

Enterprise Resource Planning
Trends
& Hot Jobs

A White Paper for
Buyers of Consulting
& Contract Services

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Introduction

Enterprise Resource Planning (ERP) systems integrate organizational data and processes into a single, unified technology. A typical ERP system uses multiple components of computer software and hardware to achieve the integration. One key ingredient of most ERP systems is the use of a single, unified database to store data for the various system modules. ERP systems typically attempt to cover all basic functions of an organization. The introduction of an ERP system to replace two or more independent applications eliminates the need for interfaces previously required between systems and provides additional benefits that range from standardization and lower maintenance to easier and/or greater reporting capabilities.

Major ERP Software Providers

BIG BUSINESS PROVIDERS

- *SAP* – leaders in manufacturing & supply chain management
- *Oracle eBusiness* – leaders in services, public sector, banking and finance
- *PeopleSoft (Oracle)* – leaders in HR
- *Siebel (Oracle)* – leaders in CRM

MIDDLE MARKET PROVIDERS

- *JD Edwards (Oracle)* – leaders in manufacturing
- *Lawson* – leaders in financial, HR

SMALL BUSINESS PROVIDERS

- *Sage*
- *Microsoft Great Plains*

Trends

Some companies are still going through ERP acquisition, implementation or upgrade activities even as early adopters prepare for Services Oriented Architecture (SOA) and its new set of web-based, web-enabled and web-developed programs or applets. The next wave of hot jobs centers on people who have the technical skills to support SOA, and the business, analytical and design skills to build around SOA.

There is still a significant amount of work in portals and Employees Self Service (ESS) and Manager Self Service (MSS) environments right now. Because these products have matured to the point where those application providers offer these options as part of their standard product sale, companies are using upgrade opportunities to take advantage of portals from an HR and payroll standpoint.

Skills In Demand

Market demand continues to call for highly technical skills surrounding integration, portals, web development, HTML, XML and directory security.

Technology skills that will be required to run the applications, install, secure, publish, subscribe and connect applications or applets are not yet prevalent in today's organizations, nor are they readily available through consulting services.

Skills In Demand (cont.)

As with all emerging technologies, the talent specific to an application is initially in short supply and high demand. The demand creates a high premium for talent. We are entering a version of that scenario with SOA technologies. One example is Duet, a venture between SAP and Microsoft.

For companies to acquire this kind of specialized talent, they will have to grow that talent organically from within the organization as they build their systems, hire consultants or outsource the process.

The number of security specialists and standard program managers within a given organization must also expand to handle the open nature of these applications, which span across an entire enterprise. With the increased application openness of Internet-based systems, security will become a primary concern. Understanding the capabilities of security, how to apply it and how people can break it are paramount to the success of an enterprise. There is systems-level security regarding business roles, rights and privileges. At the integration level there are issues dealing with middleware security, publication and subscription rights.

A good indicator of the future demand for security related talent and services can be seen with some of the recent merger and acquisition activity on the market. IBM recently purchased ISS (Internet Security Systems) for \$1.3 Billion. This was IBM's 5th largest acquisition in its history. Additionally EMC recently purchased RSA Security for \$2.1 billion and Symantec for \$13.5 billion.

Then there is business-level security concerned with the data component. Wherever data is shared or stored in places that do not belong to the enterprise, there are higher risks. With these risks comes a greater demand for people experienced in risk factor analysis.

Post-implementation support for large enterprise applications is another job-growth area. In acquisition, implementation struggles can occur because the organizational infrastructure to support the applications may not have been dealt with effectively. What you have is a complicated enterprise application that takes a lot of support and maintenance due to the on-going changes involved. Many companies do not have the infrastructure to provide that level of support and are struggling with this every day. Here system administrator roles, both technical and functional, will grow. Look for those who are technically skilled in the integration tool and possess the ability to address problems and debugging.

Functional Skills For IT Professionals

As stated previously, business analytic skills at the enterprise level are going to be tricky to find and in demand as a result of these trends. These analytic skills will go hand-in-hand with advanced technology skills. The ideal ERP professional will have a broad understanding across the enterprise, and how business spans the different departments that used to be silos of activity. They will combine business integration, business strategy and basic management skills with an understanding of what works in a given industry and the technology to tie it all together.

Functional Skills For IT Professionals (cont.)

This is a new definition for integration. Not the technical middleware-type products people often think of, but the cross-over between applications and how the workflow is handled between those applications. Also how the workflow crosses over to the functional side regardless of the business application. It is a marriage of the business and the technical.

Logical Data Modelers and Business Process Modelers will become intertwined in their common need to understand the logical concepts of data and the logical processing of business. These professionals will look at a business process; understand what logical entities need to be created and what classes these logical entities fit into. They will be able to recognize within an organization or within a specific industry certain types of data that always relate to each other in certain ways. This is the key to moving between Business Process Engineering (BRE) and ERP.

Future Market Conditions

The future lies in the service subscription type of applications. Many of these services have not been built yet. The changes will appear soon on the market.

This is because the end-users are driving changes in technology. Users' organizations are facing de-support dates for their existing ERP applications and are not interested in expensive version upgrades.

Customers are demanding alternative solutions to maintenance agreement mandated upgrades, and the big vendors are planning major technology overhauls. The year 2007 will be a milestone in terms of changing products. SAP will require corporations to license new software. Oracle is stating that customers will not be required to license new software, however there is likely to be something that will cost more.

When SAP and/or Oracle de-support their applications at a certain version, people are going to go look for a third-party support solutions. There is an impression that if they stay with the software vendor, there will be a higher price than going out of maintenance and seeking third party service provider support.

Recently SAP bought an Oracle services provider, *Tomorrow Now*, to provide third-party Oracle technical support. And Oracle has announced that they are forming a group that will provide SAP third-party post-implementation support.

Users want options for technical support, regulatory compliance changes, tax table maintenance and other issues. They don't want to stay in lock step with the software vendors' prescribed upgrade cycles. As a result, we may see more organizations go "off-maintenance," more so than in the past.

As we move toward an SOA like structure with ERP systems, we find that companies need an ERP support group that encompasses the wide-angle focus of an enterprise-wide solution.

Hot Jobs

1. Functional ERP Portal (ESS, MSS)
2. Technical ERP Portal (ESS, MSS)
3. Integration and Middleware
4. Web Developers (Java, .NET)
5. Functional Security (Security Directories & Management)
6. Technical Security (Systems Administrators)
7. Logical Data Modelers
8. Business Process Modelers
9. Database Administrators
10. Project Mangers

About Yoh

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