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Six business challenges addressed by

Enterprise Resource Planning

Introduction

An Enterprise Resource Planning (ERP) system is a single, integrated, software platform designed to consolidate information across the entire business. By including financials, sales, customer relationship management (CRM), stock and operations, ERP systems enable businesses to make effective and informed decisions, increase productivity, and grow profitability.

Whether you are beginning your search for an ERP solution, thereby looking for more information and a deeper analysis of available options, or you are an existing user looking to switch to a more suitable platform, or to cloud based ERP - this guide will help you to understand the true value of ERP.

SMEs who implement ERP benefit from a **24%** reduction in inventory and a **97%** on-time and complete delivery rate.

*Aberdeen Group, October 2017

Six Business Challenges Addressed By ERP

For businesses of all sizes and industries, there are key trends we witness that inhibit productivity and growth. A modern ERP solution can tackle these common challenges and stand your business in good stead for a profitable future.

1. Disparate, standalone software systems are making business processes unnecessarily complicated

When your sales staff are using one software tool, your accounts team are jumping from Excel to an online finance package, and your warehouse employees are using completely different software, processes become unnecessarily complicated, time consuming and difficult to report on.

A modern ERP solution supports all your essential functions on one user-friendly and flexible system.

These functions include:

- » Finance
- » Sales
- » Purchasing
- » Stock
- » Manufacturing
- » Project Management

Instead of having disparate platforms and many processes for each, ERP software consolidates all these activities into one centralised solution; managing, storing and analysing all of its data.
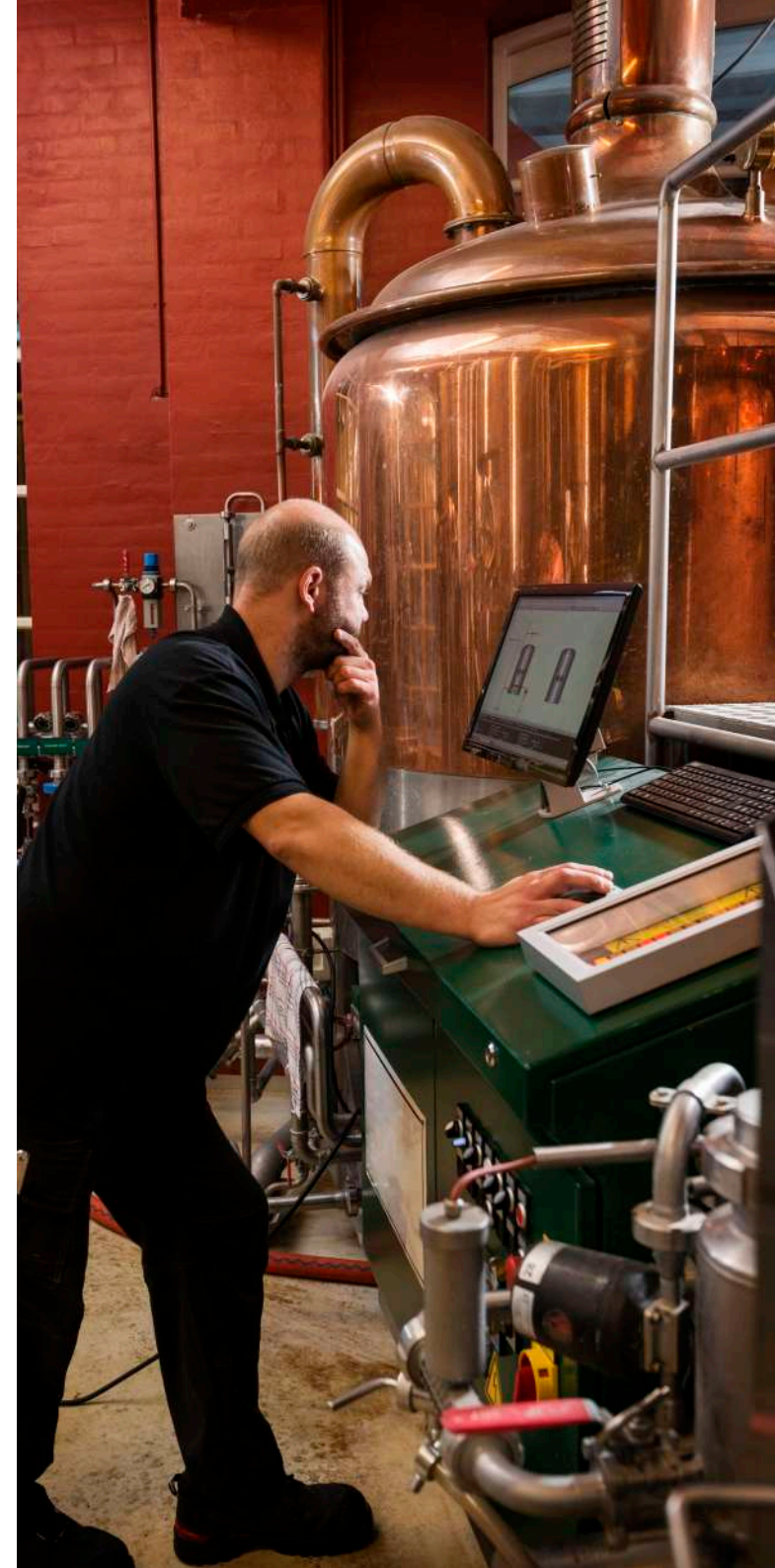
2. Issues with reporting are leading to poor decision making

With an effective ERP solution, you can better organise your company's information streams as all of your data is controlled and managed within one comprehensive system. With all costs, revenue figures and marketing data being pulled into one centralised solution, ERP gives your management team access to real-time, accurate data and intelligent insights into your business.

As a result, you will be able to exploit a wide range of analytical tools to make informed business decisions and remain competitive.

3. Manual processes and data entry waste time and are error prone

Businesses of all sizes have to work within resource and time constraints, but these are particularly challenging in SMEs where even small disruptions can have a significant impact on operating costs, margins and profitability.

ERP will help you to automate many of the manual processes that we see in so many SMEs. It will eliminate the need to rekey data which is not only a waste of valuable time, but also is error prone and a cause of significant employee frustration.

As your business expands, maintaining these manual processes becomes increasingly challenging. ERP will eliminate these tasks so that your teams can focus on value creation activities which are the catalyst of company growth.

4. Lack of access to real-time data makes it hard to react quickly when things go wrong

Your ERP solution will hold data from across all of your business functions in a single system. Real time access to this data and the presentation of dashboard analysis on wallboards, desktops, tablets and smartphones, will ensure that your business processes run smoothly.

More importantly, when process issues do occur, your managers and staff will have access to information about an issue, while there is still time to do something about it. This timely provision of information means that your staff can intervene to put things right before problems escalate and service levels are compromised.

Real time KPI dashboards deliver unprecedented levels of business insight and control. With this increased confidence in the data on which key decisions are based, comes faster, more robust decision-making for added business agility and optimum performance.

5. Control and growth are compromised by inconsistent practices across the business

Businesses that are experiencing significant growth, often find themselves relying on systems and processes that were designed to support less complex transactions and lower volume throughput. Workarounds and interim solutions often remain in place for longer than was originally intended, making control of existing business difficult, and compromising growth.

Enterprise Resource Planning will address these challenges by giving you more control within your business and better auditability.

Because your ERP software solution has the potential to support all your key business processes across finance, CRM, purchasing, manufacturing, etc., on a single system, you can centrally impose standards for access control, permission management, segregation of duty and data ownership. You can then use the ERP software's audit trail capability to ensure full adherence both to internal procedures and also potentially to external compliance standards that may apply.

6. Ineffective supply chain coordination causes stock shortages and oversupplies

The challenge here may present itself as too much stock or too little stock, or sometimes both! No matter which of these challenges you face, ERP has a significant role to play in the solution.

Within your own business, you need a system that will ensure that you track goods inwards rigorously and that your inventory management and stock utilisation reporting accurately predicts when new stocks are required.

Outside of your own business, your ERP solution needs to provide visibility and control over the entire extended supply chain. Here, advanced procurement tools will allow you to integrate with supply chain partners, providing a comprehensive view of operational performance, highlighting opportunities for time and cost savings, ensuring on-time production and delivery every time.

Business Functions Using ERP To Add Value

Financials

With ERP you can amalgamate reporting, budgets, receipts, forecasting, deferred payments, general ledgers, exchange rates and more.

Sales and Marketing

ERP provides sales teams with pipeline and contact management, order history, multi-currency pricelists, quotations and more.

Purchasing

Maintain all vendor and item master data in one central repository, amalgamating this key information with all other business transactions to provide full visibility of the end-to-end purchasing process.

Stock

For stock-intensive industries, ERP drives profitability through the automation of item management, warehouse transfers, batch management, and 'pick and pack.'

Manufacturing

Whether you're a discrete or process manufacturer, ERP software can help you accelerate production, increase operational visibility and reduce cost.

Project Management

Project management and professional services automation will allow you to manage everything from calculation, planning, resource management, purchasing, time recording and billing, to analysis and reports.

Case Study: Eddie Bauer and SAP Business One

Context

Eddie Bauer offers premium quality clothing, accessories and gear for men and women that complement today's outdoor lifestyle.

They operate approximately 370 stores throughout the US and Canada. Eddie Bauer deployed SAP Business One in their German subsidiary to support their online and catalogue retail channels.

Solution

The solution supported real-time reporting so that management had greater visibility, reporting and control across key business processes. User reaction to the new system was positive. They were convinced by the user-friendly and customisable interface and by the fact that all the data they needed was in one place, giving them visibility across and between processes.

Payback

Since Eddie Bauer transitioned to using SAP Business One, the business has been able to support critical business processes from merchandising, planning and product development in one system. Users now have full visibility across processes and with all the data in one system, management can get at the numbers really quickly.

"Sapphire was the consulting company that we brought in to help. We are very happy with the results and its very rewarding to be able to get at the numbers quickly and manage the business with the new system. It's been a good partnership!

Steve Bechwar, Managing Director, Eddie Bauer Germany.

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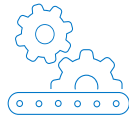
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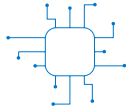
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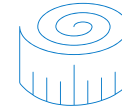
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Sport & Leisure
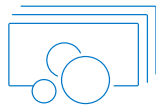
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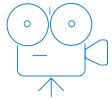
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Technology
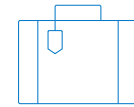
Fashion & Apparel

Not for Profit

Transportation

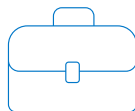Financial Services
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Food & Beverage

Professional Services

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Retail

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