The right approach to enterprise resource planning can make a big difference for your business, writes **Alex Meehan**

WHY ENTERPRISE RESOURCE PLANNING IS AN IMPERATIVE FOR YOUR BUSINESS

Ian O'Toole,
consulting manager,
Lumenia
Consulting

There are few things more fundamental to the success of a company than the processes it uses to do business. How it handles enquiries, turns them into orders, processes those orders and delivers a product or service is vital.

Get it right, and business runs smoothly, generating goodwill with customers and making it possible for the company to thrive and expand. Get it wrong and system blockages create delays, orders are lost and good will is squandered.

In the digital age, it's increasingly the case that getting it right means bringing in the kind of enterprise resource planning (ERP) software that can streamline things and deliver a helicopter-style view of what's happening in the company at any given time.

"Historically, ERP was this big monolith, this software that was really difficult to implement, to manage and to own. Only truly big companies could afford it and on top of that, it was restrictive in terms of what you could do with it. But over the last decade, ERP has become much more accessible as cloud technologies have taken off and service-oriented architectures have appeared," Ian O'Toole, consulting manager for Lumenia Consulting, said.

"ERP has opened up and there's been a real trend towards modularisation and towards breaking these systems up into bite-sized chunks that are more flexible. This has enabled connection to external systems and processes much more easily."

Most importantly though, said O'Toole, ERP projects are also often transformation projects – putting a system in means redefining the way you do things – and companies shouldn't underestimate the effort that's involved to make them work successfully.

"It's not that ERP systems have become more complicated but rather that on their own they don't do anything. They're tools that need to be put to work and they're only as good as the intentions and abilities of the user. When it comes to digital transformation,

cycle and if a business doesn't change its systems every ten years or so, then it probably should do," he said.

"In my experience, most companies don't make it to ten years before they have to reassess their systems. Something comes along that prompts it sooner, like an acquisition, a new service line, an outsourcing deal or something similar."

One thing for sure is that companies shopping for an ERP system in 2022 have significantly more options than they would have had even ten years ago. There are a wide range of options on the market, tailored for the individual needs of all sizes of companies working in all kinds of sectors. This wasn't always the case though.

"Resource planning for manufacturing is ultimately where the acronym ERP came from, back in the day. What happened then was that any manufacturing system that could be customised became an ERP, and that was sort of the default," Darren Cran, chief operating officer for AccountsIQ, said.

"Companies that wanted an ERP system had to do a lot of customisation to make it fit their individual needs, and of course it was built on-premises. What happened in the accounting world was that when cloud offerings started to appear, there were two major players."

Plenty of flexibility

According to Cran, at the upper end of the continuum was NetSuite, an enterprise-level system that allowed users to do almost anything and configure a lot, but was expensive to purchase and complex to set up and run. At the other end was Xero, a micro-cloud system, which offered lots of flexibility and the ability to augment the base offering through an app store.

"Suddenly it became possible for companies to install an ERP system with Xero and then buy in small solutions that would solve problems for them and make their systems better adapted to their needs. But in between these two offerings, in the middle space, there wasn't really anything available," Cran said.

"So, in the accounting space, there were loads of companies that needed more than Xero could offer, but they couldn't afford NetSuite. There was no solution."

This is the role that AccountsIQ was able to step into, providing a system for companies that wanted to move up from Xero or Quickbooks because they were growing and needed more functionality, but didn't want or need a full NetSuite installation.

"By working with our users, we've come up

ERP and finance systems aren't always the headline grabbers but really, a solid core and ERP are the foundation for many digital transformation programmes," he said.

As ERP has become central to how many companies do business, the issue of getting the right system for the individual needs of any one company has come to the fore. Just because a particular system was right at one point in time doesn't mean it will remain the correct choice now or in the future. But reversing out of an ERP system that is central to business operations can be difficult.

"It is complex, but companies do it all the time. We're often engaged by customers facing a major upgrade, for a variety of reasons, and they have to ask themselves should they stick with the system they have or shop around? Is it worth it?" O'Toole said.

"It's not easy to change an ERP system, but sometimes it's the right choice. You have to think through your business processes and ask yourself where the opportunities for improvement are. We always advocate that you start there, rather than deciding on a system first and then finding out if it suits."

The message from O'Toole is that implementing an ERP system is an ideal opportunity to engage in a digital transformation process.

"Think about what you're trying to achieve, what the benefits you're after are. If there's lots of change, it's going to be complicated, regardless of the type of technology. But companies do this all the time. It's a natural

Darren Gray,
senior sales consultant
with Intact Software

with a set of features that we know solves all the typical workflow and pain points that finance teams usually suffer with. We've put the work in to understand their problems

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and have built the solution that takes away those pain points," Cran said.

While lots of ERP systems are capable of automating all aspects of the company, when speaking to those in the industry, it quickly becomes apparent that there is no one single need that drives ERP adoption. Each company that opts for it is unique and has its own specific needs.

"Predominantly, the companies that are coming to us are those that realise that to run a business going forward, they need to have all of their data in one pot and that it's going to be very hard to grow and compete with start-ups if they don't have that," Ray Ryan, managing director of OSSM Cloud, said.

"Start-ups aren't laden down with legacy software. They're starting from scratch with the latest modern software and that gives them an advantage. A lot of the time in older or more established companies, systems are in silos."

In the past, these companies have bought a customer relationship management system, an estimating system, and accounts system and so on. The data generated by these separate systems is strewn around the busi- ➤➤

➤➤ **PROFILE: OSSM**

Six steps to a successful ERP implementation

Successful ERP implementations don't just happen. It takes hard work and planning to get a new system up and running. Ray Ryan, managing director of OSSM suggests six key steps to ensure your ERP project is a success.

Ray Ryan, chief executive, OSSM

Identify goals and objectives
Start by identifying your goals and objectives, by defining your needs. Evaluate your current system, look at KPIs and identify the issues an ERP solution will help you overcome. Once these have been established, set a clear timeline and budget to guide the project and ensure all goals are measurable and achievable.

Executive support
It is essential to demonstrate the value of an ERP solution to senior leadership before starting a project. Not only will senior leadership provide monetary support, but they will also promote adoption across the business.

Change management
A strong change management plan will increase employee engagement and adoption. Having a dedicated team to oversee the strategy will ensure communication and support are prioritised as the software is rolled out.

Workshop
A scoping workshop with your ERP provider will help to unearth key requirements and business challenges. This is an invaluable step in helping to avoid any mid-implementation surprises.

Data migration
Starting with a clean data set is fundamental for any ERP project. Data cleansing time is often underestimated; however, it is a critical step and is worth all the effort to have a clean and accurate starting position.

Testing
Carrying out rigorous testing before going live with your ERP system will ensure any issues or process glitches are ironed out. Test scenarios should be put in place and then tested against and verified. Having a

Sandbox account is always a good idea for conducting test scenarios.

Summary
Successful ERP implementations enable businesses to improve their scalability, flexibility, mobility and visibility by simplifying processes and automating mundane tasks. OSSM has extensive experience, bringing real value to customers with NetSuite ERP solutions.

To find out how an ERP solution can help streamline your business, contact Roger on tel: 01-8113811 or email: sales@ossmcloud.ie

ness and isn't connected up. For companies that have ambitions to grow and expand, or even just to drive efficiencies, getting all that data into one place is a crucial first step.

"Putting all that together so it can be assimilated, managed and used to deliver insights isn't easy, but ERP definitely addresses the issue and gives a better picture of the overall business," Ryan said.

According to Ryan, the pandemic has fuelled a lot of growth in the ERP sector and his company, OSSM Cloud, has done particularly well as its main ERP offering is a cloud-delivered system, which happens to be what a lot of companies wanted during the lockdowns associated with the Covid-19 pandemic.

"The current generation of NetSuite was born and lives in the cloud and there are obviously immediate benefits to having a cloud solution from a mobility and an accessibility point of view. You can log in from anywhere, and improve the quality of your customer's interactions with you, and that's pretty much exactly what a lot of companies were looking for at a challenging time," he said.

"In particular, the system allows customers to log into customer service portals that use shared data with sales and support staff, so that a lot more can be done."

For Darren Gray, senior sales consultant with Intact Software, a big part of the appeal of the ERP product it offers is that it features a high level of customisation.

"It's a highly configurable system, and comes with different levels of customisation. You can have user level customisation, rolled out normally by your system administrator, and that allows you to change screen layouts and access levels and so on. It's a very proactive and workflow-oriented system where it's all about ruling by exception, and all routes lead to your control desk or dashboard," he said.

"That's where you have your key perfor-

mance metrics, which is the whole point. It's about using the system to gain the most benefits. For example, we have wholesale distribution customers that use ERP for shipping container management. They can monitor their containers, how full they are and the costs involved in moving them around."

According to Gray, the holy grail for many companies is optimal stock holding and ERP is a crucial tool in helping to achieve that.

"When you talk about stock levels, the key is to have enough quality information on your system that you can predict what stock levels you'll need, taking into account things like seasonality and trends. If you take

the pandemic as an example, where you had weeks where companies were closed, if you ran normal forecasts for stock, your results would be skewed," he said.

The key thing about ERP in the modern world, in Gray's opinion, is that you don't have to be a 'techie wizard' to use it.

"That's a big change that's happened in recent years, as these systems have become a lot more user-friendly. That's a big barrier that's been crossed over the years. Fifteen or 20 years ago, most ERP systems were only for tier one, enterprise-level companies. But that type of functionality has now been made available to the masses," he said.

Reducing costs

Vishal Sharma, service delivery manager for ERP, said that the company he works with, TEKenable, primarily offers Microsoft software and there is growing demand for ERP systems in Ireland at the moment.

"The reason I think is that a lot of companies are still using legacy systems but then the pandemic came along and their hands were forced in terms of checking that their infrastructure and systems were still fit for purpose. They want to move to better systems to accommodate the fact that their staff want to work from home more," he said.

"Their original systems are based on-premises and staff needed to be on site to connect to the server, typically, so there is big demand there. Additionally, it's now very common for people to want cloud-first systems. So Microsoft's ERP is available in both on-premises and cloud-first systems, but we see more demand for the cloud version."

This is largely because there is a general move towards adopting cloud-delivered software in Ireland, and ERP is just one of a number of other systems that can be delivered that way. This is particularly true of small to medium-sized companies, which particularly appreciate the cloud's ability to reduce costs.

"Most companies have other applications that are also in the cloud so they're already running software that's stored on Microsoft, Google or Amazon Web Services. So it's not a big deal to add ERP. In addition, by running these applications in the cloud, companies reduce the level of expertise needed to manage them," Sharma said.

"This way, there's very little maintenance needed, no need for provisioning, no backups, no disaster recovery, no set-up. You just sign up and you're in. You need a partner like us to help you get it set up and configured

the way you want, but once that's done, it's relatively easy to manage."

According to Sharma, this is a golden age for ERP because the cost of access has dropped so much and accessibility is at an all-time high.

"ERP used to be the kind of thing that only multinational corporations could afford to engage with, but there has been serious democratisation of the technology and this functionality is now available to a much wider audience of businesses," he said.

"Today, you can install ERP without having to worry about servers and licences for all the different parts. You can just pay per user, per month and gain access to a lot of functionality. If you have someone join your company for six months, then you only have to pay for the software they need to do their job for the time that they're actually doing it."

A further advantage, said Sharma, is that by paying for access to ERP using the software-as-a-service (SAAS) model, companies should always have access to the most up-to-date version of the system they use.

"From a Microsoft perspective, there are usually two updates per year: one in spring and one in October. That means you're always up to date and always upgraded. So it's not like companies have to pay a once-off fee and find that their software isn't supported five years later."

"In that case, companies can find that they're forced to upgrade to a new version. This usually costs a lot and comes with a lot of upheaval as it's effectively like bringing in a new system. With a SAAS system, you don't have to worry about that and you get access to new features and functionality automatically."

Ultimately, the reason a lot of companies opt to update their ERP systems, and the reason they lean towards cloud-delivered SAAS varieties, is that they have a keen eye on their bottom line. They know that ERP can help streamline their business, but they also know that it's easier to budget for software when they pay for it per user per month, rather than in one large licence fee.

"If I'm paying €300, €500 or whatever per month for my entire outlay then that's simple to work with," Sharma said. "It's one simple fee and I don't have to pay somebody to do backups, indexing or disaster recovery, etc. It's also highly convenient for many companies that Microsoft software works seamlessly with itself, so if you're already using Outlook or Office or whatever, it integrates straight in."