Why FinServ companies struggle to integrate with customers' ERP systems

(according to 260 FinServ companies)

MERGE

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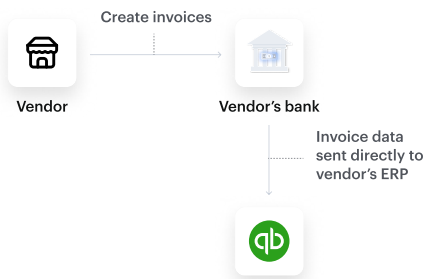
Background on our study

Background on our study

Any financial services (FinServ) company that serves business customers needs ERP integrations to support their product lines and to provide a great customer experience.

For example, say you're a bank and want to help vendors—that are also your business customers—reconcile their invoices.

To help them reconcile payments quickly, easily, and without issues, they can use any of the ERP integrations you offer to support the following workflow:

1. Generate and deliver invoices

Create invoices

Vendor → Vendor's bank

Invoice data sent directly to vendor's ERP

2. Payment acceptance

Makes payment via preferred method

Buyer → Vendor's bank

Transaction data sent directly to vendor's ERP
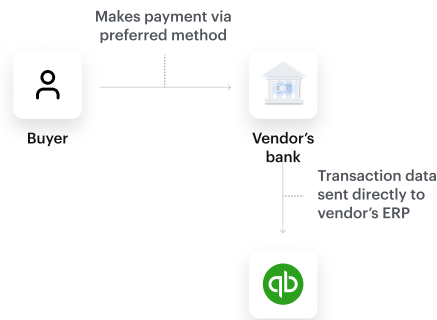
3. Vendor reconciles payment

Background on our study

Given the value ERP integrations offer FinServ companies, such as banks, we set out to understand whether these companies take full advantage of them by partnering with [Centiment](#), a research platform for enterprises and academics.

We surveyed 260 business leaders at mid-size to enterprise FinServ companies (100+ employees) in the U.S. in December, 2024, and asked respondents about:
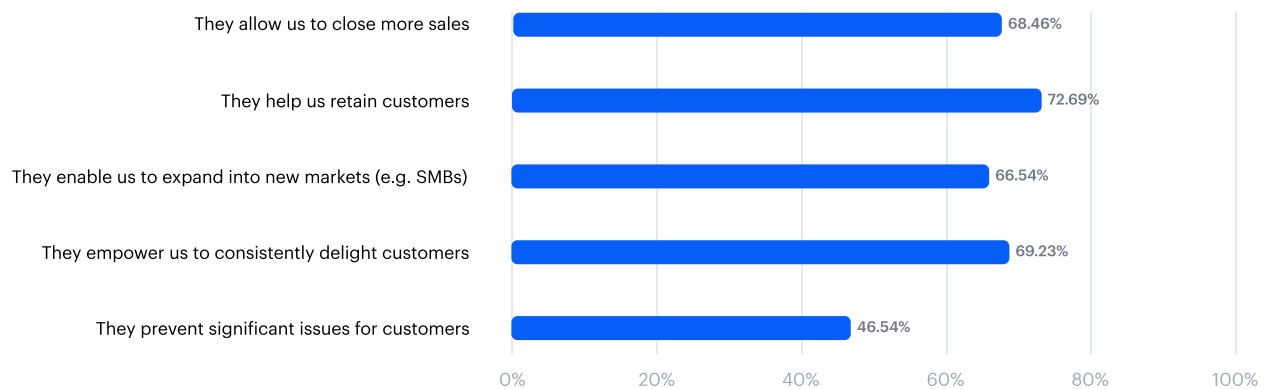
- Where these integrations fall in their list of priorities
- The business benefits they've realized from offering these integrations
- How they build and maintain their integrations
- The challenges they've experienced in supporting their integrations
- Their plans for providing the integrations going forward

Why FinServ companies need customer-facing ERP integrations to survive

Why FinServ companies need customer-facing ERP integrations to survive

Most FinServ companies realize critical business benefits from offering ERP integrations, whether that's closing more sales, retaining customers, expanding to new markets, or providing a great customer experience.

Which of the following explains why ERP integrations are important to your company?

|	
They allow us to close more sales	68.46%
They help us retain customers	72.69%
They enable us to expand into new markets (e.g. SMBs)	66.54%
They empower us to consistently delight customers	69.23%
They prevent significant issues for customers	46.54%

Why FinServ companies need customer-facing ERP integrations to survive

These results are also consistent across companies of different sizes. For example, 66% of FinServ companies with more than 5,000 employees have closed more sales by offering ERP integrations, while 67% of FinServ companies with 100-999 employees say the same.

Given how much FinServ companies stand to gain from offering ERP integrations, roughly half say that ERP integrations are extremely important to their business lines and services. Another 42% say they're very important, and less than 1% say they aren't important at all.

How important are ERP integrations to your company's suite of business lines and services?

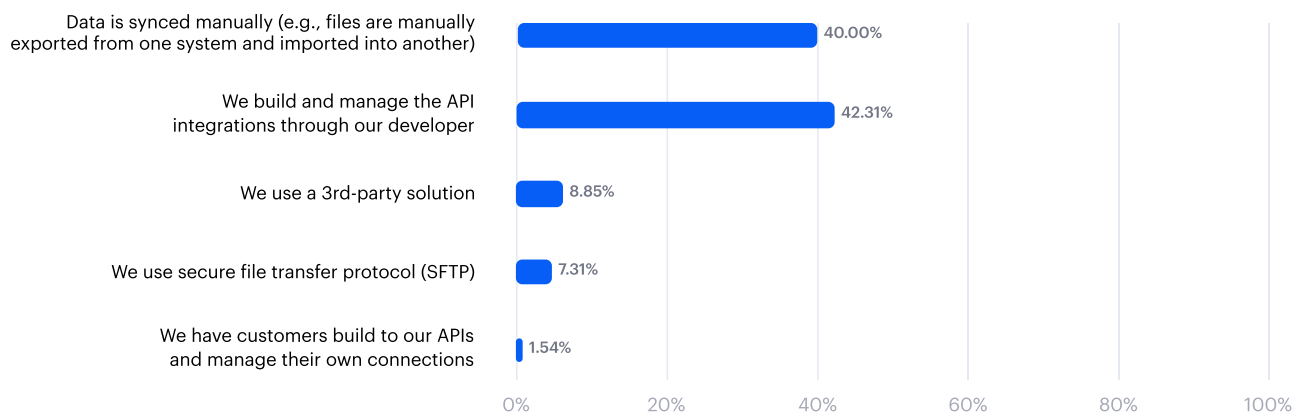| Category	Percentage
Extremely important	49.62%
Very important	42.31%
Important	7.31%
Not very important	0.00%
Not important at all	0.38%
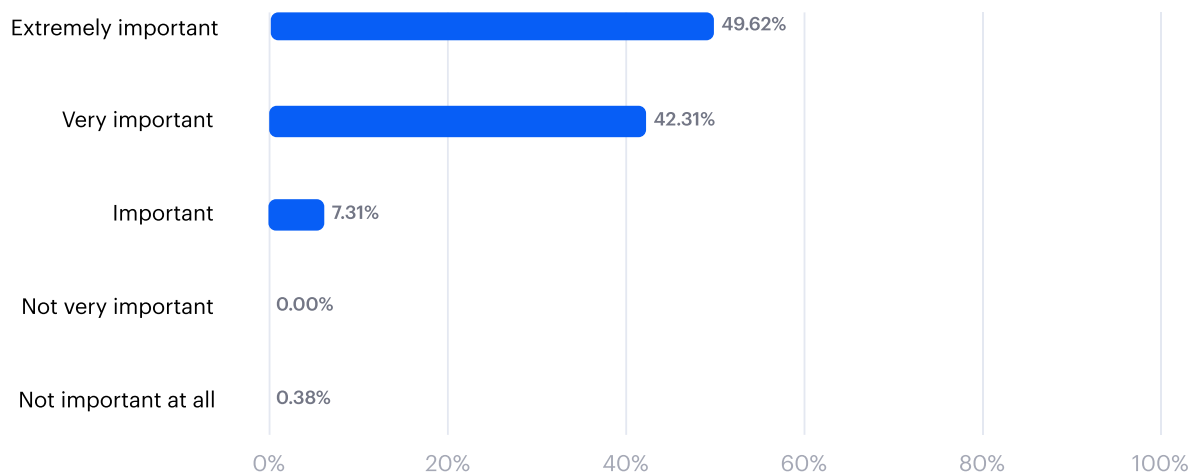
How FinServ companies struggle to build and maintain ERP integrations

How FinServ companies can build and maintain their ERP integrations

FinServ companies can build their ERP integrations in several ways, but building them in-house and syncing them manually are the most common approaches.

What best describes your company's approach to connecting with customers' ERP systems?

Category	Percentage
Data is synced manually (e.g., files are manually exported from one system and imported into another)	40.00%
We build and manage the API integrations through our developer	42.31%
We use a 3rd-party solution	8.85%
We use secure file transfer protocol (SFTP)	7.31%
We have customers build to our APIs and manage their own connections	1.54%

In many cases, FinServ companies use a combination of these approaches across their ERP integrations. For example, they may decide to build and maintain one or two core ERP integrations and outsource the rest.

For the sake of simplicity and to better understand how each approach performs, we asked respondents follow-up questions on the approaches we anticipated being most popular: in-house integrations, manual integrations, and outsourced integrations.

In-house ERP integrations stifle product innovation and hurt engineers' morale

Forty two percent of FinServ companies rely on their engineers to build and maintain integrations. And while the initial integration build might not cause these engineers headaches, the ongoing maintenance does.

Roughly 73% of engineers spend at least 10 hours every week on maintaining the ERP integrations, which jumps to 78% for FinServ companies with 5,000+ employees.

How many hours per week do your engineers spend on maintaining your ERP integrations?

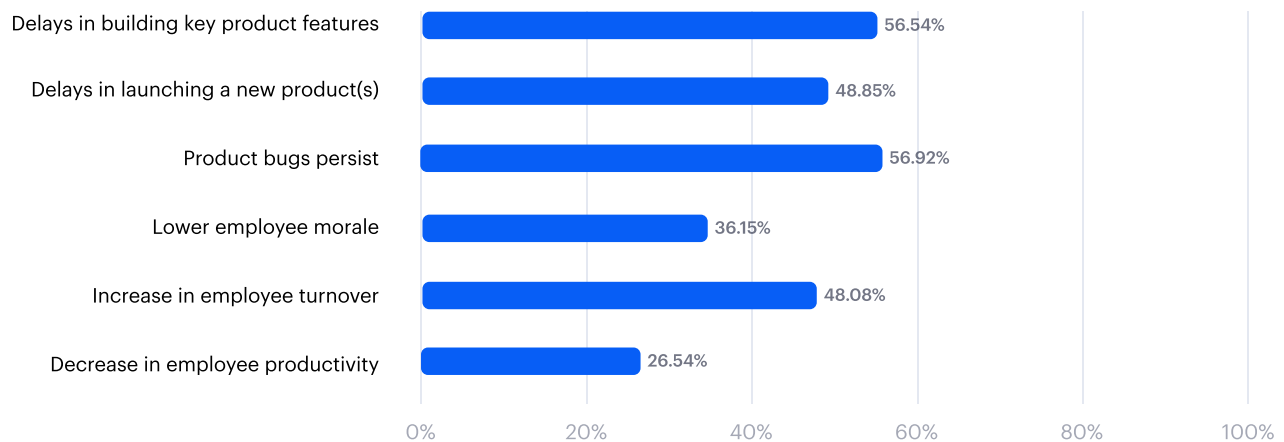|	
20+ hours	19.62%
10-20 hours	53.08%
5-9 hours	21.15%
1-4 hours	4.62%
Less than 1 hour	0.38%
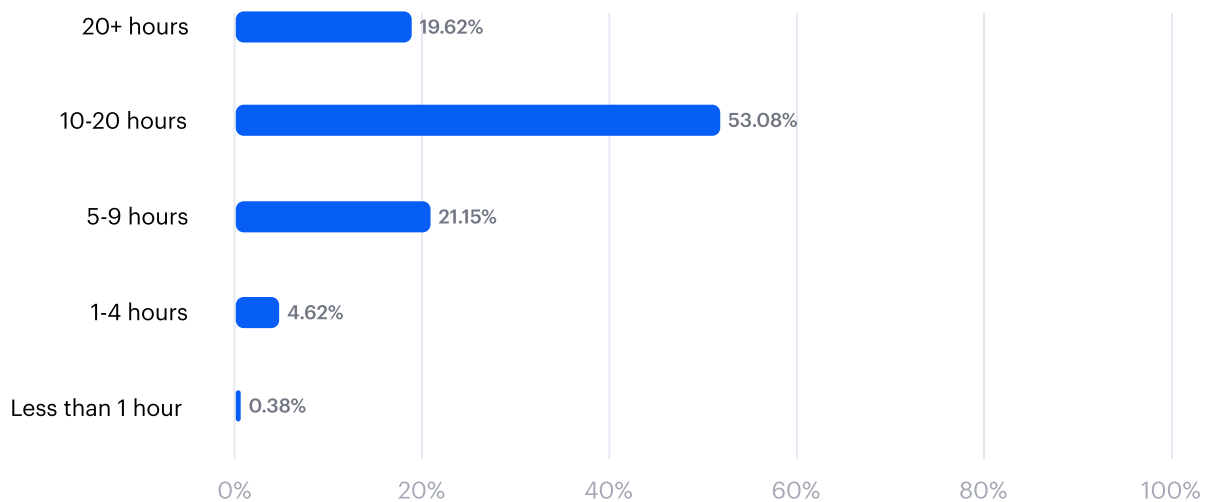
In-house ERP integrations stifle product innovation and hurt engineers' morale

Given all the time their engineers spend on maintaining integrations, FinServ companies are forced to deprioritize their core products and services—and this is leading to harmful business outcomes.

Fifty seven percent of FinServ companies delay building key product features; the same percent are forced to neglect product bugs; and since maintaining these integrations can be incredibly stressful and difficult over time, 48% of these FinServ companies cite employee turnover.

What have been the consequences of tasking engineers with maintaining your ERP integrations?

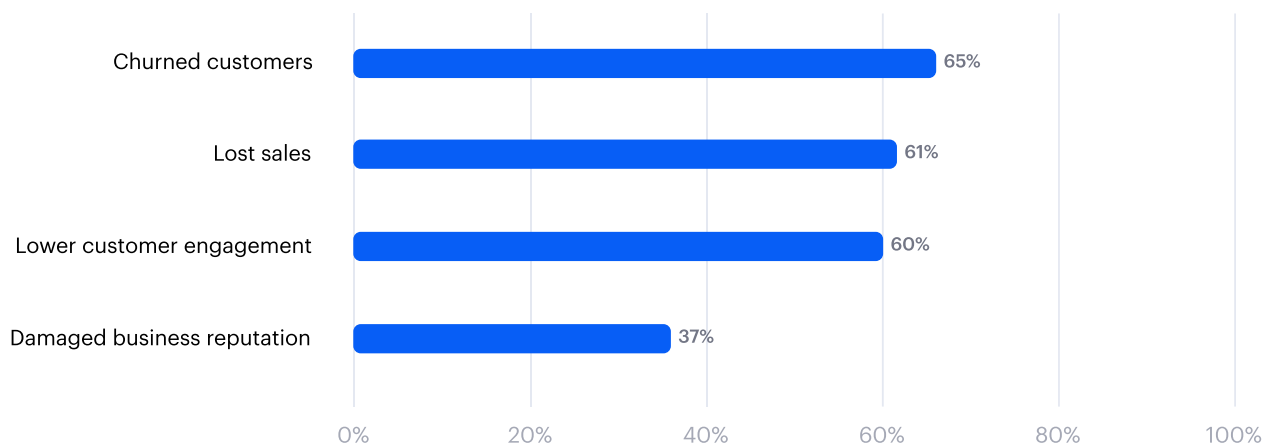| Consequence	Percentage
Delays in building key product features	56.54%
Delays in launching a new product(s)	48.85%
Product bugs persist	56.92%
Lower employee morale	36.15%
Increase in employee turnover	48.08%
Decrease in employee productivity	26.54%

Manual ERP integrations crush the customer experience

Manual integrations are used by 40% of FinServ companies. And while this method is most common for relatively small FinServ companies (48% of banks with 100-999 employees), 37% of FinServ companies with more than 1,000 employees still use this approach.

Despite their wide adoption, manual integrations perform extremely poorly, leading to nearly two thirds of FinServ companies to experience churn; 61% to lose sales (likely because competing companies offer more seamless ERP integrations); and 60% to experience lower customer engagement— signaling further churn ahead.

What business outcomes have you experienced from syncing ERP data manually?

Churned customers	65%
Lost sales	61%
Lower customer engagement	60%
Damaged business reputation	37%

0%   20%   40%   60%   80%   100%

Third-party solutions offer little respite

The results aren't much better for the FinServ companies that outsource their ERP integrations.

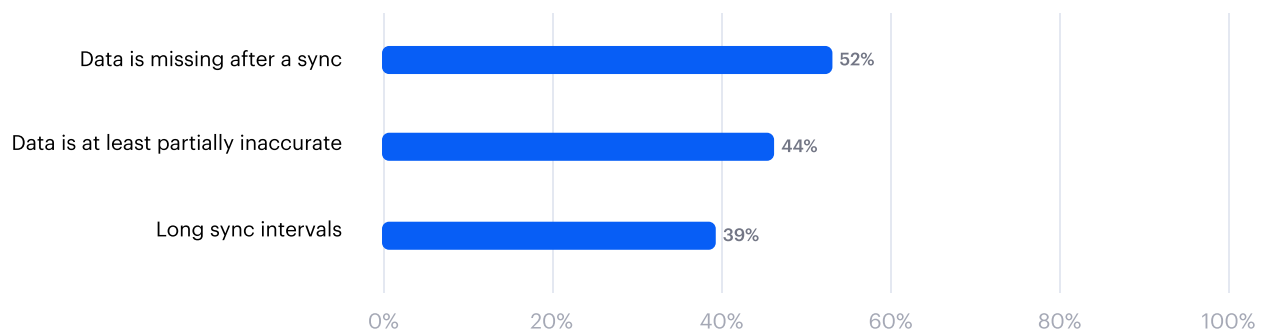More than half spend at least $250k per year, with less than 3% spending under $50k.

How much money do you spend on the 3rd-party that builds and/or maintains your ERP integrations?

Category	Percentage
$250k+	50.39%
$100-249k	31.15%
$50-99k	11.15%
Less than $50k	2.69%
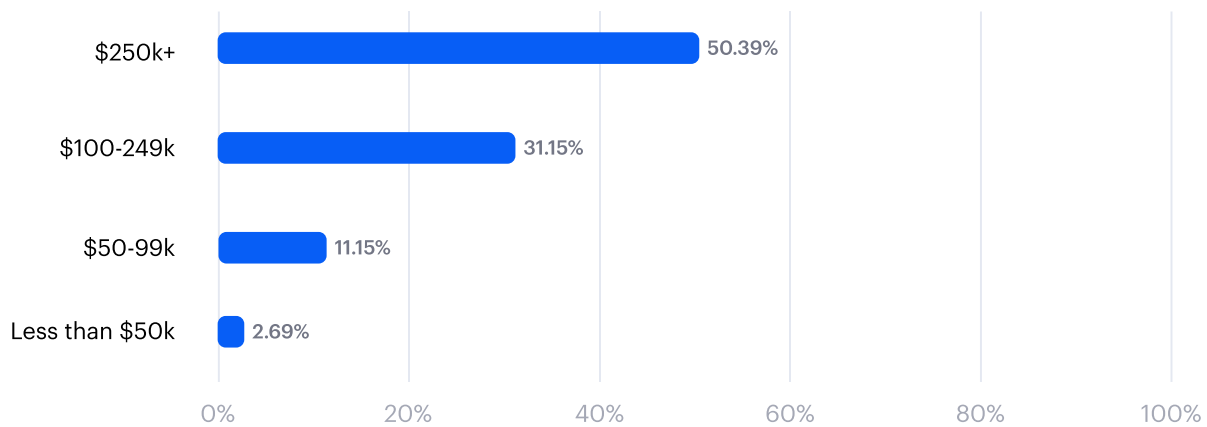
Third-party solutions offer little respite

Despite these lofty investments, FinServ companies still experience basic syncing problems, like delayed sync frequencies and data integrity issues.

Which of the following issues have you experienced when syncing data with customers' ERP systems via a 3rd-party solution?

|	
Data is missing after a sync	52%
Data is at least partially inaccurate	44%
Long sync intervals	39%

0%　20%　40%　60%　80%　100%

This likely comes down to the FinServ companies using legacy integration solutions that fail to maintain and enhance their ERP integrations effectively over time.

How FinServ companies plan to address these challenges

Unified API platforms are the preferred type of solution going forward

Fortunately, FinServ companies aren't stuck with manual integrations, legacy third-party solutions, or relying on in-house engineers.
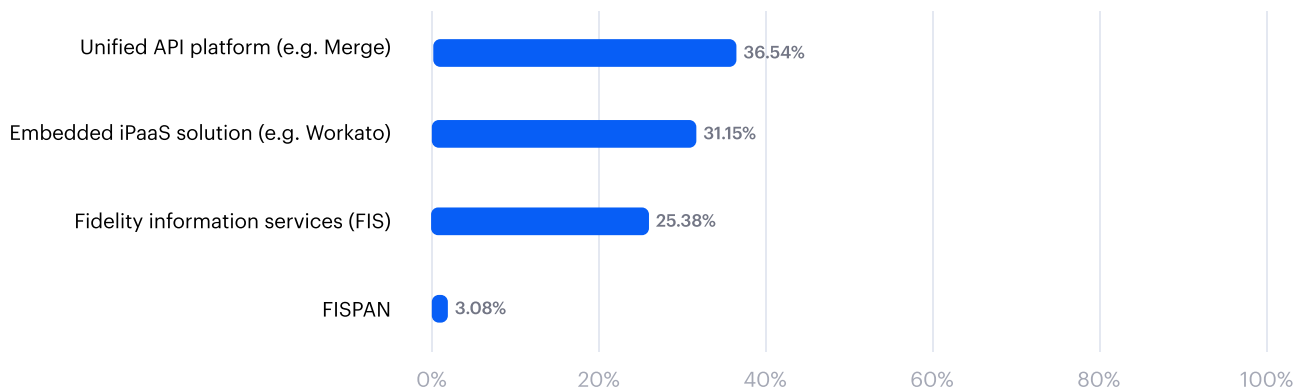
Unified API solutions, which let FinServ companies integrate with a single, aggregated API to access multiple ERP integrations, offer a scalable solution.
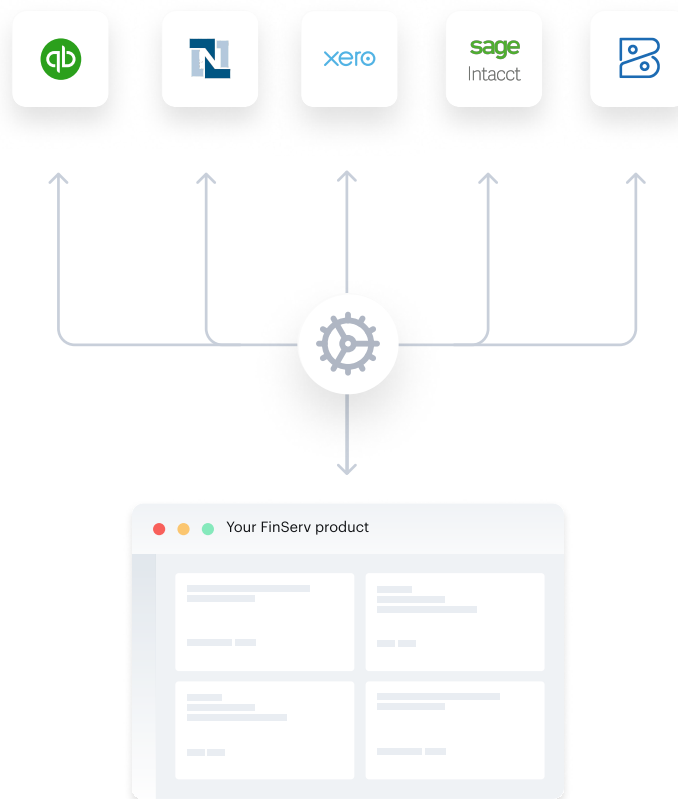
# Unified API platforms are the preferred type of solution going forward

Given the benefits of unified API solutions, FinServ companies cite them most often when asked about the type of 3rd-party solution they plan on adopting in the future:

What type of solution do you plan to use if you intend to work with a 3rd-party?

Unified API platform (e.g. Merge)	36.54%
Embedded iPaaS solution (e.g. Workato)	31.15%
Fidelity information services (FIS)	25.38%
FISPAN	3.08%

0%   20%   40%   60%   80%   100%

Why Merge is uniquely positioned to power your ERP integrations

Merge, the leading unified API solution, supports more than a dozen ERP integrations, allowing you to provide all the ERP integrations your prospects and customers need through a single integration build.
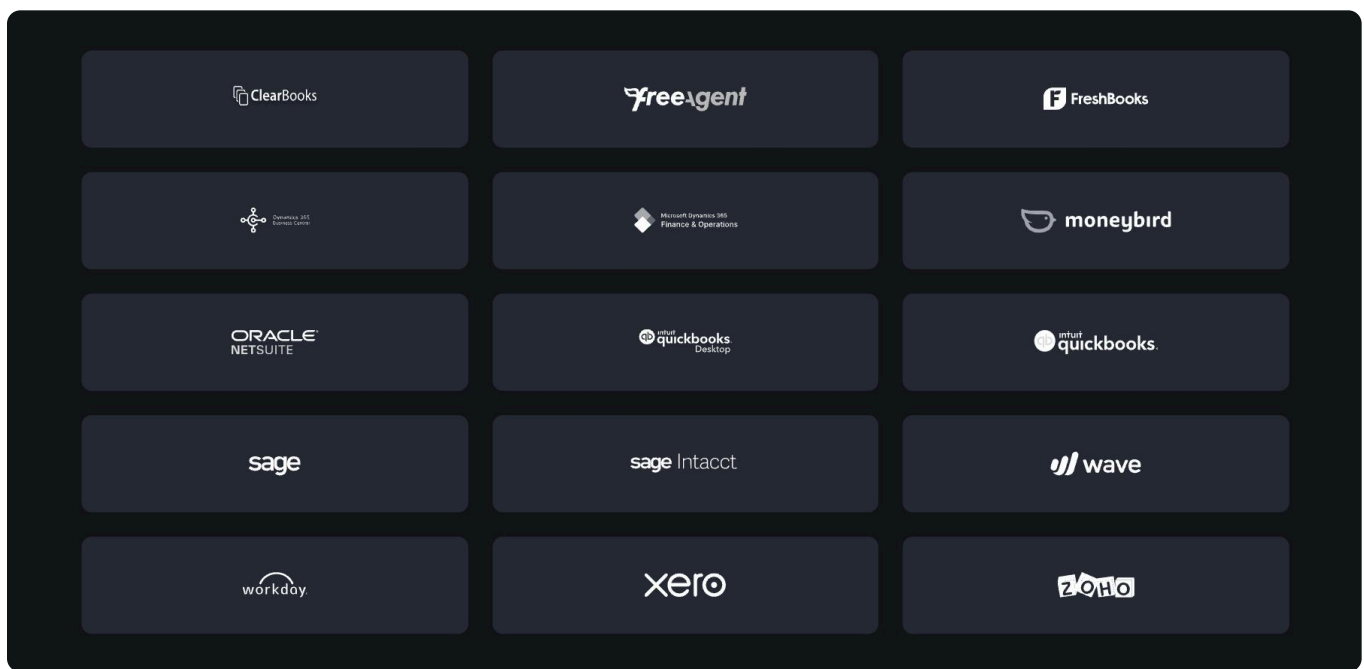
A snapshot of the ERP integrations Merge supports

Why Merge is uniquely positioned to power your ERP integrations

In addition, Merge fully maintains your ERP integrations (so that your engineers don't have to) and provides the tooling your customer success team needs to manage any integration issues over time.

Account Linking Issue   8:15 PM ET Jan 5, 2025

⚠ Bad API Key

👤 Artemis   ⚡   📋 Netsuite

API Request Log   8:15 PM ET Jan 5, 2025

GET   /rest/record/v1/vendorPayment/{payment_id}

➤ Merge   →   📋 Netsuite

Response ⌄   401 Error

👤 API request for data related to your customer Artemis

Suggested Remediation

Ask your customer to update their API key

Send notification with the following instructions:

1. Ensure that you have an active Netsuite account in good
   standing by logging into Netsuite and resolving any issues.

   Expand

Merge auto-detects common integration issues and provides the steps for resolving them

Why Merge is uniquely positioned to power your ERP integrations

Merge also provides unlimited access to sandbox environments to help your team avoid expensive partnerships, and their team of partner engineers enhances the ERP integrations rapidly to keep up with your evolving integration requirements.

✨

Improvements

💰 Accounting

- Added support for "type" selective sync filters on GET /invoices and GET /payments for Netsuite, Quickbooks, Sage Intacct and Xero

- Added additional fields to "remote_data" for GET /contacts for Netsuite

- Enhanced error messaging for POST /attachments for Sage Intacct

- Enhanced error messaging for POST /contacts for Xero

Every week, Merge makes several critical enhancements to its ERP integrations and shares them through its Changelog

Learn more about Merge and how the platform can support your FinServ company's ERP integrations by scheduling a demo with one of our integration experts.