

eBook

When Is it Time to Replace My ERP?

A Guide to Understanding When to Upgrade Your Consumer Goods ERP





Is Your ERP Prepared for the Long-Term?

Balancing short-term and long-term goals is tough for any business. Nowhere is that more apparent than in your company's ERP software investment. Companies delay upgrading their ERP software for many reasons, including the belief that it works just fine for the short-term.

Long-term thinking is critical to protect your organization's health. If your company is stymied by short-sighted goals, then your business won't be prepared to compete in the global marketplace.

The following questions can help you determine if your ERP is prepared for the long-term:

- Does your organization have complete visibility into the entire supply chain?
- Is your organization using multiple third-party bolt-ons?
- Have users developed time-wasting workarounds to complete tasks?
- Does your ERP provider add new customer goods features?

Read on to learn how each of these items can affect your business in the future.

Have You Evaluated Your ERP for Complete Visibility?

If you aren't able to quickly and reliably obtain relevant information on every aspect of your business, then you lack complete visibility. That can be dangerous when it comes to managing your employees and balancing your bottom line. In the past, technology limitations have impacted the speed of decision making. Not any more. It's critical to have immediate access to all your business information and displayed to you in a usable form. Your company's reporting and business intelligence tools must reveal your profitability, inventory and financial metrics at the detail levels most valued by your business.

Over the long-term, companies with complete visibility into business operations can improve on exception management, delivery performance, forecasting accuracy, inventory reductions, and more. Visibility into all these aspects of your business helps to improve forecast accuracy. A fully integrated ERP solution that updates information in real-time and offers integrated demand resource planning enables consumer goods companies to have better forecasting information, lower inventory levels than their competitors, and it allows for better and quicker response time to retailer and end-customer needs. This is the long-term advantage.





Is Your Organization Using Multiple Third-Party Bolt-Ons?

Many consumer goods companies choose a best-of-breed approach for their ERP solution. These companies cobble together applications from a variety of software companies and combine them into one hybrid solution. In theory, cherry-picking the best individual application for each aspect of the supply chain should create a superior product. But in practice, bolt-on bundles can create more problems than they solve.

Best-of-breed applications, for example, require you to track multiple applications and upgrades that occur on separate schedules. This can tie up IT resources and slow down your organizational efficiency. Users of the programs are also required to learn multiple systems with different interfaces, which creates another kind of challenge. But with a fully integrated ERP, this simply isn't the case. This software system offers consistent user experience, a simplified upgrade process, and it also allows your users to learn one system as opposed to navigating several disjointed applications. Solutions that are fully integrated tend to perform better in terms of reporting, data integrity, and usability.

Have Users Developed Time-Wasting Workarounds to Complete Tasks?

Many companies still use manual processes for tasks that should be completed via automated workflows. When you aggregate together the total number of hours manually spent each day, week, and year, the number quickly catapults. It's thousands of wasted work hours. The more processes your company can automate, the more time and resources your team is able to dedicate to work on other strategic tasks. If your ERP software has limitations in its functionality, and your ERP users have developed workarounds rather than using automated processes, then your company is slowly falling behind.

The right ERP software creates automated processes that reduce labor resource requirements. It can reduce the amount of time for reports to be created, turn paper-based processes into automated ones, and reduce discrepancies and errors. The ability to ship more products out of your warehouse without having to increase your workforce means higher and healthier profitability for your business. Every small advantage your company can maintain will make a big difference in the long run.





Does Your ERP Provider Add New Consumer Goods Features?

Horizontal, or general software providers, broadly focus and use their resources to create general functionality that often isn't specific to your business or industry. When you choose a horizontal ERP application you are only receiving a small percentage of the resource and development efforts from your ERP vendor.

In contrast, choosing an ERP vendor that is industry-specific means you can count on software enhancements that will be applicable to your business. With an ERP vendor that is wholly focused on consumer goods, you'll have a software partner that is up-to-date on industry best practices. The team of project managers and industry experts leverage their experience to build features, functionality, and tools to help you optimize your supply chain.

What are my next steps?

Change can be challenging, especially when the change is big and affects all aspects of your business. When thinking about long-term business health, however, it's valuable to reflect not only on what works but what could work better. Companies delay upgrading their ERP software for many reasons, but if your organization lacks complete visibility into the entire supply chain, uses multiple third-party bolt-ons, has time-wasting workarounds, and infrequently adds new consumer goods features, it might be time to reevaluate your ERP software investment.



Ready to Upgrade?

If you want to learn how a consumer goods specific ERP like Apprise can help your business, contact us and we'll get you started.

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