often expensive to support. For the sake of argument we can say these are the 1,000-pound gorillas and are commonly known as Tier 1 ERP. Tier 1 software is meant typically for companies that have over \$200 million in

revenues with multi-location and country presence and these providers do a good job of meeting the majority of the functionality requirements across most industries. Then there are several Tiers of ERP that accommodate the needs of smaller companies and certain industry niches. They typically focus on user experience but have the same traits as the Tier 1 providers – closed systems built on proprietary development toolkits. That is not to say they cannot be integrated with other software, they can and are every day but it is more difficult and requires specialized functional and technical knowledge, all of which adds to the Total Cost of Ownership (TCO).

About 11 years ago an early adopter of Open Source technology within the ERP space began a journey. Who would have known what would spring from this start. Started by an ex-Oracle employee, Compiere ERP began a journey that included splits in the road that brought life to

other ERP Open Source projects such as OpenBravo and ADempiere. Then there is OFBiz an Apache project with a much different architecture but strong to those who desire the specific benefits. Each project or company has its own approach and focus, but all have a common theme - an open technology stack that is easily accessible and modifiable. While functionality is broad, typically, it is not as deep as Tier 1 ERP. Is that really important? It depends, but for thousands of companies world-wide, including SMBs and large Distributors, the answer is a resounding NO (it is not that important).

Why do we believe Open Source ERP Is Ready, Willing and Able?

Stability

First, let's focus on overall stability. For the most part, all of the Open Source ERP products mentioned above are stable. But stability comes in several flavors. Stability means that the project or company provides



a consistent product that works and a methodology and toolset that can support new functionality when it is released. Not all Open Source providers are able to pass this test and this is one of the most important factors in Open Source ERP evaluation.

Next focus would be on the stability of the technical tools the ERP is built on. All the software mentioned pass that test, but the approach may be different in how they have crafted their architecture.

Functionality

If you are one of the thousands of companies world-wide that distributes or manufactures products and services then there are stable and mature Open Source ERP products that meet your functionality needs. Generally speaking you will see all of the Open Source ERP provide the core Order to Cash, Supply Chain and Financial functionality in an integrated manner. Some, like Compiere, provide robust multi-national and orga-

nizational hierarchy structures that can support most organization's business requirements. However, it is important to mention that most products available do not dive deep into the pool of functionality such as true capacity planning for manufacturers.

Integrating with Other Software

As most Open Source ERPs are built on modern and mature Open Source architecture, the services they employ for integrating with other software is both open and flexible. Whether a company requires additional features and functionality to support Customer Relationship Management and E-Commerce or requires comprehensive reporting tools, there are robust Open Source options that can be easily, and cost-effectively, integrated with the chosen Open Source ERP, a utopian dream with most proprietary ERPs.

Adoption and Partner Programs

By definition, Open Source software is a community effort and in many cases free. Increasing Enterprise adoption of Open Source systems has created a niche for Commercial Open Source – Open Source software with the support levels and commitments that enterprises need, but at a fraction of the cost associated with proprietary tools. Open Source ERP also comes in several flavors from free to commercial subscription programs. The subscription programs are typically managed on behalf of the ERP provider by partners or VARs (Value Added Resellers). The VAR Guy (www.thevarguy.com) ranks Open Source software in general and several of the Open Source ERP products mentioned earlier in this article make the list for the second year. Compiere and OpenBravo both made the top 25 in a strong group of Open Source companies that includes RedHat, Alfresco and SugarCRM. The annual survey tracks Open Source compa-

nies based on a range of variables, including size, influence and growth of their partner programs. As for Adoption, look to the universe of people and companies that have downloaded software:

Commercial Versions Generally Payoff

To ensure peace-of-mind, we recommend the adoption of Commercial Open Source ERP (or Enterprise Edition), as opposed to the Community Edition (CE). For a nominal annual subscription, you would be entitled to the latest functionality, tested well before release and supported by the company or a representative partner. Adopting commercial Open Source ERP has yielded reduced TCO in excess of 90 percent - truly a compelling case for its adoption.

You get the Code

Open Source ERPs provide you access to the source code. We have all experienced situations where proprietary ERP companies have been acquired with the sole intention of killing competition or have filed for Chapter 11, leaving customers with no support or an upgrade path! Access to source code ensures that you are in control of your ERP system. Well, if that isn't an important differentiator we don't know what is.

In summary, Open Source ERP is ready for thousands of companies world-wide. We would recommend you do your homework and involve a partner that can help you identify, roll out and support the Open Source ERP that is the right fit for your organization.

Open Source ERP has come of age and is Ready, Willing and Able to meet your business needs. Are you?



About Author

Tom Rodgers is Director of ERP Sales and Services for CIGNEX