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Accelerate Business Performance With ERP Solutions

In today's competitive environment, the smooth flow of information across the enterprise is essential for driving your business successfully forward. Making good decisions based on information you can trust is key to delivering quality on shorter lead times while increasing your profitability.

Enterprise resource planning (ERP) solutions provide the information necessary to make your most critical business decisions. Current ERP solutions offer a fully mature financial, analytics and business management system that unifies data and processes across your business, integrating easily with other solutions, and connecting employees, customers and suppliers regardless of time or location. ERP systems provide a real-time view into your key businesses metrics and actively track the health of your business, in effect serving as a central nervous system to the organization.

The Evolution of ERP

Early ERP software evolved out of accounting, process manufacturing and manufacturing requirement software. They addressed the issues of raw material planning, inventory, order entry and shipping, but not other areas of the company such as sales, human resources and other operations. The good news is that we've come a long way since then!

Today's ERP software is right at home in the front office. Administrative, sales, marketing and human resources can share a solution that is truly "enterprise-wide". ERP solutions are capable of exchanging information with existing systems and external data sources, regardless of platform or programming. ERP systems can utilize data from e-commerce applications to share information seamlessly with your financial, supply chain management and reporting processes.

Examples of ERP information processing capabilities include materials planning, order entry, shop-floor control, logistics, accounting, purchasing and invoicing. Information is input, stored, monitored and updated by users throughout the organization. Current ERP solutions also offer connectivity with customer relation management (CRM) capabilities as well as e-commerce Web sites and Web portals used for customer service and order fulfillment. Call center and quality assurance staff can also benefit. Today's ERP also accommodates document management, such as cataloging of contracts and purchase orders.

Selection and Implementation of the ERP Solution

Do not underestimate the ultimate impact of an ERP business management solution on your business. It should have the staying power to allow you to keep pace with changing business practices, new market opportunities and the latest technologies. An evaluation team containing senior representatives

from each business unit along with IT management should review all ERP initiatives.

Here are some key points to consider in the ERP evaluation process:

- A senior VP should serve as the authority to give appropriate weight to all team member concerns and assure that decisions are based on objective and quantifiable criteria.
- Conduct a "business assessment" to identify business processes that may need to change in order to maximize the value of ERP implementation.
- Plan for a human resource investment associated with the ERP selection and implementation process of 25 percent to 30 percent beyond the cost of the software.
- The ERP software selection process in a medium to large organization can consume up to 12 months, with much of the effort spent identifying the key evaluation criteria and collecting data on the alternatives.
- Choose an ERP vendor that has a proven track record of successful implementation with companies similar to yours.
- Most ERP solutions are available in separate modules representing functional business units such as accounting, human resources and manufacturing. Do not skimp on acquiring the necessary modules.
- IT managers must be prepared to build bridges and reconcile data across whatever modules you do not purchase.
- Begin using the new ERP solution immediately and retire your legacy system as soon as possible. The integration costs associated with linking two systems can be exorbitant.
- Anticipate 14 months or more to complete the implementation.
- Obtain proper training. Without it, most users utilize only 20 percent of the functionality of the ERP system. Training is a relatively small expense, but its payoff can literally mean the difference between a smooth rollout and corporate chaos.

With today's ERP solutions, everyone in your organization can work faster and smarter. No longer does corporate information need to sit isolated in departmental silos. A wide range of applications is available to help small and mid-sized companies become more connected with their customers, employees, partners and suppliers. An ERP solution allows all corporate information to be shared and used to benefit the entire organization. That is the true initiative of ERP. ★

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