Introduction

Using business software and solutions to manage your business workflow, processes, administration and financials is essential in the highly competitive advanced technological world we all work in today, whatever your business, industry or market sector you operate in.

With a global market of solutions to choose from and the volume of information so readily available on the internet, finding the right solution for your small to medium size business (SME) can prove to be a time consuming challenge.

Reality Solutions has been delivering IT, Communications and Business Software Solutions to Corporate Enterprises, SME's and Public Sector organisations throughout the UK for over 16 years. During that time we have helped our customers by developing a proven strategy using our step-by - step methodology to make the selection and implementation process not only simpler and more cost effective, but also deliver a better return on investment and facilitate business growth for our customers.

We hope that you enjoy the following step-by-step guide to identifying the right ERP solution for your business and we look forward to hearing your comments.

Yours sincerely,

Alistair Burnett
Managing Director

What is an ERP?

ERP or Enterprise Resource Planning, is the term used to describe a category of business management software that is essentially a suite of integrated modules and/or solutions used by an organisation to data collect, store, manage, report and analyse their business activities. Other descriptions often used are MIS – Management Information System or BMS – Business Management Solution.

It is important to remember that a comprehensive **ERP** solution will have an impact on every person, department, function and process in your company and therefore must be a positive impact in order to be the most effective system for your business. Business areas of your **ERP** may include:-

- E-Commerce
- CRM – Customer Relationship Management
- Generating quotes/proposals
- SOP – Sales Order Processing
- BOM - Bill of Materials
- Production Jobs and Production Control
- MRP – Material Requirements Planning
- POP – Purchase Order Processing
- Stock Inventory and Stock Management/Control
- Despatch and Warehouse
- Invoicing and Banking
- Accounting and Finance
- Financial Reporting
- Management Reporting, analysis and KPI's – Key Performance Indicators

A strong **ERP** is at the very heart of your business, creating a single source of truth.

Culturally it must be more than an administrative historical collection of recording your business data transactions. The power of the BIG data held in your **ERP**, when used correctly, allows you, your management team and your business to become more proactive in its business strategy, decisions, development and business growth.

What are the business benefits?

The volume and complexity of data held in your business systems is sadly all too often an underutilised and undervalued business asset.

How you use and measure your data can and does provide real tangible business benefits relating to efficiency, profitability, customer service and growth. In a competitive market, with ever increasing demands of customers to be more responsive and efficient placing pressure on businesses of all shapes, sizes and sectors; it is the ability to analyse, interpret and utilise business data that generates a competitive advantage.

Big Data is the term used to describe the vast and increasing volumes of data held in the variety of business software, tools and systems that businesses employ on a day to day basis. But having lots and lots of data alone is not enough.

Data must be accurate, relevant, up-to-date, readily accessible, and meaningful but most of all it must be easy to understand and work with the business objectives.

Integrated solutions, automated processes and using your data to its greatest effect will benefit your business not only across your multiple departments and functions but help you to identify how and where to streamline processes, eliminate waste and focus on profitable activities.

The following are just some of the benefits our customers have experienced in using their **ERP** system more effectively with Reality Solutions:

- Reduced manual input and errors
- Eliminate duplication through automated and integrated processes
- Improved consistency, accuracy and transparency of information
- Real-time sales, production and financial information
- Ability to measure and monitor quote conversion rates
- Improved customer service
- Increased capacity
- Effective stock inventory management reducing business costs
- Effective procurement
- Increased profitability
- Increased measurable visibility of profitable business streams
- Improved strategic business planning and marketing strategies
- Improved cash flow
- And more……

Step 1 –

Internal Research

With any business investment it's imperative that you do your research to identify and address/avoid any potential pitfalls.

- What are the essential tasks and activities that the business must do now?
- What are the critical business processes and procedures?
- What is the business workflow from initial customer enquiry right through to invoice?
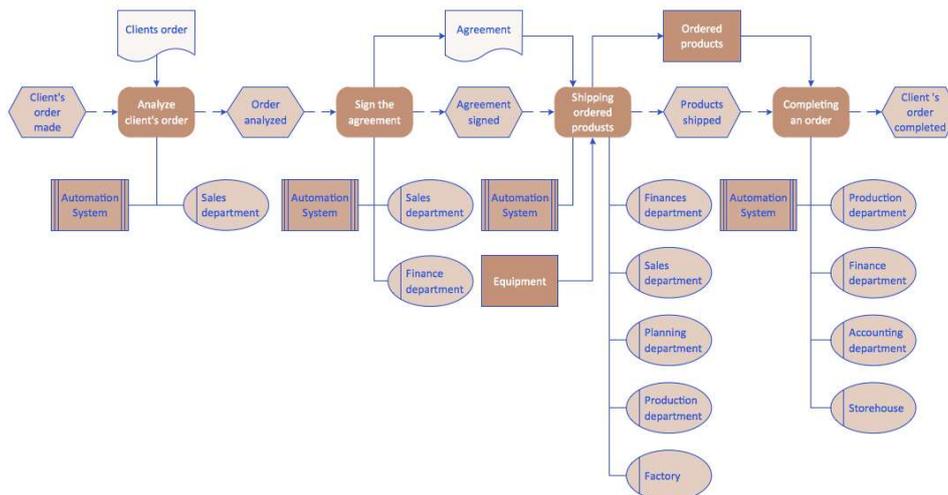
It is important that all levels of the business get involved in the research stage to ensure all the activities and procedures in your current workflow are identified, good bad or indifferent. This provides the opportunity to specify which of these tasks follow best practise, industry and accreditation/quality assurance and those which are out of date, wasteful and unnecessary.

This process will naturally create both awareness of the project and engage staff, creating the opportunity to promote buy-in of the project as well as identify the key members of a process change project team who have either the knowledge or enthusiasm and preferably both.

Your **ERP** vendor must be able to take your process map, illustrate how their system works with your workflow, how to incorporate industry best practise and offer you guidance and recommendations, even at the initial software demonstration stage.

Step 1 – Internal Research Checklist

ACTION	OWNER	DATE COMPLETED
Assign project leader		
Identify project team		
Ensure buy in at director level		
Create buy in at manager level		
Create buy in at staff level		
Identify key objectives – short term		
Identify key objectives – mid term		
Identify key objectives – long term		
Map workflow – essential		
Map workflow – desirable		
Map workflow – nice to have		
Key industry standards – essential		
Key industry standards – desirable		
Key industry standards – future		
Quality control requirements - essential		
Quality control requirements – desirable		
Quality control requirements - future		
Customer requirements – essential		
Customer requirements – desirable		
Customer requirements – future		
Management KPI's - essential		
Management KPI's - desirable		
Management KPI's - future		
Reporting requirements - essential		
Reporting requirements - desirable		
Reporting requirements - future		

Step 2 – Features and Functionality

Once Step 1 is complete a visual picture of the current workflow tasks, activities and procedures should now be understood. The next step is to clarify, challenge and document these in more detail to show how they translate into specific system and departmental functionality and/or features. You then need to categorise these into those that are mission critical now, desirable now or optional for the future in your **ERP** system.

There is a direct correlation between the documented understanding of what it is you want from your **ERP** and being able to deliver a successful solution. Try not to ask potential vendors just questions of what their system can do, also ask questions of your business too. It is a common mistake to invest in technology and end up recreating the chaos thus resulting in a computerised version of an ineffective system.

Investing in an **ERP** system, is the perfect opportunity for the business to look at the business processes and make changes to gain a maximum return on the investment.

Your **ERP** vendor should have conducted a fact finding mission and in-depth analysis of your business prior to presenting their solution to you. Included in the analysis should be your business plans both short and long term and illustrating an understanding of what is driving your business requirements and how you want the system to benefit your business.

From this analysis, the **ERP** vendor should present a solution to you that "ticks the boxes".

Step 2 – Features and Functionality Checklist

		Department	ERP Vendor can supply
1	**Essential Feature/Functionality**		Yes/Development/No
2	**Desirable Feature/Functionality**		
3	**Future Feature/Functionality**		

Step 3 – Integration and Flexibility

A fully integrated solution is the ultimate objective when choosing your **ERP** system, however a fully integrated solution may not mean that every single computerised component and automated process will derive from a single piece of software.

Integration and connectivity opportunities between devices, platforms, hardware and software improves year on year with the technological advances from all the major vendors, because they have to in order to remain relevant, affordable and effective.

This flexibility ultimately means there should be options to purchase several best of breed products and combine them to create a unique single **ERP** system that fully integrates.

We frequently experience that the technology and systems in our customers businesses have evolved and been implemented over a period of time. The changing of every technology in one project may be an unreasonable proposition financially for the business, even before the practicalities of the time and resources it would take to do so are factored in.

Whilst modern technology generally facilitates seamless integration there are also many occasions too where older technologies need to be integrated and your **ERP** vendor needs to have the flexibility, capability and resources to be able to provide this level of service to you.

Be very clear when making any adaptations, customising systems and integrating with other devices, platforms and software by creating a detailed specification for EVERY additional piece of development, bespoke integration, custom report or system add-on.

Step 3 – Integration and Flexibility Checklist

		Action by	Date
1	**Bespoke Integration #1**		
	Overview		
	Technical specification		
	Detailed specification		
	Diagram/process map		
	Test procedure		
	Test signoff		
2	**Custom Report #2**		
	Overview		
	Technical specification		
	Detailed specification		
	Diagram/process map		
	Test procedure		
	Test signoff		
3	**Custom process #3**		
	Overview		
	Technical specification		
	Detailed specification		
	Diagram/process map		
	Test procedure		
	Test signoff		
4	**Automated process #4**		
	Overview		
	Technical specification		
	Detailed specification		
	Diagram/process map		
	Test procedure		
	Test signoff		

Step 4 – Training and Support services

From the initial project management, end user training, the go live process and through to the support desk and account management services offered by the **ERP** vendor are as vital in the purchasing decision as are the features, functionality and price.

An **ERP** vendor who will help project manage your implementation, deliver a structured installation and training service plus offer a hosted services along with a full support team to offer after-sales hardware, software, helpdesk and support services is providing a "one stop shop" environment which will deliver many time and cost savings to your business.

Training services must be flexible to be able to accommodate the many different skill sets and requirements of your project and staff. End user training, train-the-trainer programs, onsite and offsite courses and refresher programs to name but a few options to consider. A training matrix must be agreed, recorded and budgeted for with the delivery process monitored, measured and evaluated.

Be clear about what you understand is included in the price. What costs are not included and ask for information about contracted service levels, response and problem resolution times, backup options, disaster recovery policies and upgrade and security procedures.

Don't be afraid to ask for telephone references from existing customers who have completed similar projects, are from a similar market/sector or are of a similar business size to receive honest feedback without the vendor present.

Step 4 – Training and Support Checklist

		Action by	Date
1	**Project Management**		
	Project management days		
	Data Migration		
	Go Live cover		
2	**Training**		
	Key project team training		
	Train the Trainer		
	End user Training		
	Onsite training		
	Offsite training		
	Training matrix		
	Feedback forms		
	Refresher courses		
	Customer reference		
3	**Support**		
	Helpdesk Team		
	Telephone support		
	Online support		
	Account Management		
	Backup		
	Hosted solution		
	Disaster Recovery		
	Customer reference		
	SLA's		

Step 5 – Make a Decision

After all the homework, research, evaluation of vendors, software demonstrations and meetings it's time to make a decision.

It is a decision that has to balance at least some of the following considerations …

- Functionality
- Features
- Vendor reputation
- Budget
- Finance options
- Timeframe
- Technology
- Support services
- Internal change management buy-in
- Resources
- Accreditations
- Standards

The choice of proceeding with which software and from which vendor may not immediately be apparent. The consensus of opinion may be split, however despite it being a difficult determination, a decision must be made or the project could be in danger of not advancing forward.

To maximise the effort and energy that has been expended to date, most of which has used the resources of your business, make sure the findings of the project are clearly documented with the objective thoughts of the parties involved.

A tried and tested evaluation methodology which offers an impartial and non-emotional view of a project lists a series of questions for each department, function, process and/or objective where a point is awarded for each yes answer.

This simplified evaluation illustrates which **ERP** vendors and solutions serve which of your business departments, functions and services by a simple total of points.

The solution which has the highest score in the mission critical requirements of your business should stand out as the "best fit" for your business.

Step 5 – Weighted Checklist example

			Essential		ERP #1		ERP #2
1	CRM	Prospects	1	1	Yes	1	Yes
		Leads	1	0	No	1	Yes
		Opportunities	1	1	Yes	1	Yes
		Tasks	1	1	Yes	1	Yes
		Add images	1	1	Yes	1	Yes
		Sub total	**5**	**4**	**80%**	**5**	**100%**
2	Sales Order	Raise quotes	1	1	Yes	1	Yes
		Amend quotes	1	1	Yes	1	Yes
		Manual Orders	1	1	Yes	1	Yes
		Credit Limit	1	1	Yes	0	No
		Sub total	**4**	**4**	**100%**	**3**	**75%**