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Market Entry Case Story - Monitor ERP

Bringing Swedish manufacturing know-how to Indonesia's industrial transformation

Company overview

Monitor ERP is a Swedish enterprise software company that develops ERP systems designed specifically for manufacturing companies. Founded in 1974 and headquartered in Hudiksvall, Sweden, the company has grown into a global provider with operations across 15 countries and more than 6 500 manufacturing customers worldwide.

Unlike generic ERP platforms, Monitor ERP focuses exclusively on manufacturers. Its system covers production planning, purchasing, inventory management, sales, time reporting, and financial management — built over five decades in close collaboration with the companies it serves.

Why Indonesia?

Monitor ERP's Indonesian engagement began well before its formal entry. The company won its first Indonesian customer in 2015, served from its Southeast Asian hub in Malaysia, and began exploring the market more actively from 2019. Several factors made Indonesia a priority:

- A large and concentrated industrial base in the manufacturing corridors of Cikarang, Karawang, and Tangerang, alongside Surabaya and, more recently, Subang
- A strong automotive supply sector — metal conversion, plastic injection molding, and assembly — that matches Monitor ERP's specialization
- Low levels of digitalization among manufacturers, many still running on manual processes and reactive day-to-day operations
- The government's active push toward Industry 4.0 through dedicated programs and institutions
- Indonesia's role in global supply chain diversification, drawing new investment into domestic production

Participation in the 2022 Manufacturing Expo in Jakarta proved decisive. The response from Indonesian manufacturers confirmed the demand the company had observed from Malaysia, and Monitor ERP committed to building a local presence.

Market entry approach

Monitor ERP tested the market before committing, participating in the Manufacturing Expo every year from 2022. In 2023, Monitor ERP AB made a direct investment and established an Indonesian principal company — in the company's assessment, the decisive move: customers began to see Monitor ERP as a committed, long-term counterpart rather than a remote vendor.

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References drive growth. A successful implementation and reliable support generate new prospects more effectively than marketing — existing customers are the primary sales channel. The company has also built institutional partnerships:

- Pusat Industri Digital Indonesia 4.0 (PIDI 4.0) — Indonesia's national Industry 4.0 center, a government initiative to support industrial digitalization
- Politeknik Astra (ASTRAtech) — a technical polytechnic with strong links to the manufacturing sector, established by one of Indonesia's largest industrial conglomerates
- OK OCE Indonesia — a national entrepreneurship and SME development movement working with government, academia, and the private sector

This ecosystem approach reflects a core principle: technology adoption in manufacturing requires more than software — it requires capability, trust, and long-term relationships, particularly in a market as geographically and industrially diverse as Indonesia.

> *"Customers started to understand the seriousness of Monitor ERP in being direct and long term with them. Long-term relationships really matter in this market."*
> *- Monitor ERP Indonesia Team*

Challenges in the Indonesian market

Monitor ERP operates in a market that presents real operational complexity. Key challenges include:

- Building local confidence in a foreign brand — trust develops through sustained time spent with business owners and stakeholders
- Recruiting skilled local staff and investing actively in their development
- Competition from local and international ERP vendors
- Collective decision-making: owners weigh feedback from middle and lower management seriously, so winning a deal requires commercial relationships and technical credibility in roughly equal measure
- Geographic spread across an archipelago of more than 17 000 islands, making on-site support resource-intensive

The company's response has been to invest in local capacity and to price for the long term — accepting commercial concessions in the early years to build the local reference base that Indonesian buyers look for first.

Swedish strengths that translate well

Monitor ERP's approach in Indonesia reflects several characteristics commonly associated with Swedish industrial companies:

- A non-hierarchical way of working, carried from Sweden through Malaysia to the Indonesian team — credited internally for motivation and retention in a market where top-down cultures dominate
- A long-term market commitment rather than short-cycle sales targets
- A standardized, manufacturing-focused system that reduces implementation cost and time
- A strong emphasis on knowledge transfer, training, and local capability building
- Close management support from Sweden and Malaysia

The company's philosophy of providing a standardized system — rather than expensive bespoke development — makes it accessible to a wider range of Indonesian manufacturers, including those earlier in their digitalization journey.

Outlook

Monitor ERP sees its clearest opportunity in the automotive sector, with a focus on Tier 1 and Tier 2 suppliers, and expects to grow organically in the region. The next stage is to build a complete local support function in Indonesia. The company describes Indonesia as central to its long-term strategy.

As manufacturers face growing pressure around efficiency, product traceability, and sustainability reporting, digital systems are shifting from a competitive advantage to an operational necessity. Government-led initiatives around Industry 4.0 and supply chain modernization continue to expand the addressable market.

Key lessons for Swedish companies

1. Test before committing. Monitor ERP served Indonesian customers from Malaysia from 2015 and invested directly only in 2023, once demand was proven.
2. Direct local presence changes perception. A principal company signals long-term commitment in a way remote sales cannot.
3. Local references outweigh global credentials. Expect to offer commercial flexibility in the first two years to build an installed base.
4. Decisions are collective. Engage middle management and technical influencers, not only business owners.
5. Relationships take time. Networking, associations, and repeated presence at industry events build the trust that precedes contracts.
6. Institutional partnerships such as PIDI 4.0 and ASTRAtech accelerate market credibility.

Fast facts

Sector	Manufacturing ERP software
Founded	1974
Headquarters	Hudiksvall, Sweden
Global presence	15 countries
Customers worldwide	6 500+ manufacturing companies
Entry model	Direct investment — principal company established 2023; first customer served from Malaysia since 2015
Indonesian focus	Automotive Tier 1 and Tier 2 suppliers; manufacturing digitalization
Website	www.monitorerp.com