



Enterprise Resource Planning

by Sean W. O'Donnell

Recession is a Good Time to Invest in Technology

The current destabilization in the economy poses an opportunity for lubricants companies looking to improve their competitive advantage. Use this economic slowdown to explore your technology options and take care of operational issues that may be hindering efficiencies in your organization. By investing in technology and innovation during a recessionary period, you place your company ahead of the competition now and in the future when the marketplace rebounds.

In the short term, spending your money wisely now will help you streamline current operations and cut costs. Installing or upgrading the right enterprise resource planning (ERP) system will make your company operate more efficiently with less overhead and make better use of your current resources. In the long term, you will be ready to take advantage of growth in the economy when it occurs.

Implementation of a new information technology system will simplify and produce cost savings throughout your operations from inventory tracking, accounts receivable and regulatory compliance to order taking, purchasing and manufacturing. Creating efficiencies in your overall operations will allow you to lower overhead and focus on the revenue producing parts of your business such as stimulating sales and strengthening customer relationships.

The best way to go about using technology to overhaul your business practices is to properly implement an industry specific ERP solution. There are five basic elements to consider when investigating ERP solutions:

1. Technology companies in the marketplace that specialize in the lubricants industry and their backgrounds and expertise
2. Software features that fit with the lubricants industry
3. Strong customer references
4. Support and implementation of the software product
5. Choice of technology

The first step is evaluating which technology companies offer the kind of software you are looking to buy. Who are the technology providers in the lubricants market? Which company has more expertise in the lubricants industry? It is important to go with a technology company who knows the lubricants industry

thoroughly, has a successful history in this vertical market and, most importantly, is focused on the future of the lubricants industry.

Another consideration are the features offered in the software product. Do they fit the lubricants industry or are they generic to any and all vertical markets? Do the features take into account the way the lubricants industry does business, such as frequent price changes or selling drum quantities priced by the pound? Will costly modifications be necessary to make the software specific to the way you operate? Will the software satisfy the complexity required to meet government regulations?

A third important factor are customer references. Does the company have a solid reputation and a significant list of satisfied customers? Is there a good representation of companies in the lubricants market? Is the software company willing to put you in touch with other customers to discuss their experience with the product? There is no better way to prove an ERP system's worth than successful installations and operations at other lubricant manufacturers.

The fourth step is gathering information on support and implementation of the software. Do the implementation and support representatives know the lubricants industry? How is support handled? Are customer support representatives available quickly to resolve your issues? How are upgrades handled? It is important that trained staff be available to help you through the process every step of the way.

The last consideration is the technology. There is no single "magic" technology that will work for the lubricants industry. That said, be sure to choose a technology that is sound, widely used and constantly being improved. Also make sure the technology is forward-looking and incorporates the latest standard features so that your system is current and will stand the test of time.

As the economy struggles to stabilize, let technology help you bear the storm and put you out in front for when the weather clears.

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