

Visiprise on SAP Brings Benefits But Needs a Clear Message

Andrew Hughes

SAP's move to partner with Visiprise in offering a manufacturing execution system will help to clarify SAP's product positioning. A consistent message is needed to make things easier for SAP customers.

Event

On 13 June 2007, SAP and Visiprise announced that SAP will sell Visiprise's manufacturing execution system (MES) as an SAP product for complex discrete manufacturers. The new product, known as SAP Manufacturing Execution by Visiprise, is available now.

Analysis

SAP's decision to sell Visiprise's MES as an integral part of its discrete manufacturing solution is an example of the gradual change that has occurred in the MES market. MESs have evolved from a tactical plant floor solution to a key strategic part of the enterprise architecture. SAP's inclusion of a best-of-breed MES solution in its price list will make it easier for discrete manufacturers to understand the SAP offerings for the plant floor and to decide on a suitable architecture.

Until now, there has been some confusion about the use of SAP's xApp Manufacturing Intelligence and Integration (xMII) as an MES solution and SAP's industry value network partnerships with many different MES software vendors. Inconsistent messages from different parts of SAP's marketing and sales departments have not always delivered clarity. We expect that, at least for discrete manufacturers, the primary offering made by SAP's sales force will be SAP Manufacturing Execution by Visiprise. This will be augmented by the manufacturing intelligence (MI) capabilities of xMII and the use of xMII as the integration platform with standard functionality built in for business process integration. This architecture may be seen as a little bit of overkill in comparison with vendors that include MI in their MES solutions but will add integration flexibility as well as a best-of-breed MI across multiple plants. The SAP sales force will need to convince customers that the xMII layer will add real business value to the overall architecture. However, SAP's credibility on the shop floor has been enhanced considerably by its recognition that a plant-floor-centric data model built within the MES layer is key to the success of complex manufacturing operations.

The inclusion of a real MES solution within SAP's standard offerings will strengthen the company's competitive positioning relative to the other big players in the MES market — most notably, the control systems companies, such as Siemens and Rockwell Automation, and other ERP vendors such as Oracle. To succeed, SAP must win the competition with the control companies over the plant floor layer, which will increase SAP's "wallet share" within its customer base. SAP's efforts to increase mid-market ERP sales will be helped by a complete vertically integrated solution that recognizes the importance of plant-floor solutions for smaller complex manufacturers.

Recommendations

- **Discrete manufacturers that are SAP customers:** If you intend to build a standardized manufacturing operations layer, include SAP Manufacturing Execution by Visiprise on your shortlist.
- **Discrete manufacturers that are considering an ERP selection:** Evaluate the SAP solution in relation to your intended system architecture. Smaller manufacturers might find the three-layer solution including xMII overkill, but it is worth considering for multiplant operations.

- **All discrete manufacturers:** Evaluate Visiprise as one of the well-respected MES offerings in aerospace and defence, industrial machinery, automotive and other industries.

RECOMMENDED READING

- "Not All MES Suppliers Are Appropriate for Every Manufacturer" — Enterprises selecting a MES vendor must be aware that manufacturing is too broad for all MES vendors to be appropriate for every segment of this industry. **By Andrew Hughes**
- "MarketScope for MES Software, 2006" — MES vendor viability has progressed, but as the market polarizes to control system and ERP, small independent vendors will survive only by focusing on vertical markets. **By Andrew Hughes and Kenneth Brant**

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