

A Special Report from TechVentive

Cost of Change – A Superior Alternative to TCO

Agresso – Even More Wins – Displacing the Big Boys

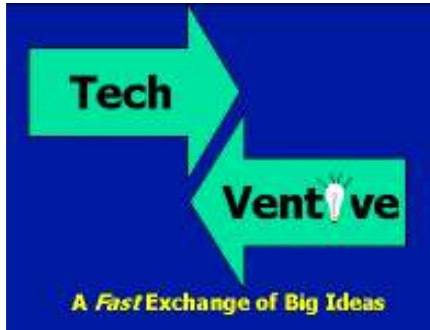
Last Friday, Agresso conducted a research analyst call regarding a number of recent wins they have made in the North American ERP software market. Highlights of the call included a brief talk from Ray Wang of Forrester and a discussion from George Lawton, VP of Vector Aerospace.

Mr. Lawton's firm evaluated ERP solutions from 80 vendors. From the initial long-list of 80 vendors, Vector reduced the list to 12 vendors and then eventually to four. The four finalists were SAP, Microsoft, Sage and Agresso.

Mr. Lawton made a key point in that their selection did not focus on TCO (total cost of ownership) but rather on the cost of change (COC). Vendors, he explained are quick to point out how low their TCO is when all they discuss are patches, upgrades and other vendor driven maintenance costs. However, when a business needs to modify its software installation (e.g., due to the acquisition of new business entity, a material change to the code block, etc.), then TCO is no longer relevant. Instead, George found a significant cost of change difference between the vendors. COC as it turns out is a far superior measure of an ERP solution's true cost of ownership than TCO.

COC fits well with Agresso's BLINC message (businesses living in change) and they should continue to exploit this every opportunity they get. But more importantly, more ERP software buyers should follow Vector's lead and make this a key software purchasing requirement.

About TechVentive



TechVentive, Inc. was founded in 2001 to provide strategic guidance and content on the technology sector. Some of TechVentive's recent clients included Progress Software, Intel, SAP, Primavera Systems, Workday and many more leaders in the technology sector.

TechVentive has published a number of thought leadership pieces on the BPO, project management and professional services sectors. This paper is another example of relevant expertise in the space where technology, people and business intersect. Guidance, a newsletter for technology CEOs, is another TechVentive publication.

About the Author

Brian Sommer is the CEO of TechVentive, Inc., and a fellow with Azul Partners, a market-strategy and content firm. Brian closely follows what C-level executives think, feel and need. Brian also publishes two blogs, one on the application software market (www.softwaresafari.typepad.com) and one on the professional services space: (www.servicessafari.blogs.com). He welcomes your thoughts and invites you to contact him at brian@techventive.com.

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