

Battle Card

SAP Business One

Use this document when selling Standard ERP against SAP Business One

Summary

About SAP Business One

- formerly known as TopManage, sold exclusively in Israel
- bought by SAP for USD 8m in 2002
- positioned as standard accounting and lower mid-level ERP solution
- distribution and light manufacturing focussed
- target market: 5 to 100 employees (average size: 5-10 Users)
- number of partners worldwide: unknown
- number of customers worldwide: 20,000 (2008)
- Software cost: €1500-2500 per full user, around €500 for limited user such as CRM (2015)
- Annual Cost: 14-17% for maintenance to SAP, additional cost per partner for remote support (average: 22%). Minimum package is for 2 users; €5000
- Services costs: at approximately 1,000 EUR p/hour, SAP Business One averages a ratio of services to software cost of approximately 1.5:1. Note that cost quoted to customer is often significantly lower, and then the complexity of the implementation gradually pushes costs to this figure or above.
- Additional costs for MS Server license, Partner Verticals, BI and other tools
- 80% of sales are indirect with partners providing implementation, customisations and Support.

Section A: Hardware and Platform

1. Simplicity

Standard ERP runs on a single server, although it is possible to set up a separate gateway for mail.

SAP Business One requires many servers and a level of setup and IT expertise in a different league from that required by Standard ERP. None of this complexity offers ANY tangible customer benefit.

Hardware requirements for SAP Business One's few larger installations

- server for MS SQL
- server for terminal services (for hosting, or if you don't want to install each client separately), which needs lots of memory
- server for Exchange
- server for Sharepoint
- server for Active Directory

Software requirements:

- Windows Server for Exchange
- Windows Server for Sharepoint
- Windows Server for Active Directory
- MS SQL Server

If you want better control of your hardware, given all this complexity, you also add VMWare into the mix.

If you want high availability, you need a second server for each component - and therefore you need clustering, and the Enterprise version of Microsoft licenses.

Standard deployments might get away with MS Small Business Server, and SQL Server Express, although this does not include Sharepoint, and lacks scalability. This is not an option for multiple locations.

2. Mixed Platform

Standard ERP runs on Unix/Linux/Mac/Windows servers, Windows/Mac/Linux/Windows CE/Symbian/iOS, Android and browser clients. This ensures the customer's freedom of choice. Also the ability to have any mix of these platforms protects the customer's existing investment in hardware, allowing them to change at their own pace.

SAP Business One only runs on Windows Server, Windows Clients. Linux server is offered in the south-east Asia market only (although this might change).

3. Choice of databases

Standard ERP offers a proprietary database, MS SQL or Oracle, giving the customer a better choice - as these databases are much more widely used and known.

SAP Business One offers MS SQL, and the not widely used DB2 and Sybase databases.

4. Security, disaster recovery

Standard ERP's access rights are extremely simple to set up and maintain. Proprietary encryption and database technologies ensure few hacker attempts and zero success rates. Journalling allows zero data loss in disaster situations, and extremely rapid restoring is supported.

Security in SAP Business One is extremely complex and expensive to set up, and as a result leaves a significant risk of leaving security holes. Popularity of MS SQL Server means that hackers are familiar with the likely holes, increasing the likelihood of security problems if the installation is not of the highest quality.

5. 24x7 uptime

Standard ERP has scripted backups and journalling to allow the server to remain up for 24x7. For example international companies in multiple time zones do not need to lose processing time for backups, and yet remain on a single, integrated solution.

SAP Business One has no such feature.

Section B: Network and Architecture

6. Hosting

Standard ERP supports hosted servers, removing the need for expensive IT staff at customer sites to look after server implementations. Space on virtual servers can be rented from Amazon.com, with simple setup, and managed services available from HansaWorld and its dealers. Generally a single instance is required, in common with HansaWorld's single database strategy, with additional space for storage of backups. Auto-deployment of client updates and customisation files keeps the entire strategy simple. Managed services required for this option are minimal - limited broadly to keeping and checking of backups, management and assistance with testing of updates, and emergency recovery. Costs are low.

SAP Business One requires four separate servers if the customer himself publishes the IP, otherwise five. Setup is extremely complex, and leaves significant risk of security holes, overcomplexity of user profiles, and significant challenges for users to print locally. As a result it is also extremely complex to support, and user experience of hosting tends to be very poor. Costs are at least 50% higher than Standard ERP, ignoring the very high costs of associated services. Hosting of SAP Business One is offered through partners while HansaWorld are in direct control of hosting for Standard ERP.

7. Auto-deployed clients

Standard ERP offers the possibility to put the latest client version on the server at the same time as updating to the server, and then control the automatic deployment of client versions when a user logs on to the Standard ERP server with a lower version of the software. This is only practical given how efficient Standard ERP's code is, making it small enough to deploy simply.

SAP Business One has a fat client architecture, requiring a complete reinstallation on local devices with each new version, and no possibility to deploy any automation in this area.

8. Wide-Area Networking

Standard ERP uses on average less than 1k for each network instruction, resulting in out-of-the-box support for usage from home and mobile devices. In countries with slow internet, Standard ERP is still the only viable option for real-time log-in from remote locations.

SAP Business One has no possibility to run on slow-speed networks. If multi-location or mobile use is required, the customer needs to buy bandwidth (leased lines), multiple servers for terminal services (4 minimum, possibly 5), expensive setup and requires ongoing IT support to keep this running.

9. Speed of installation

A Standard ERP server takes five to ten minutes to install, and each client takes two minutes.

SAP Business One server takes about a day, and each client takes approximately half an hour. As a result, customers and dealers are wary about upgrading.

Section C: Mobile

10. Mobile Usage

Standard ERP offers greatly improved employee productivity through the ability to log on from customer sites, sales locations, suppliers, while mobile, or from home. Our ready-to-deliver mobile technology and ERP functions can not be matched by any of our competitors. More than 3,000 ERP screens on mobile devices, more than 1,000,000 million lines of ERP code and more than 400 standard reports are ready to be used on a wide variety of mobile devices.

SAP Business One only offers limited role based applications, most of which developed by partners.

If SAP partners concentrating on SAP Business One attempt to deliver anything similar to Standard ERP, they have to write their own application on the mobile device, and use expensive and complex messaging applications to share data between the mobile device and the SAP Business One MS SQL Server. No SAP Business One partners have successfully delivered this type of application, and so the customer faces significant risks when this is offered.

11. Choice of mobile devices

HansaWorld supports a range of mobile devices as standard, including Windows CE and Mobile 5 and 6 PDAs, Nokia Smartphones (running Symbian 60 and 80), iOS and Android. Given HansaWorld's experience in this area, and the flexibility of the HAL toolset, we can put Standard ERP on new devices with minimal effort.

Any third-party application for SAP written for a mobile device will ONLY run on that device; as soon as that device is withdrawn from the market, the third-party application needs significant re-engineering to run on any new device, thereby significantly raising the cost of ownership and the risks of working with third-party developers.

SAP Business One specifically suffers from having a very slow toolset for interfacing to other applications, and so would not offer a practicable solution in most cases.

12. SmartApps

Standard ERP offers the possibility to deploy customised applications on mobile devices in a matter of hours - including handling of rich media, and synchronisation.

SAP Business One has no such features.

13. Synchronised application code

HansaWorld's SmartApps engine offers the possibility to deploy customisations when the user selects to synchronise their mobile device with the server - which can be done even when the user is at a remote location, provided there is a phone signal. If the customer is likely to make changes to fields required, or other interactions on the local device, during the implementation, this is a major time-saver.

SAP Business One has no possibility to be run on mobile devices.

If you make changes to third-party applications written for mobile devices, this requires the user to return the device to a central location, where the original application will be de-installed and the new version installed.

Section D: Integrated CRM

14. Truly-integrated CRM

Standard ERP offers CRM tools within the same application as the financial and all other data. These tools are available to all areas of the software, not just customers, and so our customers automatically get Supplier Relationship Management, and management of all activities with all people. CRM tools like mailshotting can be applied as standard to all data - for example, it takes less than a minute to prepare an email campaign to all customers who have bought a specific product in a given time range (for product upgrades/cross-selling opportunities/product recalls). These tools are fully integrated with Standard ERP's analysis capabilities - for example allowing emailshots to be easily targeted just to end users, or dealers, or to customers in specific industries or of given size criteria. For follow-up purposes, Dashboards and BI is available in the same software.

SAP Business One has some components of CRM as standard, but is heavily reliant on MS Outlook. Users have complained that the interaction of SAP Business One with Outlook is slow and difficult to use. For Dashboards and BI, Integration with SAP Crystal Reports is required. Graphical pipeline / opportunity management feature is one of the most demo friendly CRM functions in SAP Business One.

15. Group Calendar

Multi Person/Group calendar allowing real time viewing of all calendars and updating or adding activities to multiple person calendars. Technicians, management or staff that are not office bound can access the calendar anywhere real time without going through synchronisation routines and possible double bookings.

SAP Business One has no such feature. SAP Business One's diary function is single user rather than multi-person.

16. Resource Planning

Standard ERP's Resource Planning enables graphical scheduling of tasks by:

- people and teams of people (professional services)
- people filtered by project (professional services)
- machine (production, for finite capacity planning)
- asset (facilities management, maintenance)
- rental assets
- rooms (hotels, training companies)

SAP Business One has no such feature.

17. Integrated email

Standard ERP offers an email server and client, which as a result means that mail and other records are automatically integrated. You can drag and drop records onto internal mails, files onto any mails, and see the email history from a customer dashboard.

SAP Business One is heavily reliant on MS Outlook, and customers complain about this. <http://www.strategypartners.com/B1Paper10r.pdf> [about Outlook integration] "Demonstrations look nice, but customers still complain about speed and the level of calendar integration."

18. Conferences

Standard ERP's Conferences feature allows complete knowledge management, particularly in conjunction with the paper-clip feature. Any data you want to share around the company can be stored into Conferences, and then readily found by users (using multi-Conference Search features) and used (including drag and drop to email and other records).

SAP Business One has no such feature.

19. Interactive Telephony

Standard ERP allows outbound calls from any device that supports calling - computers with microphone and speaker support, Smartphones and iPhones. The Business Communicator feature allows calling from any customer or supplier facing record. Also Intelligent Routing allows the user to set up rules to instruct how calls should be routed, based on data in the ERP system. For example, sales can be routed to the allocated salesperson except for those customers with invoices overdue for more than 60 days, who might be routed to the accounts department.

SAP Business One has no such feature.

20. Alerts / Alarms

Standard ERP offers built-in Alarms so you can choose what to be reminded of, and by what method - pop-up window, text message or email. Also it has full "workflow" in the form of customisable Business Alerts, whereby the system can trigger alerts such as pop-up windows, text messages or emails on the occurrence of specified events.

SAP Business One does not offer any workflow as standard. If you apply external tools to achieve this, such as Sharepoint, this is expensive and time-consuming to create, expensive to maintain and less functional.

Section E: Integrated Verticals

21. Integrated Verticals

Standard ERP has standard modules for:

- Point of Sales
- Fixed Assets
- Warehouse Management
- Job Costing
- Expenses
- Hotel
- Restaurant
- Resort
- Rental
- Course Booking
- Loans/Credit Management
- Customs
- Jewellery
- Cheque Management (for South America)

SAP Business One has no own verticals. Partners have developed verticals for Retail, Professional services, Software for media companies, Manufacturing, Health-care industry and others.

22. Varieties

Standard ERP has full handling of varieties, that allows size/colour/unit and other variations to be handled without the requirement to create separate items. This offers much stronger handling of clothing retail and distribution.

SAP Business One has no such feature.

Section F: International and Multi-company Implementations

23. Local language screens and localisations

Standard ERP is translated into 30 languages, and extensively localised and actively used in around 120 countries.

SAP Business One is also translated into many languages, and localised for 41 countries. SAP was in a hurry to localise Top Manage for many markets, and therefore the strength of local features is generally seen as weak. No localisations for Baltics, South America (except Brazil, Argentina), Africa (except SAF), Middle East, South East Asia.

24. Multi-language documents

Standard ERP single language versions can produce output documents such as invoices in customer/supplier languages with minimal setup by the user, thereafter automated to produce the correct language on printing the document. Language tables ensure that data is displayed in the appropriate language for the form.

In SAP Business One all output documents require programming, and so multi-language stationery can be set up, but this is not standard and so expensive to achieve. Since partners tend to have skills only for one country, creating programmed forms in multiple languages is very difficult to achieve.

There are no language tables for key fields, and so data appears in local language whatever the language of the form.

25. Multi-language screens and data

Standard ERP has mixed language versions, whereby international managers using screens and reports in one language can review local language data entered by staff using different language screens. All of this is managed from a single application and single data-file.

For SAP Business One, different executable files are required for each language, making it difficult to set up a truly multi-language implementation (quite aside from the fact that some languages cannot be mixed at all). There are no language tables where the user can set how data in one language will show up in reports in another. For earlier version of SAP Business One, SAP had 3 different language / character set up available and those couldn't be mixed in same environments. Anyway, latest versions of SAP Business One runs different characters in same installation if needed. (As Standard ERP)

26. Multi-currency

In Standard ERP, transactions can be entered in any currency. Receipts and payments can be processed in currencies other than the invoiced currency, and Standard ERP handles the exchange gains/losses automatically. Batch routines exist to post unrealised gains and losses at month end.

You cannot mix currencies in SAP Business One transactions. [unrealised gains/losses?]

27. Dual Base currency

In Standard ERP, transactions can be entered in any currency, and are then stored in up to three currencies (currency of transaction, home currency, and group reporting currency), therefore supporting consolidation using actual transaction rates.

For SAP Business One, reporting in two currencies is achieved through a reporting algorithm, meaning that transactions are stored only in transaction currencies and local currency, and month-end reports can be built from transaction details by reading against the exchange rate table (therefore not allowing transaction rates, and making reporting slow in this area). [check if even this is true]

28. Real-time consolidation

Standard ERP has a standard Consolidation module, allowing real-time group reporting.

SAP Business One has no such feature. Consolidations must be performed outside of SAP Business One.

29. Automatic upload of exchange rates

In some countries, Standard ERP offers a monthly service (deployed as Software as a Service) whereby exchange rates can be picked up automatically from central banks - removing data entry in this area, and the possibility of mistakes which require expensive resources to fix.

SAP Business One has no such feature.

30. Shared registers

In a multi-company installation, each register is held separately in each company, so for example a five company installation would have five separate Contact registers. Standard ERP offers the possibility to share the Contact register either across all companies, or just a selection of those five - and as a result a Contact whose details need to be in all five companies will appear there with a single entry.

SAP Business One has no such feature.

31. International implementations

HansaWorld is a sufficiently small company, with personal contact with all resellers, that it is possible to have a single project manager for any international implementation, and genuine interaction between all members of the team.

SAP offers no such possibility; there will be multiple resellers involved, all competitive, with no central control.

Section G: Analysis and Reporting

32. Analysis

Standard ERP offers up to 15 levels of analysis on financial transactions (Objects), and 30 levels on static data (customer and item classifications).

SAP Business One has one level of analysis.

33. Integrated Business Intelligence

Standard ERP offers Business Intelligence from within the application, launched directly from KPIs. Pre-existing BI templates ensure that deployment is immediate.

SAP Business One has no inline possibility, no standard partnerships with BI providers, and no pre-existing templates for BI. As a result there are hundreds of hours required to produce BI. Also the lower level of analysis within the product makes the end result of BI dramatically less effective than Standard ERP.

34. Real-time reporting

All of Standard ERP's reporting is available real-time, right through to consolidated reports and business intelligence. Parallel reporting ensures this doesn't impact scalability.

SAP Business One has no consolidated reports, and no real-time business intelligence options.

Section H: Customisation

35. Customisation

Standard ERP offers, in addition, the possibility to add fields, graphical buttons, whole modules, and event-driven logic.

SAP Business One has the possibility for users to change field names, and a programming language required for setting up output forms, and for reporting.

<http://www.strategypartners.com/B1Paper10r.pdf>

"this strategy has severe limitations. It limits the room for creativity for partners, and it has been found to be painfully slow. The Business One SDK is not a suitable vehicle for integrating throughput and data intensive solutions. Projects where this was attempted, including the Intersport Retail project, failed."

"... we fail to understand why SAP has settled for a mediocre extension concept for a product that is in bitter need of it."

36. Availability of source code

All of Standard ERP's application logic is in HAL (Hansa Application Language), the customisation engine. HansaWorld makes all HAL Source Code available to anyone who has successfully taken a training on HAL - making it simple to tweak existing code, and to create new functionality that looks similar to any existing code.

SAP Business One does not offer this.

Section I: Internet Services

37. Internet Services

Standard ERP has the technology to offer third-party services on a Software as a Service model, with subscription pricing, no software installed at customer site, no upgrade issues, and the ability to switch the service on and off at a moment's notice.

In different countries, these include:

- credit checking, providing a full credit report on the prospect/customer
- invoicing
- postcode/address validation
- eBanking
- SMS handling
- credit card processing
- exchange rate pickup from central banks
- mapping
- interaction with shipping companies (e.g. Fedex)

SAP Business One has no internet services. All third-party services have to be connected using expensive interfacing written specifically for each customer and deployed separately at each site. Upgrades will be consequently much more complex and expensive.

Section J: e-Commerce

38. Webshop and web engine

Standard ERP offers a fully-configurable, style-sheet driven webshop that allows users to manage content, without technical skills in areas such as HTML. It is delivered as part of a complete web engine that is part of the ERP system, not a separate application requiring interfacing - and so users can interact with any web pages. For example, suppliers can be emailed URLs with each Purchase Order, that take them back to the Purchase Order record to allow the supplier to enter the expected delivery date. This gives the possibility of offering direct access to external partners from a web portal to place orders, track the status of the order, follow up on serial check stock levels for Items, subassemblies and components.

SAP Business One is normally interfaced with ePages, which is a SAP Webshop partner.

Section K: Other Features

39. Pictures on Items

Standard ERP allows pictures to be displayed directly on Item records, and provides Coverflow as a means of selecting Items by picture.

SAP Business One has no such feature.

40. Pictures on Forms

Standard ERP allows pictures stored against Items to be printed on Forms such as Quotations, Orders and Invoices.

SAP Business One has no such feature.

Section L: Vendor Offerings

41. e-Learning

Standard ERP offers context-sensitive web movies to explain how to use functionality - not just searchable online manuals.

SAP Business One has no such feature but offers Youtube videos, created by partners.

42. AppStore

HansaWorld offers a store with dealer and in-house customised code offerings, supported by eLearning to show the functionality, customer feedback in the form of ratings, and options for purchase of source code as well as just the functionality.

SAP Business One has no such feature.

General Points

1. Ease of use

Standard ERP was written originally for very small companies, and then code has gradually been added to fulfill the more complex requirements of larger companies. Ease of use stems from:

- rigorous application of consistent design standards
- refusal to add features into standard that would overcomplicate
- clean interface driven particularly from programming on the Mac platform and adherence's to Apple's Aqua guidelines
- continuing support for smaller, simpler users in the same code base as the larger systems
- tools such as drag and drop (of records and files) and gesture support on Macs
- complete commitment to simple tools to promote efficiencies, such as error correction with full audit trail on the face of journals (with option for clean audit trails or with corrections)
- simple technology to support drilldown to source records, on from there to any related data in any direction
- very strong searching throughout the software.

Although TopManage also started by selling to smaller companies, the design of SAP Business One is based on adding features whether or not these are of general interest - since SAP had to add a significant number of features quickly to cover the gaps in the Israeli product.

SAP Business One has no drag and drop, and no simple error correction (aside from reversing the offending entry and re-entering it, leaving no option for clean management reports). [drilldown?]

2. Future Safety

HansaWorld is independently owned, and investing around 35% of turnover in product development. It has retained a significant lead on its competitors in releasing new technologies, and the strategy of not relying on third parties is a key component in continuing to deliver in this area. The Group Managing Director, Karl Bohlin, remains the visionary behind the product, and drives the adherence to strict architectural and design guidelines that ensure HansaWorld continues to outperform.

SAP is experiencing significant fall-out as a result of the mismatch between:

- the target market of lower mid-range customers, who want simple to implement software nonetheless with rich functionality
- the complexity of installation
- the shortage of functionality.

As a result, there are a high number of failed SAP Business One installations. There is a significant risk that the damage to the SAP brand is of a higher value than the total SAP Business One profits, and therefore SAP will be forced to withdraw SAP Business One.

SAP withdrew SAP Business One from the Nordic markets in [2005].
<http://www.strategypartners.com/B1Paper10r.pdf>

"To date, SAP has not been able to sell Business One as often as it had planned... Large Business One partners like T-Systems, Steeb (a fully owned subsidiary of SAP), and RedIT in Switzerland stopped the Business One service hub... Given the developmental character of Business One and its architectural limitations, it does not seem likely that customers or partners can exploit a stable utilization and amortization period of seven years. When engaging on Business One, it rather appears to be advisable to allow for contingencies covering early depreciation.... SAP's infrastructure is too expensive for a low-price product like Business One... SAP is trying its best to reduce costs. Transferring product development to low-cost countries is part of the equation... Looking at the numbers we have, we cannot see how SAP makes money with Business One. SAP has tried many times to scale R/3 down. All attempts to mask the complexity and the resource requirements were unsuccessful.

In its despair, SAP finally resorted to a product that architecturally was in straight violation of its previously expressed convictions... SAP may very well fix a good many of Business One's problems, albeit at high costs and further pushing out a break even point for its investment. Areas that cannot be fixed easily are the architecture, the incompatibility with its other products, and the economics. ... We would not be surprised to see SAP taking some radical steps two years from now; if and when SAP has proven that it can scale down a reworked All-in-One and comply with its own architectural master plan."

3. Satisfied customers

HansaWorld has a satisfied customer base of over 500.000 companies worldwide. Most of our customers stay with our software for more than 5 years. Our company intention is to build long profitable relationships with our customers. We do not actively market and advertise and have managed to get most of our customers through word of mouth as a result of satisfied reference customers.

Satisfaction with SAP Business One is below average, with implementations generally failing through overcomplication, insufficient skills in the reseller, or inadequate detailed functionality.

4. Tomorrow's technology

HansaWorld is determined to maintain its lead in supplying leading-edge technologies that deliver true customer benefit. Recent examples include Telephony, VOIP, Internet Services and Mobile Devices.

SAP struggles to put new technologies into SAP Business One, as can be seen by the number of technical areas listed above for which SAP Business One has no option. This is the result of the loss of the original product designers, and the slow speed of development that is a result of design by committee and large company ownership.

5. Feature depth

Standard ERP has the benefit of more than 25 years of constant development, from a company that has reinvested the maximum it dares into research and development rather than generating significant returns for shareholders. As a result, it has a depth of functionality in each area delivered that is significant richer than other products.

There are continuing complaints that SAP Business One is an immature product, as a result of its humble beginnings in Israel. Many of these complaints centre around lack of in-depth functionality, particularly in newer areas added such as manufacturing.