

7 Key Considerations

When Choosing Your ERP Solution



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Companies use SYSPRO to improve control and efficiency in every aspect of their business, from accounting to manufacturing and distribution. Our innovative Enterprise Resource Planning (ERP) software has been trusted throughout over 60 countries for 40 years.



Choosing an ERP Solution

In a recent study, fewer than one fifth of organizations said that their primary ERP system works very well. If you are feeling frustrated by the limits of your resource planning platform, then now is the time to consolidate your data into one comprehensive solution.

The right ERP solution isn't about choosing the software with the most complex features or the lowest initial cost. It's ultimately about finding the closest match for your business' needs and objectives. You will want maximum value for your outlay, a platform that works the way your team does and a smooth transition from your old system to your new. Finding a solution that satisfies all of these factors is where the challenge lies.

Whether you're a manufacturer or distributor in whatever industry, here are the considerations you should arm yourself with before choosing your ERP.

Creating a Single Source of Truth

How long does your month-end really take? Reconciling your databases should be a smooth and pain-free process, but it's often the exact opposite.

All too often as companies grow and evolve, they stitch together a makeshift ERP. They may be using their original accounting software in addition to separate inventory, forecasting and warehousing systems, and so on. The problem is, these cobbled-together solutions don't talk to one another. As anyone who has tried to reconcile three different databases every month will know, this gets frustrating fast! Too much time and money is being tied up in inefficient processes and multiple versions of data that don't correlate.

A comprehensive ERP solution can consolidate all data sets into one system, providing one single, clear source of truth. That means forecasts are accurate, accidental overwrites and deletions are eliminated and the workforce is always working on the same page. Management can drive strategic decisions through real-time data across the entire operation, rather than simply relying on hunches.

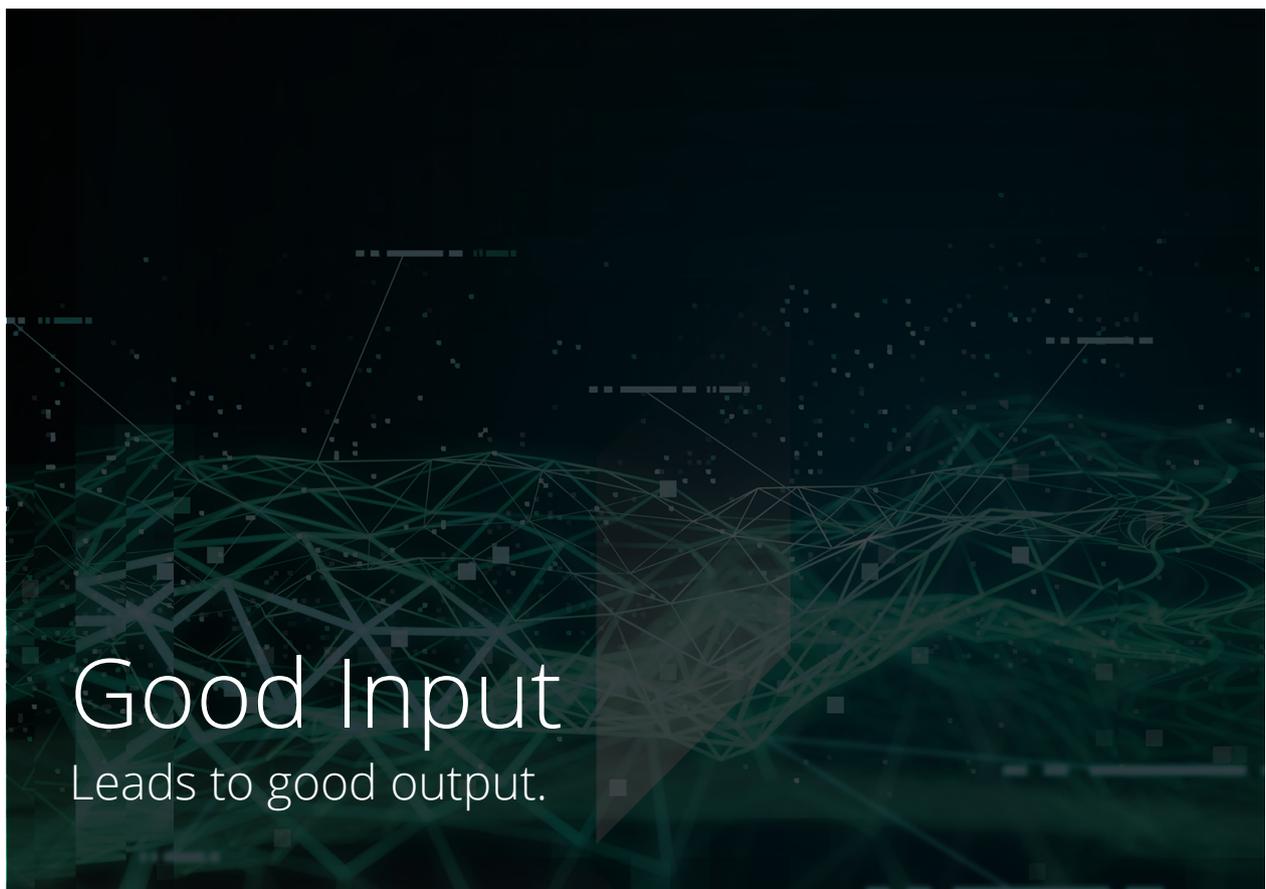
Identifying and prioritizing needs

Take some time to list the business areas that will ideally need to be consolidated, such as manufacturing management, ecommerce, customer relationship management, distribution logistics, order management, product lifecycle and engineering control, scheduling, inventory and/or warehouse management. Identifying – and importantly prioritizing – these areas, will help to obtain a solution that meets most or all of the business' needs. Customization can further tie in technical processes that are specific to the business.

Optimizing Data Integrity

Moving from existing programs to a new all-inclusive system can seem an overwhelming task.

Businesses ultimately won't want to leave their existing data behind, because that historical data will play a key role in future forecasting and strategy. Better yet, by transferring information over, management can take full advantage of the new system's reporting functionality and find insights that weren't previously obtainable.

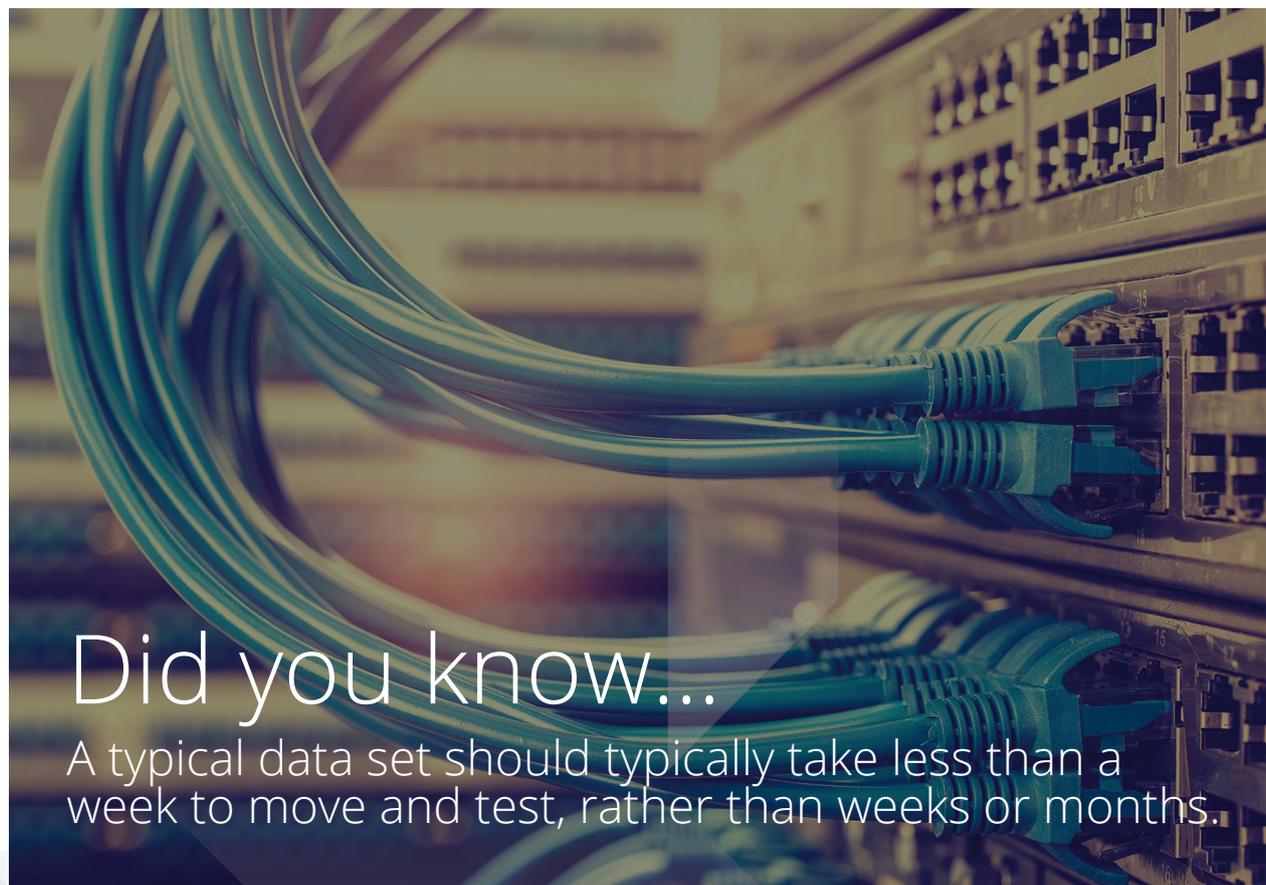


Many businesses struggle to assess the quality of their data or know how to perform a spring clean of their database before they move systems. Prior to transfer it is worth asking:

- Do databases have any duplicate accounts for suppliers or customers?
- Are there any old product codes or quotes cluttering up data sets?
- Are databases missing any product descriptions or other information?

Fail to clean these issues up prior to transfer, and reporting and forecasting will suffer as a result. Good input leads to good output, so to speak. It is therefore beneficial to search for an ERP provider that offers the right tools and systems to optimize the data transfer. Some support teams will have the resources to provide data cleansing assistance to ensure that move is a straightforward one.

How much time will need to be allowed for data transfer? A typical data set should take less than a week to move and test, rather than weeks or months. To avoid operations grinding to a halt, ask potential ERP providers about how they would be able to assist with data transfer and how long this is likely to take for your company.



Compliance and Accreditation

“We are what we repeatedly do. Excellence, then, is not an act, but a habit.” - *Aristotle*

For many businesses, failing to comply with their quality or industry based obligations could result in liability, lost licensing, costly fines and erosion of their entire client base. The potential cost of non-compliance is heavy, so little wonder that it's a key consideration for companies when choosing their ERP solution.

Accreditation and compliance typically comes down to the quality of your paper or digital trail, whether it is for OHS, tax obligations or ISO-type quality auditing and reporting purposes. From defence contracting right through to food and beverage production, complete traceability of details such as supplier changes and transactional audit trails is an absolute must. Providing automated and efficient methods of capturing this data will ensure that the recording of quality and origin becomes a reliable habit within the organization. Seek out a provider that understands the importance of compliance and provides the functionality to fulfil your company's requirements, through search capabilities, quality tracking, lot traceability and/or supplier performance reporting.

On seeking security

Strong data security is vital to eliminating unauthorized access and maintaining the integrity of a business' data for compliance purposes. Whether this is maintained through a self-hosted platform or through a reputable hosting provider, ensure that administrators can customize and control access and passwords across distinct departments. Managers should be able to pull up master data amendment journals at a moment's notice to see who has implemented changes and when.

Compliance is an incredibly complex issue and if this is a consideration for your business, it is best to speak with ERP providers in detail to see how their solutions fit your needs. Above all, look for a secure platform that minimizes manual processes and allows for efficient monitoring and documentation of complex information flows.

Hosting Options

Your ERP hosting option is not a decision to be made at a moment's notice. No two companies are alike, and the most suitable hosting type will depend on your available IT infrastructure, budget, security, compliance and reliability requirements. For some, hosting their own ERP platform in-house gives them their desired level of control over their data, security and reliability. For others, a combination of a cloud and mobile deployment enables their team to securely and efficiently capture data while out in the field or on the shop floor.

Below, you'll find the most common advantages and disadvantages of each hosting type for an easy comparison.

Hosting Option	Advantages	Disadvantages
<p>Cloud Data and software are hosted remotely and accessed via an internet connection.</p>	<p>Access the system any time, anywhere with web access. This option is well suited to an in-house or remote workforce.</p> <p>Updates are automatic with a cloud-based solution.</p> <p>The IaaS (Infrastructure as a Service) model typically enables scalability and easy upgrades.</p> <p>Remote servers mean less dependence on an in-house IT team.</p>	<p>Data access will be determined by the speed and reliability of the remote servers.</p> <p>This option requires internet access unless the platform enables offline updates.</p>

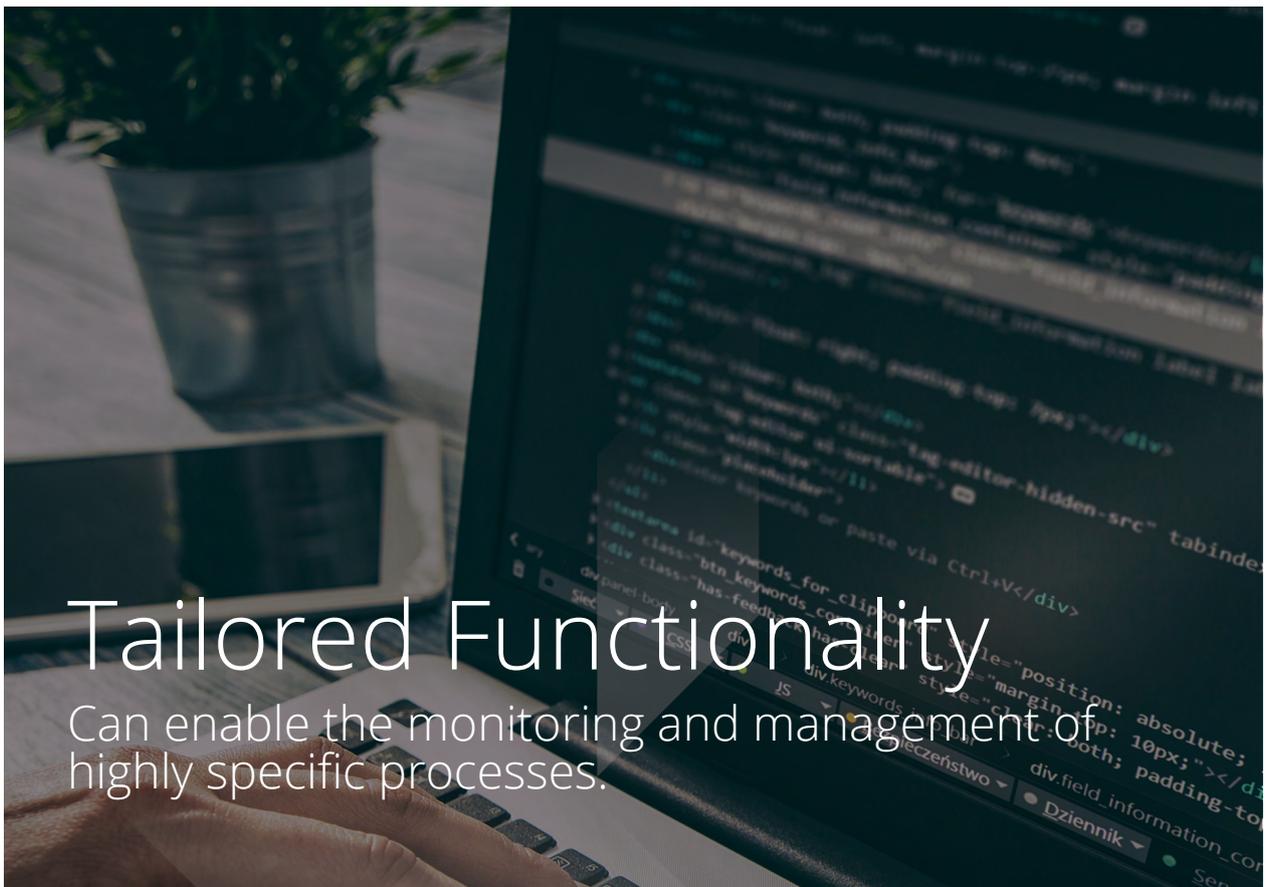
Hosting Option	Advantages	Disadvantages
<p>On-Premise Data and software are self-hosted on your own in-house infrastructure.</p>	<p>With on-premise deployment, you can choose your server speed, location and reliability.</p> <p>The company can control its own data security.</p> <p>On-premise can be cost effective compared to the cloud if you use multiple software solutions.</p> <p>Software is generally bought upfront, so the only recurring costs are that of self-hosting and maintenance.</p>	<p>You are entirely responsible for your data, so reliable backup and security will be crucial.</p> <p>If an unsuitable choice of platform is made, further changes or upgrades can be more expensive than with an IaaS model.</p>
<p>Mobile Software is accessible via the web on your choice of tablet, phone or device.</p>	<p>Mobile products should ideally be device agnostic, meaning the platform will scale to any phone or tablet.</p> <p>This means a typically shorter learning curve, as staff may be familiar with the device/s and will only need to learn to use the platform.</p> <p>Mobile access is ideal for updates in the field and on the shop floor.</p> <p>With some mobile systems such as SYSPRO Espresso, you can remove all data from a redundant device with one click.</p>	<p>The provider's security measures must be strong and customizable to avoid data breaches.</p> <p>If the product is not suitably standardized for all devices, there may be problems with access.</p>

Be aware that many ERP solutions will only offer cloud or on-premise models, and therefore may encourage organizations towards an option unsuited to their requirements. As such, it may be worth speaking with providers who offer all three software models and can help you find the most suitable solution that will effectively capture data and free up resources.

Customization and Personalization

In a recent report, almost 50% of organizations stated they required some level of Customization with their ERP system, while over 25% said they required substantial Customizationⁱ.

Custom development expands the ability of an ERP system to incorporate every individual facet of a business, no matter how unique it may be. Tailored functionality can enable the monitoring and management of highly specific processes that are essential to the production chain, such as material yield systems or shipping container tracking.



First of all, it will be important to choose an ERP that meets as many of the company's needs as possible so any customization costs can be kept to a minimum. If the core software chosen cannot capture the majority of processes for your organization, it may not be appropriately suited to your industry. Customization is best kept to business-specific data and processes to tie in with existing systems.

On a second note, consider asking about previous customizations implemented by the provider to assess their level of development capability and complexity. Managers will want to know that if bugs do need to be ironed out, these will be addressed by the ERP provider in a timely manner.

Customization and your upgrade path

One important consideration is regarding how Customization could affect the company's upgrade path in the future. With some providers upgrading your ERP options could cost almost the same as a new implementation, as the customizations are built on the same path as the core system. Work with a provider that offers separate paths for core and customization development, so upgrades will be clean and hassle-free without interrupting operations.

Maintaining Personalization

Personalization allows the ERP software to be tailored to the end user to streamline their regular processes. After all, accounts receivable will be using different features to accounts payable, so it makes sense that these different members of the team can work through their day with customized dashboards for efficiency. As with customization, it's important that updates and upgrades won't affect existing personalization or the company risks losing valuable time as employees set up their preferences once more.

Reporting and Forecasting

“If you can't measure it, you can't improve it.” - Peter Drucker – management consultant, educator and author.

Management reports are your map of the past and your itinerary to the future. Being able to instantly pull up detailed information on a financial, operational and executive level enables managers to make more agile and informed decisions. When researching ERP systems, look for consolidated reporting functionality and the ability to customize reports as needed. Understanding exactly which management reports you will want to see and use from the start will enable you to select a system then transfer and extract the right data in its most advantageous format.

Exporting and sharing reports

In addition, the ability to export financial papers, inventory lists and supply chain contracts into shareable Word, Excel and other formats will make it easy to rapidly carry out scenario testing and analysis. Some providers such as SYSPRO offer the ability to export via Office 365 without the need to install Office on the desktop. Being able to easily email reports directly from within the system will shave off yet more administration time for the team.

Leading with a clear view

For COOs, CFOs and other executives, sophisticated reporting and analytics is where an ERP solution really proves its worth. These systems have evolved to an entirely new level in recent years, providing customized dashboards where accounting, manufacturing, distribution and all other departments can be viewed in real time including automated alerts for problems or fluctuations in the market. It's essential for the company's executives to be closely involved in the ERP selection process and educated in the platform's full reporting potential in order to capitalize on opportunities for a competitive edge.

Support and Training

"Well done is better than well said." - Benjamin Franklin

Training is a fundamental part of any ERP implementation, and can be a significant contributor to the costs involved in moving to a new system. While the most common choice is to train the trainer, many organizations will also see the benefit in group user training. Find a provider that is flexible about providing the education format that works for your workforce and you'll be able to keep the cost of effective training to a minimum.



Effective ERP

Education needs to be more than just detailed and technical training.

Seeing the big picture through ERP education

Effective ERP education needs to be more than just detailed and technical training. It should also show the workforce the 'bigger picture' of how the ERP solution will tie together accurate data to improve performance, lower costs, and streamline processes. Ideally, employees will clearly understand how important their role and correct data input is to the overall system. It's simply never too early to start familiarizing your workforce with the ERP system they'll be contributing to.

Support and development

Of course, a key requirement of implementation will be having both the resources and support at hand to keep both your team (and therefore customers) feeling confident. Look for an extensive knowledge base and content library, along with an available and accessible support team. When implementing a system as critical to your business management as ERP, having a provider that actually backs up their product will be imperative.

Management should be realistic about project timelines and support budgets for at least 12 to 18 months after implementation, particularly if the organization is customizing its platform. While some systems are certainly more refined than others software bugs can occur, so the support team will need to be responsive and efficient in addressing any issues.

A Final Word on Finding Value...

For many organizations the single defining factor for choosing an ERP option often comes back to the cost of rolling out a new system and training their team. While price is undeniably a deciding factor, the focus should be on finding a combination of provider expertise, functionality and support that will provide outstanding value in the long term.

Prioritising the importance of the business' requirements will help to clarify the most suitable ERP solution without the need for costly re-implementation. Are security and compliance audit trails at the top of the priorities list, or does the business have complex customization needs for its distribution processes? Which aspects critically need improving, and which could be addressed further along the upgrade path?

With a clear focus on needs and objectives, a choice of deployment option that suits the way your team works and the support and training to start on the right foot, your organization will be gaining the resource efficiencies and insight to move your business forward ever faster.

We are always here to help with obligation-free information to clarify your decision. For more on choosing your ERP solution, [contact the SYSPRO team today or visit \[syspro.com\]\(http://syspro.com\)](#).

References

ⁱ *The Next Generation Of ERP: What's Right, What's Wrong and What's Changing*. 2017. Bend, OR: Ventana Publishing.