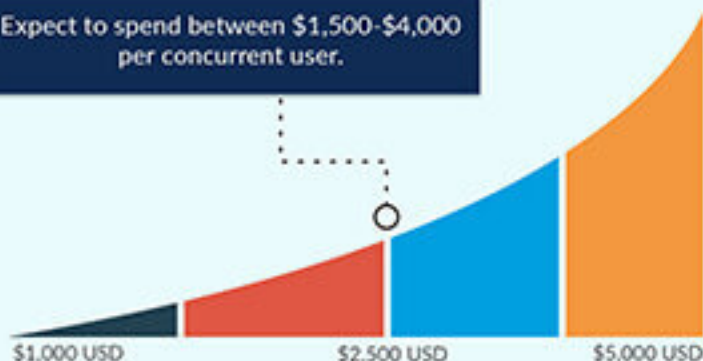# How Much Does ERP COST?

NUMBER OF USERS

Most ERP systems are priced per user. Start by determining how many users will be using the software and their level of access.

Expect to spend between $1,500-$4,000 per concurrent user.

$1,000 USD $2,500 USD $5,000 USD

APPLICATIONS

Don't pay for unnecessary modules. Assess your needs and requirements, and only choose the applications you need.
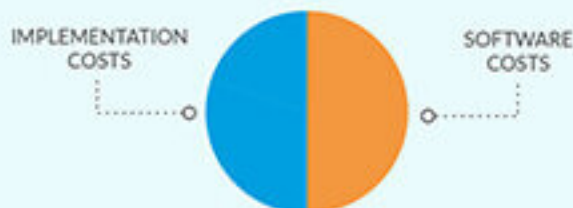
YES   YES

NO

ADD-INS

15%

Third-party software licensing can be about 10-15% of the overall software cost.

IMPLEMENTATION COSTS

Implementation costs can account for a significant percentage of the overall project cost. Because of this, it's important to select an ERP vendor who understands your unique business needs and industry.

TRAINING

CONFIGURATION

PLANNING   INSTALLATION

IMPLEMENTATION COSTS   SOFTWARE COSTS

Plan for an implementation to software cost ratio of 1:1. However, a ratio of 1.5:1 or 2:1 is not uncommon for complex or customized ERP projects.

MAINTENANCE & TRAINING

HARDWARE

IT LABOR

NETWORK FEES

ONSITE TRAINING

ONLINE TRAINING

Most ERP systems require ongoing maintenance. Be sure to ask your vendor about additional costs associated with hardware, labor, network fees, etc.

There's always a learning curve when it comes to ERP training. Consult with your vendor about initial training costs and online training opportunities.

CUSTOMIZATIONS

When out-of-the-box functionality isn't enough, you may incur additional expenses for customizations.

THE BOTTOM LINE?

Small to mid-sized businesses can expect a total ERP software project cost between $75,000-$750,000.

https://www.workwisellc.com/blog/erp-software-cost/

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Andrew Ly (https://www.betterbuys.com/author/alypbp-com/)　　January 2, 2020

How Much Does an ERP System Cost? 2020 Pricing Guide

For any business investing in an enterprise resource planning (ERP) system, pricing is an important factor.

ERP software isn't cheap, and prices vary depending on the type of deployment, number of users and level of customizations.

Some vendors publicly display pricing on their website, especially for cloud ERP solutions, while others only provide a quote after finding out a company's business requirements.

We've put together this detailed guide on the various ERP pricing models, implementation costs and examples of popular ERP vendor pricing.

☁ Vendor Comparison Guide

Download our 2020 Vendor Comparison Guide with reviews on more than 15 popular ERP solutions -

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(https://www.betterbuys.com/erp/erp-pricing-guide/)

How Much Does an ERP System Cost? 2020 Pricing Guide (https://www.better pricing-guide/)

January 2, 2020 By Andrew Ly (https://www.betterbuys.com/author/ com/)

What Is an ERP?

An enterprise resource planning system (https://www.betterbuys.com/erp/) helps organizations manage business functions and streamline operations with a centralized database and a user-friendly interface. Companies use ERP software to standardize business processes, collect operational data, improve supply-chain efficiency, promote data-driven strategies and increase collaboration between departments.

ERP systems are comprehensive solutions that typically include the following modules:

Accounting and Finance – The accounting and finance module tracks the company's finances, including budget and expense planning, core accounting, revenue management and tax management.

Customer Relationship Management (CRM) – With the CRM module, businesses can manage their client-facing operations, such as sales, marketing and customer service. Employees can track sales prospects and customer pipelines. Users can also manage marketing tasks, including advertising and lead generation campaigns.

Supply Chain – The supply chain module tracks products from manufacturing to warehouse to distributors to customers. Features include supplier scheduling, purchasing, inventory, claim processing, shipping, tracking and product returns.

Inventory Management – Using the inventory management module, businesses can monitor materials and supplies through inventory control, purchase orders, automatic ordering and inventory scanning.

Manufacturing – Manufacturers and other production-oriented facilities can use the manufacturing module to manage their shop floors, looking at elements such as work orders, bill of materials, quality control, engineering, manufacturing process and planning, and product lifecycle management.

Human Resources – The human resources module helps organizations manage their hiring cycles from recruitment to succession. Companies can take advantage of the following features: applicant tracking, payroll, time and attendance, performance management and learning management.

Business Intelligence – A business intelligence module collects and analyzes data from multiple sources and helps users make better business decisions. Some features include customizable dashboards and visualization tools, ad-hoc and scheduled reporting, and real-time data access.

(https://www.betterbuys.com/erp/erp implementation/)

The Definitive Guide to ERP Implementation (https://www.better implementation/)

July 9, 2019 By Andrew Ly (https://www.betterbuys.com/author/ com/)

(https://www.betterbuys.com/erp/clou erp/)

The Definitive Guide to Cloud ERP (https://www.better erp/)

July 9, 2019 By Andrew Ly (https://www.betterbuys.com/author/ com/)

(https://www.betterbuys.com/erp/ope source-erp/)

ERP System Pricing Models

Depending on the type of deployment, ERP vendors use two pricing models: perpetual licensing and subscription plans. Here's how they work:

Perpetual licensing – Companies that choose to host ERP software using their own servers (on-premise deployment) generally pay a perpetual licensing fee. This one-time cost is paid up-front and is based on the number of users and level of customization.

Perpetual licences usually don't include recurring costs like maintenance, support and upgrades.

Subscription plans – Companies can also pay subscription fee to access cloud ERP (https://www.betterbuys.com/erp/cloud-erp/) software, which the vendor maintains and hosts on a third-party data server. The software-as-a-service (SaaS) pricing model means fees are paid per user monthly or annually.

Subscription plans often require companies to have a minimum contract length and come in various tiers with increasing functionality and modules.

Implementation Costs

ERP implementation (https://www.betterbuys.com/erp/erp-implementation/) is famous for being a long and expensive process. Costs include:

Modules or features not included in base price – Some solutions may charge additional fees for individual modules or advanced features, including payroll, manufacturing and e-commerce. There are also industry-specific solutions that offer features for a particular market.

Customizations – Many companies require customizations for their specific business processes, and costs can add up quickly. Businesses should make sure they focus on adding only the features they need.

Consultants – Many vendors, especially larger ones like Oracle, SAP and Microsoft, use third-party consultants for implementation. Costs can vary significantly for services like change management and data migration.

Hardware – Companies that want an on-premise deployment will need to purchase data servers and hardware infrastructure to host their ERP system.

Open-Source ERP Software: Benefits, Challenges and Top Vendors (https://www.better source-erp/)

June 3, 2019 By Andrew Ly (https://www.betterbuys.com/author/ com/)

(https://www.betterbuys.com/erp/wha is-an-erp/)

What is an ERP? (https://www.better is-an-erp/)

August 28, 2018 By Melissa Pardo-Bunte (https://www.betterbuys.com/author/

Training – Some vendors may include basic training services for free during implementation, but others may offer them at an additional cost, especially if the training is done at the client's site.

Small to medium-sized businesses (https://www.workwisellc.com/erp-software/erp-software-cost) can expect to pay between $75,000 and $750,000 for implementation. Costs for large businesses (https://blog.clientsfirst-tx.com/blog-1/how-much-is-erp) range from $1 million to $10 million.

Companies that can't afford large up-front implementation costs should choose a cloud deployment, which doesn't require hardware installation and may not offer as many customizations.

Ongoing Costs to Consider

ERP systems often require additional resources that aren't generally included in the base price, such as:

IT staff – ERP systems can be complex to manage. Companies that choose an on-premise deployment will need internal IT staff to handle any technical difficulties that arise.

Customer support – Basic support (e.g., knowledge base, email support) is typically included in the price of an ERP solution. However, vendors may offer plans that include advanced support, such as priority support or access to a dedicated customer service manager.

Maintenance and upgrading – Most on-premise ERP deployments charge an additional fee for annual maintenance and software upgrades. However, maintenance and upgrades are typically included with subscription pricing for cloud deployments.

Open-Source ERP Software

Most ERP solutions are proprietary or closed source, and customers can't access the source code.

On the other hand, an open-source ERP system (https://www.betterbuys.com/erp/open-source-erp/) has publicly available source code. Companies can access the open-source code for free and

customize the software themselves, rather than relying on the vendor.

Consequently, open-source ERP software can be less costly than proprietary ERP solutions, as companies don't have to pay a licensing fee to access the source code. The drawback, however, is that companies need to have knowledgeable IT staff to implement and maintain the software, especially because there's often a lack of support and documentation.

ERP System Vendor Pricing

We've researched pricing for several popular ERP systems. Note that many vendors in the market don't offer pricing details publicly, so you'll need to contact them directly for a quote.

BizAutomation Cloud ERP (https://www.betterbuys.com/erp/reviews/bizautomation-cloud-erp/) costs $79.95 per user, per month and requires three users minimum. The subscription price includes all ERP modules, except for e-commerce, which costs an additional $99.95 per month.

ECOUNT ERP (https://www.betterbuys.com/erp/reviews/ecount-erp/)'s pricing is straightforward: $55 per month or $600 per year. This subscription includes all functions, unlimited user IDs and groupware access for 10 users. The solution also includes iOS and Android apps, a barcode app, multilingual support and an e-commerce module.

ERPNext (https://www.betterbuys.com/erp/reviews/erpnext/) is an open-source ERP solution that's free for on-premise and self-hosted deployments, up to five users. Cloud deployments are offered through three pricing plans.

The Basic plan costs $5 per user, per month and includes 2 GB storage, 2,000 emails per month, 20 custom fields, one custom form and email integration.

The Standard plan costs $10 per user, per month and includes 5 GB storage, 5,000 emails per month, tracking of three companies, unlimited custom fields, 10 custom forms and integration to payment processors.

The Pro plan costs $25 per user, per month and includes 15 GB storage, 15,000 emails per month, tracking data for unlimited companies, and unlimited custom forms and scripts.

LillyWorks (https://www.betterbuys.com/erp/reviews/lillyworks/) offers a monthly subscription that starts at $100 per user, per month and scales up from that point. The manufacturing-focused ERP solution offers advanced

functionality for shop-floor planning and execution, material planning, inventory management, and bill of materials and routing definition.

Microsoft Dynamics AX

(https://www.betterbuys.com/erp/reviews/microsoft-dynamics-ax/) has three pricing options based on user functionality: Enterprise users pay $185 per month with a 20-user minimum. Task users pay $30 per month and receive access to purchase and sale invoices, as well as time and expense approval. Self-service users pay $8 per month and can access data and budgeting features.

In addition, customers can get licenses for point-of-sale, store and warehouse manager devices for $73 per month, per user.

Microsoft Dynamics GP

(https://www.betterbuys.com/erp/reviews/microsoft-dynamics-gp/) offers three tiers of perpetual licenses: The Starter pack ($5,000), Extended pack ($10,000) and Customization pack ($6,000). The prices for additional users beyond the first three depend upon access level: Full ($3,000), Limited ($600) and Self-service ($60).

Subscription plans for the Starter and Extended packs typically run between $140 and $240 per user, per month, depending on the implementation partner. There's also a one-time data center setup fee of approximately $2,500.

Oracle NetSuite (https://www.betterbuys.com/erp/reviews/netsuite-erp/)'s base license costs $999 per month, plus $99 per user, per month. Several prebundled vertical editions of NetSuite are also available for companies that need specific features or industry-focused modules.

Odoo (https://www.betterbuys.com/erp/reviews/odoo/) is an open-source ERP solution with two pricing options.

Odoo Community is free to implement and maintain on-premise. It includes basic modules for accounting, project management, customer relationship management (CRM), human resources, inventory, manufacturing, e-commerce and marketing.

Odoo Enterprise costs $20 per user, per month and includes advanced functionality and mobile device access. Additional modules and apps can be installed for free or from $12 to $90 per month.

SAP Business One ERP (https://www.betterbuys.com/erp/reviews/sap-business-one-erp/) doesn't disclose pricing on its website. However, third-party implementation consultants say perpetual licenses cost $3,213 for

professional users and $1,666 for limited users. Bug fixes, upgrades and patch releases are covered through a separate annual maintenance fee.

Subscription licenses cost $94 per professional user, per month or $54 per limited user, per month. The subscription price includes annual maintenance and requires a one-year commitment.

A Starter Package designed for start-ups and small businesses costs $39 per user, per month with a one-time fee of $1,357. It includes accounting, sales orders, item management and purchasing, but not service or manufacturing.

Synergy Resources Visual ERP
(https://www.betterbuys.com/erp/reviews/visual-erp/) invoices clients on a case-by-case basis, so exact prices are unavailable. However, companies that want to have up to five users can expect to pay between $10,000 and $15,000.

VersAccounts (https://www.betterbuys.com/erp/reviews/versaccounts/) offers three pricing plans that include core ERP modules, unlimited transactions, mobile functionality and customer support.

The Express Edition (500 GB of storage) costs $599 per user, per month with no contract; $499 per user, per month with an annual contract; and $349 per user, per month with a four-year contract. The Power Edition (750 GB of storage) costs $999 per user, per month with an annual contract and $699 per user, per month with a four-year contract. The Infinity Edition (1 TB of storage) costs $1,499 per user, per month with an annual contract and $1,049 per user, per month with a four-year contract.

Xtuple ERP (https://www.betterbuys.com/erp/xtuple) is an open-source ERP solution with five different pricing options and a 90-day free trial.

The Postbooks version is free for up to four users and includes core modules. The paid version of Postbooks and other industry-specific versions include advanced functionality, specialized modules, and in-classroom and online training.

Prices range from $45 to $150 per user, per month or $1,350 to $4,500 for a one-time perpetual license. Cloud deployment costs $100 per month, plus $30 per user, per month.

Bottom Line

Many of the vendors listed here follow the per user, per month pricing model with tiers that provide additional features. Some also offer perpetual licenses for a one-time fee.

Be sure to consider what modules or features are required, as well as future scaling and business needs. You'll also want to research implementation costs and how long the process will take.

If you'd like more information on ERP software or want to compare different solutions, we've reviewed over 50 ERP system vendors. (https://www.betterbuys.com/erp/)

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