Enterprise Resource Planning software - What Tier are you in?

Tier 5 (Shrink Wrap Software Market)

Frequently called the Small Office/Home Office (SOHO) market, this software costs between $100-500 and is typically bought at the local software store and implemented by the end user. The major players in this market are Sage Peachtree, Intuit QuickBooks, Sage Simply Accounting, Intuit Quicken, and others. Although they have industry templates, these systems do not allow for customization of the software and are not built to have large numbers of users on the system.

Tier 4 (Lower Market Software)

Tier 4 software is your basic accounting systems. These include *Accpac* and *Sage - MAS 90.* This is typically for startup to $2 Million dollar businesses.

Tier 3 (Mid Market Software)

Tier 3 software is designed for single site customers, typically under $40 million dollars. These are usually companies with 5 to 30 users, with less demanding needs. Often these companies have just grown out of the Tier 4 packages and are looking to expand their capabilities. These companies tend to be the family run or small corporations. Software in this market space includes *Infor, Netsuite, Microsoft Dynamics GP, Sage, and SAP Business One.*

Tier 2 (Upper Market Software)

The Tier 2 market is the largest of all the tiers in terms of the number of potential customers. This is the mid-sized tier. The customers of Tier 2 software usually are in the $20 million to $200 million dollars. They usually have just a few localized sites. For example, a company that has a main office in New York, with a manufacturing facility in Ohio and a distribution outlet in Texas would be a typical Tier 2 client. Often though, Tier 2 customers have a single site. The main indication is the size of the company by revenue. They typically will not have more than a two hundred users. There are usually fewer than 100 users. Software in this class includes *QAD, Infor, Microsoft Dynamics NV, VAI System 2000, Sage ERP X3,* and a host of others.

Tier 1 (Enterprise Software)

Tier 1 software is software for the large enterprise. This includes multi-site, multi-national corporations. Typically the Tier 1 customer is a company with revenues in excess of $200 million dollars, with several sites, probably geographically dispersed and in multiple companies. Now that Oracle purchased People Soft, who had just prior purchased JD Edwards, the map has left the three primary ERP vendors: *SAP*, *Oracle* (JD Edwards, People Soft), and *Baan*. Although not yet quite a Tier 1 player, Microsoft with their Dynamics AX is pushing to be a Tier 1 software system.

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