

Enterprise Resource Planning Software: Taking the Plunge

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Successful companies are often filled with an excitement and energy that can fuel continued expansion. However, if a comprehensive system to manage the internal processes and procedures that serve as companies' foundations are not in place, growth can become unwieldy. The very growth that had inspired so much promise can bring down a business as quickly as it helped it to rise – unless the enterprise is managed accordingly.

Enterprise Resource Planning (ERP) software provides a solid foundation upon which organizations can not only grow, but also thrive. ERP helps to alleviate pressures on the enterprise by integrating all data and processes of an organization into a unified system. This unity allows decision makers to understand, from the warehouse floor to the call-center, exactly how the company functions, and what is needed to keep operations running smoothly.

A Myriad of Benefits

For a company that has grown to the point where an ERP system is the most logical next step, there are enormous benefits to be realized. For example, the centralization of key business data and applications is a critical feature for the enterprise. At the click of a mouse, it is possible for management to view important sales analysis data to identify profitable and unprofitable items, while another click of the mouse can provide command of purchasing functions by automating the planning purchasing and ordering process. A good enterprise system will provide a bird's eye view of the company--maximizing its productivity and profitability across-the-board.

Streamlined operations save time, money and effort. ERP helps achieve efficiency by providing one integrated system and eliminates the need for duplicate data entry. Key company information is entered once and automatically routed to all appropriate databases. In addition, this provides real-time access to information. For instance, if a product order is entered via the call-center, that same information is immediately sent to the warehouse floor, where the order is filled and inventory counts are automatically adjusted, providing an accurate display of what product is available for sale.

An enterprise system is critical for company expansion because it is generally easier to scale the system and add functionality. An ERP solution is a unified, integrated system that simplifies employee training with the use of one common software solution. This also facilitates enhanced cross-training opportunities and appropriate allocation of resources.

With an ERP system, traditionally all data is stored on one scalable database, providing easy access to real-time information – invaluable in today's economic environment.

Additionally, a good ERP system runs on a reliable computing platform and provides a stable and secure environment. This is imperative for peace of mind, especially as it is the repository for critical company information. While enterprise software is often perceived as extremely complex, it needn't be. ERP solutions should be simple to manage, easy to upgrade and readily expandable to support business growth, while at the same time facilitating easy employee training and reducing long-term expenses.

One of the most important components of an ERP system is the ability to extract and utilize key data. Effective, powerful data management tools built into an enterprise software system allow for flexible reporting options that include customized reports with the ability to save outputs in a variety of formats to match your company's needs. In addition, ERP systems should incorporate Business Intelligence (BI) functions such as dashboards, therefore, eliminating the need to buy separate software tools to meet this need.

Essentially, ERP allows companies to improve operational processes up to a global scale, create efficiencies throughout the organization, expand relationships with suppliers, and continually improve customer satisfaction. This comprehensive view of the business provides decision makers with the ability to understand the consequences that one area of an organization has on another.

Vendor Selection – A Critical Component

There are numerous vendors in the ERP software industry, all offering your business improved operational performance. With so many choices, it is important to perform a thorough analysis to determine which solution best matches a company's needs. A comprehensive assessment of the options will narrow those that can supply the majority of the required functionality.

The best enterprise software provides increased efficiencies, improved employee productivity and real bottom-line benefits, but it is also important to know what is right for your specific organization. Companies should ask:

- What functional specifications do we need?
- Is this software solution compatible to our company's business model?
- How flexible are the applications?
- Can this software adapt to meet the growing needs of our company?
- Does this vendor have the requisite industry knowledge?

Ready, Set – Implement

Implementing ERP software is an important decision that requires an experienced vendor to guide companies through a process that can sometimes be challenging. Preparation is a fundamental component and, if done well, can alleviate a myriad of roadblocks to an effective and timely enterprise implementation. A skilled ERP vendor, with industry specific knowledge, will ease this process and provide a detailed plan to guide companies to successful completion.

An experienced provider will analyze your business requirements, recommend industry best practices to streamline operations and personalize the system to meet a company's precise needs. In addition, your enterprise software vendor will work with you to incorporate advanced software features to improve employee productivity.

That said, it is imperative that the implementation phase include comprehensive technical and end-user training. Without this critical component, employees will muddle their way through the new software. If employees are not trained on the new tools and how it can streamline their work, than they are less likely to best utilize the new software. Implementing enterprise software without staff training virtually guarantees that large chunks of functionality will be lost due to employee ignorance. Staff will become frustrated, avoid using the software when possible and negatively impact the operations bottom line. Training should therefore be a priority during the implementation period.

Staff members must be trained not only on how to use the software, but the organizational benefits that this new system provides. A process must be put in place that can provide this information, while offering a platform from which employers can address any lingering concerns that employees may have. Let's face it, change of any kind is a scary thing for most people and there will be those who object. Smart companies, with the help of knowledgeable ERP vendors, can guide employees through this change and help staff to realize the enormous benefits that the new system can provide.

Finally, ERP solution providers should offer adequate technical support to guide an enterprise through the first weeks after implementation and address any issues that arise over time. Comprehensive help services should include a telephone hotline, as well as Web and on-site support. These services help to ensure that your company will receive maximum return on its technology investment.

An Average Implementation Timeline for the Small and Medium Enterprise

Implementation timelines can vary widely depending on the type of business and the complexity of the operations; however, average small and medium business implementations generally take approximately four to six months. This timeframe includes a company's basic operations such as:

- Financial Management
- Customer Service
- Inventory Management

For the execution of advanced enterprise features, the implementation phase is slightly longer – six to 12 months – and includes applications such as:

- Warehouse Management
- Customer Relationship Management (CRM)

- Sales Force Automation
- E-Commerce

To the enterprise implementation novice these timelines may seem long, but it is important to remember that a new ERP system will affect your organization from top to bottom and provide real-time data for critical corporate decision-making.

Reaping the Rewards

As businesses continually search for solutions to streamline operations, manage effectively, positively impact the bottom-line and prepare for the next challenge, ERP software can provide the solid foundation from which corporate success is built. With the help of a good enterprise system, companies can significantly improve efficiencies, enhance customer service, operate with unlimited growth potential and reduce overhead costs. Companies should ask themselves if they have grown beyond the current operating structure and decide if the time to take the ERP plunge is now.

More Information

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