

ERP System Selection Report

Prepared by: Tingting Huang

Date: 4 April 2025

Company/Institution: Tabox Service Oy

1. Executive Summary

This report presents a comparative evaluation of several ERP systems for potential adoption. The goal is to recommend the most suitable ERP solution that aligns with both local compliance in China and international operational efficiency.

2. Background & Objectives

The purpose of this report is to assist in the decision-making process for selecting an ERP system tailored for international operations with a strong focus on compatibility with Chinese regulatory environments.

3. Evaluation Methodology

Each ERP vendor was assessed based on the following criteria:

- System features and customization capabilities
- Integration with financial and banking systems
- China market compliance (e.g., e-invoicing, payroll regulations)
- Customer references and feedback
- Availability of demo and trial environments
- Cost and implementation effort

4. ERP Vendors Overview

4.1 Kingdee

Kingdee CG is a localized ERP vendor with strong adaptability to the Chinese market. The company provided a product brochure, key features list, and a Q&A document. A demo environment was offered, and a case customer email reference was received. Kingdee supports financial integration with bank systems and confirmed compatibility with Chinese electronic invoicing regulations. Demo was scheduled for March 18 (Finnish time 8 AM). Kingdee is currently preparing additional case study materials. Overall, it shows strong potential in compliance and localization.

4.2 Inspur

Inspur has provided essential materials including a product brochure, key features list, and pre-evaluated Q&A document. Financial integration with bank systems was confirmed. Although a demo environment was not explicitly mentioned, the vendor appears responsive. However, compared to others, customer reference cases and real-time demo access were not fully established at this stage. Inspur remains a potential candidate, especially with its robust Chinese market presence.

4.3 SAP (Finland Office)

SAP Finland has responded positively and scheduled a formal meeting on April 17, 2025. While no brochures or Q&A documents were attached in the initial response, the global reputation and extensive modularity of SAP systems make it a strong contender. Integration capabilities, localization options, and experience with multinational corporations give SAP a distinct advantage. Customer references and compliance with China's e-invoicing standards require further verification.

4.4 Oracle (Finland Office)

Oracle responded via email and advised a transition of communication to its Finland-based sales consultancy. Pre-evaluated Q&A documents and key features lists were received. While the demo or case studies are still under discussion, Oracle's global presence and experience in multinational deployments make it a reliable candidate. However, no clear confirmation on customer reference or demo availability was given at this stage.

4.5 Infor (Finland Office)

Infor responded with a question list and provided a reference to the Valmet case involving their LN ERP system. However, there was no demo scheduled and contact is still ongoing. Materials collected so far include only external website information and email communication. Infor's responsiveness is lower compared to other vendors, and further steps are needed to assess real-world application and localized compliance support.

4.6 Sage

Sage X3 submitted a product brochure, key features list, and a pre-evaluated Q&A document. A real-time demo is available upon appointment.

Notably, Sage has experience in **direct integration with several major banks**, including **Bank of Communications (BoCom)**, **China Merchants Bank (CMB)**, **Industrial and Commercial Bank of China (ICBC)**, and **Ningbo Bank**. The vendor also mentioned compatibility with **Wealth Manager platforms**, which enables centralized account management and enhanced financial automation. Sage has been proactive in providing support and reference materials. While certain technical confirmations are still pending.

4.7 IFS

IFS has not responded directly. Initial contact was made through its marketing team, and the Chinese partner RACEKU was identified as their regional operator. No brochures, Q&A, or demos were provided at this stage.

5. Financial and Organizational Profiles of ERP Vendors

This section provides a summarized overview of the financial strength, establishment history, workforce size, and global presence of each ERP vendor, based on publicly available financial reports and corporate information.

5.1 Kingdee (金蝶)

- **Establishment:** 1993
- **Employees:** Over 8,000
- **Global Presence:** Served over 6.8 million enterprises and government organizations, with offices in multiple countries
- **Financials (2023):**
 - **Revenue:** CNY 5.679 billion (~EUR 757 million), +16.7% YoY
 - **Net Profit:** CNY -210 million loss (~EUR -28 million), a 46.1% YoY improvement
 - **Operating Cash Flow:** CNY 653 million (~EUR 87.1 million), +74.5% YoY

Sources: Kingdee 2023 Financial Report, Hong Kong Stock Exchange (0268.HK), Xinhua News

5.2 Inspur (浪潮)

- **Establishment:** Originated in 1945 as Shandong Machinery Plant
- **Employees:** Over 30,000
- **Global Presence:** Operating in over 100 countries and regions
- **Financials (2023)** (Inspur Software, 600756.SH):
 - **Revenue:** CNY 2.553 billion (~EUR 340 million), +23.09% YoY
 - **Net Profit:** CNY 90.99 million (~EUR 12.13 million), +42.65% YoY

Sources: Jiemian News (2024), Shanghai Stock Exchange, Inspur Software Annual Report

5.3 Oracle

- **Establishment:** 1977
- **Employees:** Approx. 160,000 (2024)
- **Global Presence:** Operations in over 145 countries
- **Financials (FY 2024):**
 - **Revenue:** USD 53 billion (~EUR 49.07 billion)
 - **Net Income (GAAP):** USD 10.5 billion (~EUR 9.72 billion)

- **Operating Cash Flow:** USD 18.7 billion (~EUR 17.31 billion), +9% YoY

Sources: Oracle Official Website, Oracle 2024 Full Year Results

5.4 Sage

- **Establishment:** 1981, Newcastle upon Tyne, UK
- **Employees:** Approx. 11,565 (2023)
- **Global Presence:** Operating in 23 countries, serving over 6 million customers
- **Financials (FY ending Sept 30, 2024):**
 - **Operating Revenue:** GBP 2.332 billion (~EUR 2.68 billion)
 - **Operating Profit:** GBP 529 million (~EUR 608.35 million), +20.8% YoY
 - **Net Profit:** GBP 323 million (~EUR 371.45 million), +55% YoY
 - **Operating Cash Flow:** GBP 649 million (~EUR 746.35 million), +22.9% YoY

Sources: Sage Official Website, Research Tree, Wikipedia

5.5 SAP SE (思爱普)

- **Establishment:** 1972
- **Employees:** Over 111,000 (as of end 2023)
- **Global Presence:** Serves over 400,000 customers in more than 180 countries
- **Financials (2023):**
 - **Revenue:** EUR 31.2 billion, +5% YoY
 - **Net Profit:** EUR 5.93 billion, +27% YoY
 - **Operating Cash Flow:** EUR 6.18 billion, -10% YoY

Sources: SAP 2023 Integrated Report, SAP Investor Relations, Reuters

5.6 Infor

- **Establishment:** 2002 (originally founded as Agilisys, rebranded as Infor in 2004)
- **Employees:** Approximately 17,000 (as of 2023)
- **Global Presence:** Serves over 60,000 customers in more than 175 countries, across industries such as manufacturing, healthcare, retail, and distribution
- **Financials (2023):**
 - **Revenue:** Full financial data not publicly disclosed
 - **SaaS Annual Run Rate:** Reached USD 1 billion (~EUR 925.9 million) in 2023,

- reflecting the company's cloud-first strategy
- o **Operating Cash Flow:** Not publicly disclosed

Note: As a privately held subsidiary of Koch Industries, Infor does not publish detailed financial statements.

Sources: Infor official website, Diginomica, Industry reports

5.5 Exchange Rate Reference (for EUR conversion)

Currency	Avg.Rate to EUR	Year
CNY	7.5	2023
USD	1.08	2024
GBP	1.15	2023

6. Comparative Analysis

Figure 1. [ERP Features Comparison Table](#)

7. China Market Compliance Considerations

This section outlines the challenges and requirements for operating an ERP system in China. It includes invoicing (fapiao), bank integration, and payroll compliance.

Invoicing (fapiao)

In China, invoices (fapiao) are state-regulated tax documents, not merely commercial records. Since December 2021, China has piloted fully digital electronic invoices ("digital e-invoices"), with nationwide promotion scheduled from December 1, 2024. These invoices are legally equivalent to paper invoices but must be issued through tax-authorized systems. ERP systems must integrate with the State Tax Administration's invoicing platforms to issue e-invoices in real time. Poor integration may prevent invoice issuance, creating compliance risks. Paper invoices and e-invoices are distinct formats; they cannot be directly converted between each other. Instead, specific workflows are required for reissuance or association, including OCR data extraction, issuing red-character (credit) invoices, and querying invoice authenticity via official tax platforms.

ERP systems can support paper invoice handling by integrating OCR scanning, duplicate detection, and reimbursement verification, streamlining financial workflows and ensuring regulatory compliance.

A full version of the invoice compliance report is available upon request.

Bank Integration

This section explores the integration of major Chinese banks with ERP systems, highlighting financial automation, centralized cash control, and regulatory compliance. China's "Big Four" state-owned banks—**ICBC**, **CCB**, **ABC**, and **BOC**—provide comprehensive corporate banking services and international coverage. They are particularly suitable for foreign enterprises involved in cross-border settlements, infrastructure, agriculture, or global trade.

In addition to the Big Four, banks such as **Bank of Communications (BoCom)**, **China Merchants Bank (CMB)**, and **Ningbo Bank** offer competitive services. BoCom excels in corporate lending and trade finance, CMB is known for fintech innovation and wealth management, while Ningbo Bank supports SMEs and regional trade with strong digital capabilities.

Foreign enterprises can benefit from **Wealth Manager** platforms provided by these banks. These platforms enable centralized multi-bank account management, real-time monitoring, and intelligent fund allocation. They also enhance risk control and cross-border compliance by offering tools for anti-money laundering and tax regulation adherence.

Alternatively, **Bank-Enterprise Direct Connection (Host-to-Host, H2H)** allows businesses to link their ERP systems directly with banks to automate payments, reconciliations, and cash distribution. However, without Wealth Manager, companies may face challenges in multi-bank coordination, reduced automation, and lack of integrated compliance support.

A full version of the Chinese bank integration report is available upon request.

Payroll compliance

In China, payroll compliance for foreign enterprises involves several legal and operational requirements. Employers must sign formal labor contracts, pay wages monthly in RMB, and comply with overtime regulations. Individual Income Tax (IIT) must be withheld at the source, and contributions to social insurance and the housing provident fund are mandatory.

Payroll data is considered sensitive under China's Personal Information Protection Law (PIPL), requiring secure data storage, restricted access, and, in some cases, approval for cross-border transfers. Bank integration must comply with AML and CTF laws, and electronic payslips must be consented to by employees.

In ERP systems, payroll can be processed either through a system-generated payslip method with mobile access or through bank-generated SMS notifications. The ERP method offers detailed breakdowns and better user experience, while the bank notification method is simpler but less transparent.

A full version of the Chinese bank integration report is available upon request.

8. Recommendation & Rationale

At this stage, based on the currently available data and ongoing vendor communication, no single ERP system emerges as an absolute front-runner. However, **Kingdee** stands out in terms of **China localization, regulatory compliance** (especially e-invoicing and

payroll), and **responsiveness**. Its demonstrated integration with local banks and availability of customer references suggest readiness for deployment in the Chinese market. This makes Kingdee a strong candidate for organizations prioritizing **local compliance and smoother regional implementation**.

SAP and Oracle, while globally renowned and highly modular, require further confirmation on **localized compliance, demo environments, and China-specific customer use cases**. These platforms offer superior scalability and international integration capabilities but may involve **higher implementation complexity and cost**.

Sage has shown significant progress in the evaluation. In addition to strong global support and demo availability, Sage has confirmed **direct integration experience with several major Chinese banks**, including **Bank of Communications, China Merchants Bank, ICBC, and Ningbo Bank**. It has also demonstrated **compatibility with Wealth Manager platforms**, which enhances centralized account management and financial automation. These factors substantially strengthen Sage's position, although some **technical confirmations in localized ERP functionalities** are still pending.

Inspur, with its strong domestic reputation and government-related experience, remains a viable option, particularly if further **customer references and demonstrations** can be secured.

Recommendation

Given the evolving nature of vendor responses, it is recommended to continue a **targeted evaluation process** with shortlisted vendors—particularly **Kingdee, Sage, SAP, and Oracle**—through:

- Hands-on demo sessions
- In-depth compliance and technical checks
- Internal stakeholder alignment and feedback

This recommendation prioritizes:

- **Regulatory fit in China** (invoicing, payroll, taxation)
- **Ease of financial and banking integration**
- **Customer support responsiveness and vendor engagement**
- **Balance of global scalability and local implementation efficiency**

A final decision should be made after the remaining demo sessions and reference checks are completed.

9. Appendices & References

- Appendix A: Product Brochures Summary
- Appendix B: Q&A Lists and Email Communications
- Appendix C: Demo Meeting Schedules

- Appendix D: Evaluation Worksheets