ENTERPRISE RESOURCE PLANNING:
THE KEY TO GROWTH AND EFFICIENCY

Executives Series

For professional services, business services, and other project-driven organizations

ARTICLE 4

THE OBJECTIVE OF ERP

The objective of an enterprise resource planning (ERP) solution is to unify and standardize business processes. Centralizing information makes it easier to collect, access, and manage data across the enterprise. But the critical value businesses reap from ERP is expanded visibility into data that can be used to better inform their business decisions and operational proficiency.

For professional service organizations, project workflow is the key to maximizing the return on services delivered. The accuracy of billing, time management, and status updates can result in a profitable project or a disappointment that tanks your financial forecasts. With many employees working offsite, the number of data sources expands, putting increased pressure on operations to manage efficiency seamlessly. Visibility becomes more important as the data grows, but becomes harder to achieve.

WHY BUSINESSES DO OR DON'T IMPLEMENT ERP

Accelerating business processes is best accomplished by standardizing them to eliminate unnecessary steps and automating manual tasks. This is the top reason most attributed to the deployment of ERP solutions by businesses, both small and large. What sets companies apart in the success they achieve is the quality of their execution. Obviously, adoption and execution will be best when the system selected is intuitive and easy to use. This importance is amplified with the speed of business today. We simply cannot afford to file an IT request and allow it to sit in the queue for days—or even weeks. Business success is predicated by responsiveness and the quality of business decisions. That means enabling operational roles to manage the system independently.

In March, 2011, Aberdeen Group asked companies what they were using, if not ERP. Spreadsheets were the top choice indicated by 68% of respondents. Although spreadsheets are easy to use, and nearly universally available, they alone do not easily roll up, standardize processes or allow for any type of collaboration. The need to move beyond spreadsheets—at least spreadsheets that cannot integrate with an ERP system—or basic business management

software to a system that facilitates improved operational efficiency amplifies the drive to transition to ERP. The top two reasons for not implementing ERP solutions are stated as the effort to implement and the cost of the software and services, respectively.

WHY A NEW ERP SYSTEM IS WORTH IT

To put the perception of difficulty into perspective, consider:

- Any effort expended is usually repaid with measurable efficiency improvements.
- Many ERP solutions are scalable, allowing for incremental, phased rollouts.
- A hosted deployment of ERP can result in lower total cost of ownership (TCO) and reduce the effort and cost of upgrades.
- Best-in-class companies are reducing operational costs by 20% and administration expense by 18%.

USER ADOPTION AND TRAINING IS KEY TO REALIZE IMPROVEMENTS

The perception of difficulty depends on the understanding of how to use the solution. Collecting and filtering data is made easy, evidenced by the amount of it most companies have gathered. Analyzing it to extract valuable insights is more difficult. This said, the following example proves the difference achievable with a partner who can show you just how to get the most from your ERP solution in the best, most efficient way.

A Professional Services Company Gets ERP Training

A services company had purchased an ERP solution, but not taken the step to train their controller or accountant on best practices for using the software. Because the staff hadn't adopted the software and was still employing the manual practices they were used to, the benefits of the solution were not realized.

Once they secured training from a partner with expertise in the solution, circumstances dramatically changed. Employees now have dashboards that provide immediate and timely insights to operational information. The creation of a number of specific reports enables them to extract key insights to improve decision-making to optimize operational efficiency. With improved access to information about how customers use their services and interactions with part-

ners, responsiveness has improved, along with key relationships. As a result, the company has reduced monthly time-to-close from 90 days to 15 and is now seeing year-over-year growth of ten percent.

CONTEXT AND SPEED IMPROVE BUSINESS DECISIONS

Energy-efficiency Firm Gains Intercompany Visibility and Insight

Visibility into data is important, but having the context that helps inform better decisions is critical to business performance. This is exactly what an energy-efficiency firm discovered when they began adding lines of business and tried to manage it all with basic accounting software. Not only did they have issues with automating information processes, but they lost context in relation to what the data meant due to the silos made necessary by the limitations of their current accounting solution.

Their new ERP solution was implemented quickly and enables them visibility across intercompany transactions. Access to dashboards and other reports is especially valuable to business management, who can now easily check real-time financial status and other important business performance metrics. Equipped with more detailed and up-to-date information, managers can more confidently make critical business decisions. The firm that helps others gain energy efficiency has improved its own efficiency and can now easily manage multiple lines of business, enable seamless customer experiences, and gain real-time insight into business performance.

MANAGE MOUNTAINS OF DATA WITH EASE

ERP provides the fiscal and operational system of record upon which you run your business. It serves to standardize, streamline, automate, and add visibility and transparency to business processes. Enterprises of all sizes are sitting on mountains of data. The challenge is not just to provide access and visibility to the data, but to apply context that transforms the quality of the business decisions made in response.

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LEARN MORE:

To learn more about how we can help your company take full advantage of an ERP system, please contact:

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