



3 BARRIERS TO GROWTH YOU CAN SURMOUNT WITH “NEW” ERP

What impedes the ability of manufacturers to grow, compete, and create new value for their customers? Ironically, many executives argue their systems - more specifically, their ERP systems. We look here at how a new generation of personal and intuitive ERP, dispels 3 of the most common arguments.

There is perhaps a perception that ERP systems are preventing organisations from becoming strategically agile, operationally responsive, and globally competitive. But how? According to recent industry research, companies that adopt ERP systems are far more dynamic and prosperous than their rivals.

Year on year average gains for these top performers:

- 22% reduction in inventory levels;
- 97% inventory accuracy;
- 4.4 days to close a month;
- 96% manufacturing schedule compliance; and
- 98% complete and on-time shipments.

But it's one thing to be more capable than struggling companies. It's another thing altogether to be as fast, dynamic and as capable as customers are now expecting in today's demanding and highly contested markets.

As the mounting frustrations of today's manufacturing executives suggest, it is no longer enough to simply use ERP. That's a given. Companies have to capitalize on it. Indeed, the question is whether they are driving their business with the assistance of ERP, or, is the business being driven (and constrained) by the ERP system.

Increasingly, companies have to be a top performing ERP adopter to merely remain in the game. Yesterday's leading edge is fast becoming the minimum expectation.

"There are discernible and, in many cases significant, differences in the operational and planning efficiencies of companies that invested in ERP. It is especially true for companies that are considered Best-in-Class for ERP."

Aberdeen Group

Confronting the Barriers to Growth

So what's stopping companies from being more effective with their ERP systems? What are their main complaints?

1. **Too complex.** Often this only mirrors the complexity of the business. Convoluted business processes make ERP systems lose their agility and be less intuitive. Rollouts can then take months or years, and upgrades can slow down operations and undermine strategic business objectives.
2. **Too expensive.** Customization and integration can add tremendous cost to an ERP deployment. Huge investments of this sort drive down ROI.
3. **Too inflexible.** Industry sectors work in different ways and each manufacturer has unique processes which may need to be extended. Additional systems remain islands of information, creating a business of 2 halves or even 4 quarters. Companies may want to champion change, integration and agility, but their ERP system can be keeping them frozen in time.

Given these issues, it's easy to see why there is frustration with conventional ERP solutions. You can't perform at your best when your systems are incapable of supporting flexible processes and high levels of performance. It's all very transactional.

But let's look deeper. Why are these systems so complex, expensive and inflexible?

Here are two core issues to consider: navigation and integration.

Navigating today's sea of information is the first problem. Right now, ERP users are often finding themselves trapped in their systems. They can't find the information they want, when they want it - much less the actionable intelligence required to make smart and successful decisions.

Reason? The data is locked away in disparate systems and sources, inaccessible from the application in use. What's more, the user experience is often painfully awkward - unable to easily navigate from one screen to another and certainly unable to move easily from one application to another.

If they do so, they may have to sign out and then sign on again. The look and feel of the tools has then often dramatically changed. This makes it hard to learn and master new tools, further undermining personal productivity.

This user experience point has been heightened in recent years by how consumer technology has eclipsed business technology in terms of functionality, ease of use, and personal value. Having experienced the simplicity of a smart-phone and the navigational ease of an online app, consumers communicate, purchase and obtain information much faster and easier than ever before. Unfortunately, we often have to sacrifice this comfort when we sign in to our business or ERP system.

Now, think about the integration factor. It's the issue driving cost and complexity to greater heights with conventional ERP.

Everyone recognizes the necessity of tying systems together - ERP, SCM, CRM, etc. - in order to access to the information needed. But integration is often expensive and complicated. The costly proprietary middleware necessary to integrate apps is sure to drive down the returns on any ERP investment. And the typical challenges associated with customization will drive up costs and lead to long upgrade cycles.

So, applications may be able to be integrated eventually, but what will be the total cost? And how long will it take? What will such barriers mean in terms of missed opportunity and dampened growth potential?

Next Generation ERP

Fortunately, these barriers need not stand in the way of a company's progress. With the next generation of ERP systems, there is an opportunity to surmount these barriers and support an enterprise's strategic growth objectives.

Instead of letting an ERP system drive a business, companies can firmly take the wheel and accelerate to new speeds. With Next Generation ERP, they'll address the navigation and integration issues raised here. They can:

Get the information they need when they need it. Users can access information wherever it resides and organize it as they wish. Immersed in their new role based workspace, they then can display it in ways that maximize their productivity. They'll get the business intelligence they require -- in the context they require it to make faster and more effective decisions.

Navigate information from one universal interface. With a single sign on and a single screen, users can access a range of applications – whether they are on premise or in the cloud. With a single window into the data, they can navigate their systems even as the look and feel remains intuitive and consistent.

Collaborate without boundaries. Not only will users have access to the information they require, they'll find it easy to share with their colleagues, customers and partners. They'll be able to work together -in their ERP application - in ways that were previously never possible.

Create connections quickly. With lightweight middleware based on open standards, the IT department will be able to rapidly install, configure, and activate new linkages between applications. This will facilitate the flow of data and support the performance of the business.

Streamline and automate workflows. Work activities, events, and business documents can be directed to managers or colleague. Approvals can be automated and tasks and alerts can be centrally managed. This heightens the clarity and quality of the business processes, enabling the organization to rapidly scale up in relation to new market demands.

Users will have a “consumer-grade” experience that enhances both personal productivity and enterprise performance. This should be, and is standard with the next generation of ERP.

And this next generation is here now. The new expectations are now being set. The capabilities described here are available.

Manufacturers now have an opportunity to rethink ERP -and what they expect from their business system.

Designed to support business agility and speed, companies will be able to drive out costs and drive up growth. New ERP is specifically designed for a selection of industries -- and flexible enough to support changing business needs.

With this next generation solution, companies will finally be able to surmount the three barriers -- complexity, expense, and flexibility -- that have undermined confidence in ERP in the past. Companies will finally be in the driving seat, ready to step on the accelerator.

It’s time for change.

It’s time to start thinking differently about ERP.

Find out more about new ERP. Visit www.thinkyouknowerp.com

New ERP:

- Delivers an engaging and personalised user experience
- Integrates all applications, systems and data sources
- Improves business visibility and facilitates faster decision making
- Enables to *drive the business* to new levels.