

WHITE PAPER: Top 5 Ways an ERP System Can Promote Business Growth

How do you encourage future growth and profitability with outdated systems and processes? The answer lies in Enterprise Resource Planning (ERP). A strong ERP system will not only guide you through your company-wide expansion, but will continue to grow with you. This white paper addresses the key factors that most companies don't realize are possible to attain with the right ERP solution



Intro & Executive Summary

As you are expanding your small business, you've probably faced the dilemma on deciding how to promote business growth in the most effective ways. To be recognized as a top performing brand in your industry, as well as create a return on investment, there are some factors that need to be explored.

As time passes and you are no longer in startup mode, you will start to notice that your current business systems struggle to keep up with your processes. This could ultimately lead to hindered growth and profitability. How do you encourage future growth and profitability with outdated systems and processes? The answer lies in Enterprise Resource Planning (ERP). A strong ERP system will



not only guide you through your company-wide expansion, but will continue to grow with you.

You need to take the right steps to be recognized as a top performing company and brand, including implementing the right technology. This white paper addresses the key factors that most companies don't realize are possible to attain with the right ERP solution:

- Gaining Business Intelligence
- Expanding Into New Channels
- Automation of Key Processes
- Tracking Prospects & Customers
- Benefiting from Long-Term Support

Because your company has a distinct set of industry challenges and specific guidelines to follow, it's important that you find a complete solution targeted to tackle the key challenges you face. It is common for most industry-specific solutions to lack in functionality and extensibility. Since creating your own processes could become complex and time consuming, it's important to recognize the need for an ERP solution.

One of the biggest challenges your growing company is likely to face is how to manage the complexity of growth. As your organization expands and processes become more complicated, how do you continue to move in the right direction and maintain competitive advantage? You don't want a solution that will give you a quick boost and then become obsolete. Rather, you want a solution that promotes long term business growth. By investing in the right ERP solution, you are essentially setting up your organization for success in the long run.

Background

Your overall success is measured by your performance. And in such a competitive culture, it becomes increasingly more and more crucial to have strong processes, audit trails, and reliable data in place as



your organization matures. You may have spreadsheets and various applications that you think take care of that, but the truth is that there is nothing that can compete with the added value an ERP solution brings to the table. Fortunately, as expansion progresses and those spreadsheets become obsolete, Enterprise Resource Planning can easily manage the complexity of your expansion.

Expansion can initially be a tricky situation. On one hand, company-wide growth is exactly what you strive for. Growth is always a good thing. But on the other hand, dealing with the complexities associated with growth can often override the positivity of your situation.

In a performance-based culture like ours, it's crucial to have strong processes, audit trails, and reliable data that is immediately accessible. Neither spreadsheets nor non-integrated applications can compete with the added value an ERP system brings to the table. As we mentioned, the biggest challenge growing organizations face is managing the complexity that comes along with expansion.

But what happens when expansion gets halted? The more complicated your business gets, the more complicated your business processes become, and the more difficult it becomes to actually resolve any issues using that business system. This can be relatively ironic in the fact that even though your company is growing in terms of financials & popularity, you still aren't technically "growing." This is due to the fact that as you grow, you incur more manual processes to tackle, more data scattered in various spreadsheets, and more requirements.

If you don't have an ERP system in place to get the right data in the right hands, it becomes almost impossible to have visibility into your organization. Without the proper knowledge of how, where, and when you've made your best profit, how do you measure your success going on into the future? And how do you meet customer demands and requested ship dates without the ability to forecast and produce product in a timely matter? These challenges only become more and more detrimental as time without an ERP system progresses. Simply put, you won't be able to keep up with your expansion and your technology will leave you behind.

Need

There is a great deal of complexity associated with growing your organization. With expansion comes unforeseen issues that could really be detrimental to you moving in the right direction. Running the risk of errors and lack of control can negatively impact various departments within your company. As inventory levels rise with growth, the more prone you are to not be able to meet customer demand and requested ship dates. Without visibility into how you are making your best profit, you are unable to keep a close eye on cash and liquidity. You will most likely then struggle with financing supply chain costs or investing in growth. Furthermore, without a team of skilled IT professionals, your organization is basically in the dark in terms of making improvements to address these challenges.



While most companies may see managing the above factors as issues without solutions, the reality is that these challenges prevent them from focusing on the important factors, like increasing cash flow, forecasting, and maintaining a competitive advantage. An ERP system needs to grow with your company and business plans.

Since your systems must also be capable of supporting processes including supply chain management, customer relationship management (CRM), financials, and human resources, it's important to note that companies who have used a dynamic ERP solution have reported measurable improvements in all of these areas, both from an operational and financial perspective. Achieving world-class success and industry leadership has never been easier.

Solution

Solutions to complex problems require a solid foundation to ensure long-term organization-wide success. The Third Wave and SAP Business One solution begins with a business system that provides a strong foundation for accounting and inventory transactions. This foundation gives companies an extensive system that is still affordable. Additionally, by delivering a relevant and technology-centric solution, you provide consistent business advantages to your customers.

You need a solution with a solid foundation that allows you to address complex problems. To ensure long-term, organization-wide success, it's crucial that you deliver a relevant technology-centric solution that provides consistent business advantages to your customers. But what ways specifically does ERP allow you to continue on a path of positive growth & productivity:

- Gaining Business Intelligence
- Expanding Into New Channels

- Automation of Key Processes
- Tracking Leads & Prospects
- Benefiting from Long-Term Support

The features of SAP Business One ultimately improve efficiency and productivity, but also provide visibility into your most critical asset - data. For the most part, it is challenging to measure visibility from paper, spreadsheets, and manual processes. Luckily, with an ERP system, you are able to operate from a single source of data, in real-time, reducing the risk of errors and omissions. The sooner you implement an ERP system, the sooner you can reduce costs, increase visibility, and be overall more connected to what's going on in your organization.

Gaining Business Intelligence



Business Intelligence (BI) allows your organization to better understand, monitor, analyze, and predict what is occurring in the overall environment of your company. BI becomes increasingly important during the lack of control phase we previously discussed. Because BI allows you to turn your data into useful information and distribute it to those who need it, whenever they need it, by whatever means they choose (tablet, smart phone, etc.), you can't afford not to have it.

Essentially, BI saves you time and allows you to make better informed decisions. Some good examples of this could be: identifying your best selling products to compare against your distribution channels, monitoring social media sites to analyze and gain insight, track customer orders and desired ship dates to properly adjust the production cycle, and integrate data from spreadsheets to provide consistency and a "single version of the truth." Since you can combine data from a variety of sources for an integrated, up to date view, BI is a win/win factor in every ERP system. BI is essentially for improving the overall quality of your business and decision making process, as well as the overall effectiveness of your organization.

Expanding Into New Channels

You always want to keep the option open to expand your presence to new channels, especially during a time of growth. Why not expand your brand to new markets, opening up new business opportunities if you can? An ERP system is crucial in doing this, as it provides the necessary information needed to analyze you best option for a new business channel. Because you have Business Intelligence (BI) functionality, you can easily analyze what your best direction to go in would be in terms of what new channels to expand your brand into.

An ERP system then helps you manage inventory and order fulfillment by integrating the data from all of your business channels. You are able to more effectively manage your business because all operations from your channels are handled through a single system. This helps streamline your processes and increase efficiencies so you can fulfill orders quickly, regardless of the channel.

Automation of Key Processes

Another important factor in promoting business growth with an ERP system is automation. Chances are, you are working off of loose notes, Excel spreadsheets, and manual processes. These are most likely augmented with disparate business applications like stand-alone accounting software with outdated architecture.

The elimination of paper and automation of these inefficient processes is exactly what Enterprise Resource Planning is intended to do. With ERP, you are operating from a single source of data in real-time, which makes automation all that much more effective. For example, if



you want to be able to automatically send an order confirmation to a client when they place an order, regardless of business channel, the ERP system easily accomplishes this through a simple task.

Tracking Prospects & Customers

No doubt, gaining new prospects and customers is a step in a positive direction during a time of high organizational growth. But how effective is your process of tracking these prospects and customers? Without the proper tools to be able to analyze critical intelligence such as buying patterns, you often get lost in the shuffle of trying to determine who is where in the sales cycle.

Similarly, it's crucial to have a solid process in place for tracking your prospective customers. With ERP, it's easy to keep track of any correspondence you make with a prospect or any activities you might create against their account. In doing so, you can keep a record of where they are at in the purchase cycle, and convert them from prospect to customer as a result. These features and capabilities further enhance your company's marketing efforts and simplify the management of prospects.

Benefiting from Long-Term Support

Implementing an ERP system no doubt is a positive step in promoting business growth, but without proper support, your success will be short-lived. Most ERP implementers will provide initial support, which is great, but if the support does not extend into the long-run, it will become increasingly difficult to keep up with maintenance, support tasks, and troubleshooting. For example, you may find yourself in a predicament where your system is running slow and you need immediate support to address the issue. As a result, you don't get to take full advantage of the ERP system. At Third Wave, we pride ourselves in assigning you a consultant who will be your permanent go-to for prompt support assistance.

Additionally, Third Wave makes it a point to focus on better customer service in general, leading to shorter lead times, improved quality, reduced cost, increased profit, added value, and improved productivity.



Remember, anything that doesn't add value allows plenty of opportunity for ERP systems to contribute to the cause. ERP systems are the central nervous system of the organization. They carry the definitions, the data, a record of the activities of the organization, and provide the measurement systems for determining where opportunities for improvement lie – and for measuring progress of efforts to reduce and eliminate waste

ERP provides a powerful interactive analysis tool that can be used to dig deep into data and mine for waste and elimination opportunities. BI provides graphical views of information, including combinations of data that are not available within individual applications of suites. Oftentimes, this broader view can provide insight into how different parts of the business interact and influence each other. With this new insight, companies can avoid changes in one area that may negatively affect other parts of the business

Without the right consultant, implementation can easily fail. By understanding where your company is in its growth lifecycle, the consultant will be able to understand your immediate needs as well as future requirements on a high level. In doing this, you are able to determine how an ERP system fits your business situation. In turn, this makes it easier for a consultant to understand the processes that are different and configure the system to take those into consideration, while still keeping costs low.

The solution should be easy to use, reduce the necessary knowledge of database and programming techniques, and audit the converted data to ensure its integrity before going live on the new system

Third Wave Methodology

Your first step in choosing an experienced ERP vendor is looking for one with a positive reputation for successful implementations; one that has been down the path before.

The Third Wave and SAP Business One solution begins with understanding where your company is in its lifecycle. Understanding immediate needs as well future requirements on a high level enables the team at Third Wave to configure SAP Business One to fit your business situation while keeping the initial investment affordable.

Understanding the processes that are different to your business allows Third Wave to configure SAP Business One to take those processes into consideration. The powerful extensibility of the software allows us to take advantage of and codify any strategic business processes that your organization has

developed. SAP is a powerful asset that enables our clients to run their business as efficiently as possible while leveraging the best practices that are inherent in SAP Business One.

After adapting the software to specific business requirements and strategic business processes, data is then imported, (bank accounts, customers, vendors and inventory) such that it enables the system to be tested and daily processes to be executed. The system comes to life and processes can be developed that will run the business. The testing of the configured system begins.

The elegance of SAP Business One is that this can be accomplished in a short period of time as long as the key resources of an organization can invest the time to detail their requirements. Many apparel and footwear firms are brought live on SAP in as little as twelve to fifteen weeks.

The Third Wave Project Methodology, when followed closely, ensures success for our clients in the shortest possible time.



These deliberate steps are taken to uncover the requirements and information needed to produce a solution that solves today's needs, as well as positions our clients for success in the future.

The specific steps in each of the major phases listed above are as follows:

Project Launch:

- Define Roles
- Refine Project Plan and Timeline
- Install software on Test database
- Conduct Kick-off Meeting

Process Mapping:

- Configure system
- Master Data Load
- Develop Processes and SOPs
- Confirm Processes and SOPs
- Document SOPs
- Sign off on Processes and SOPs

Build and Configure – Proof of Concept:

- Configuration Modifications based on final Processes and SOPs Report Definition
- Develop Reports
- Test Reports

- Develop Test Scripts
- Sign off on Reports

Testing:

- User Testing and Retraining
- Sign off on Testing Results

Go Live:

- Install and configure software on Production Database
- Master Data Load
- Sign-off
- GO LIVE

Benefits of the Third Wave Solution

This solution set allows clients to shift their main organizational focus from order processing and inventory control to lead generation, building brand recognition, and selling. The issues that have held back organizations in the past become automated processes that shorten the supply chain and improve cash flow through error-free order processing.

Clients are able to reduce or eliminate the burden of manual data entry while quickly allowing sales support to commit to delivery, processing orders, generating invoices and expediting collections. The order-to-cash process is optimized with predictable delivery dates to add value to their customers. The overall benefit for a company is the ability to scale up sales while maintaining a consistent level of staffing, improving overall profit margins.

An Affordable Business Decision

The software costs are based upon the number of users that are required to access the system. Different user profiles are developed by utilizing a flexible security model to ensure that the resources are accessing only the screens and fields required to be efficient. Costs vary \$20,000 to \$35,000, depending on the number of users.

Additionally, the cost of labor-intensive order processing - customers that find it difficult to buy products from you - can be ten times that of a typical implementation. Missing just one delivery date or failing to properly process an order can cost your business and customers countless amounts of revenue.

Conclusion

There are many ways that you can approach acquiring an ERP system. Our experience dictates that when you are trying to promote business growth, purchasing a complete solution with a phased approach to implementing modules is the most effective. This builds the financial foundation for the system to report from and greatly reduces training costs incurred when switching software platforms.

You need technologies that will grow with you and help you effectively compete in your market. To smoothly run your operations now and in the future, consider the five points on ERP mentioned earlier in this whitepaper that promote the kind of growth you are looking for (Business Intelligence, New Channels, Automation, Tracking Prospects & Customers, and Long-Term Support).

Through experience and knowing the process required at every stage, Third Wave Business Systems is able to lead our clients down the right path that they need to follow in order to grow and achieve an ROI. Remember, the best systems include capabilities that give your organization new ways to become competitive. With a solution like SAP Business One so readily available, why not take the plunge now?

About Third Wave Business Systems

Third Wave Business Systems specializes in the implementation of business management systems to provide clients with a competitive advantage in their industries. It is a leading developer of SAP Certified Integrations that extend the power of the SAP Business One platform. These solutions are being used worldwide by SAP Business One customers to streamline their operations and improve their return-on-investment. Third Wave Business Systems is recognized as a Microsoft Silver ERP and Development Partner, SAP Business One Gold Partner, and SAP Pinnacle Award recipient. It has been recognized by both Microsoft and SAP for high levels of customer satisfaction due to the high quality of their consulting staff. For more information, please visit the company's web site at www.twbs.com.