Vision33

ERP Software Selection Guide

6 steps to choosing the right solution for your business

- ✔ **Assess your need for new business management software**
- ✔ **Learn the difference between ERP and accounting software**
- ✔ **Evaluate your ERP readiness**
- ✔ **Review ERP solutions**
- ✔ **Select an ERP partner**
- ✔ **Choose a deployment option**

SAP Gold Partner

Introduction

Are you considering replacing your business's accounting application with an enterprise resource planning (ERP) solution? Technologies like ERP unify a business's operations and have capabilities that extend far beyond accounting.

Growing businesses have more options than ever when choosing an ERP solution, but a lack of strategic planning can prevent a successful ERP adoption.

If you think your business is a candidate for ERP, it's critical to envision the implementation as multiple steps—a process that's part of your overall business strategy.

This step-by-step guide simplifies the ERP selection process and offers best practices based on Vision33's experience with over 1000 successful ERP implementations.
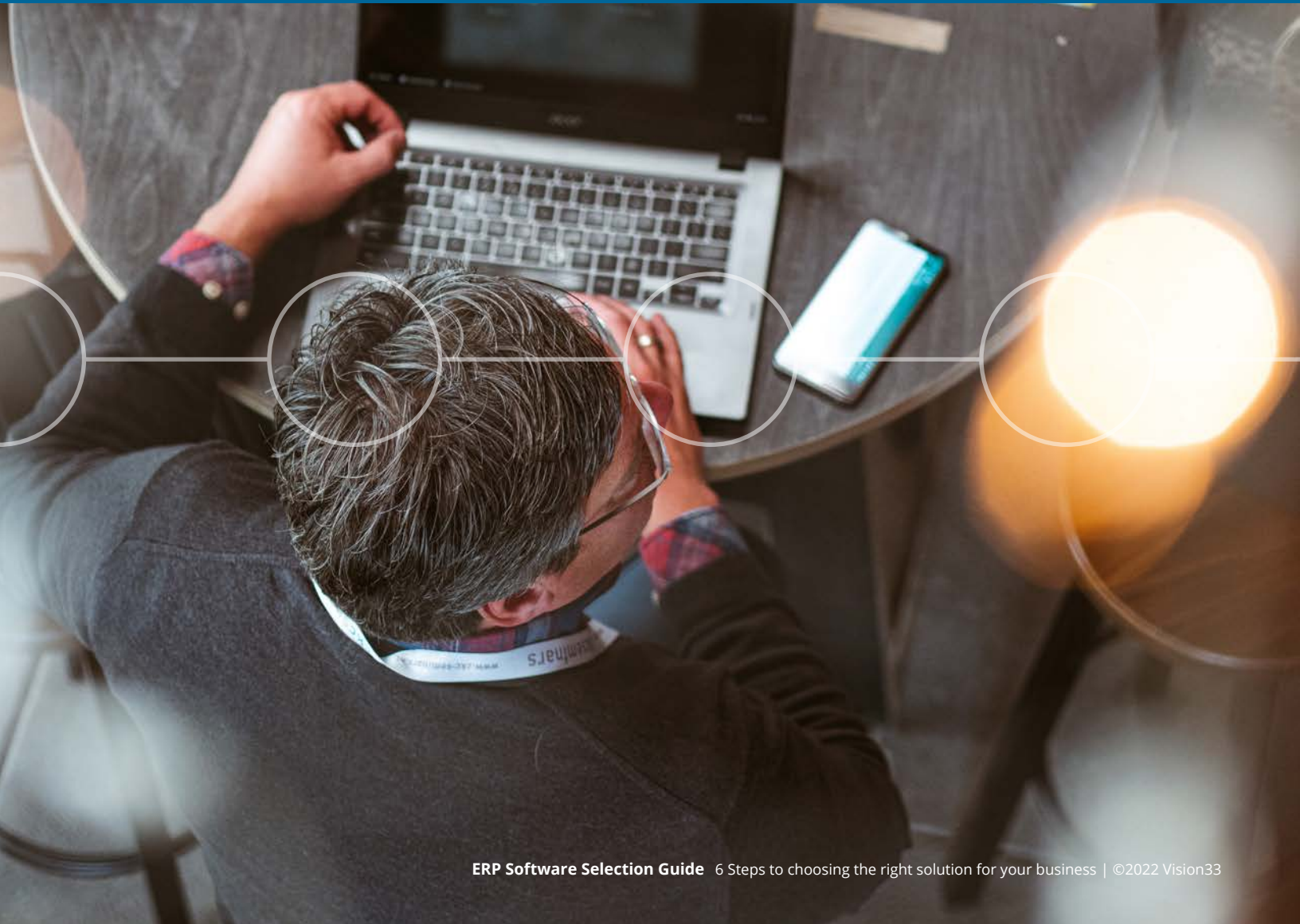
Assess Your Need for New Business Management Software

ERP selection starts with a simple question: Does my business need a new business management solution? If your current accounting software doesn't support the functions you need to operate—and more importantly, grow—the answer is yes.

Do these statements sound familiar?

No two businesses are alike, but many are surprised by how similar their software challenges are.

- 💬 It's hard to keep track of invoices.
- 💬 Salespeople sell out-of-stock products.
- 💬 I don't know how to improve our tight cash flow.
- 💬 I can't make decisions because I don't have access to the right information.
- 💬 We can't deliver the right reports to the right people at the right time.
- 💬 There's no single version of the truth.
- 💬 Producing good financial reports (e.g., a trial balance) takes forever.

If you said yes, your business would benefit from a new business management solution.

Businesses move to ERP to:

- Integrate onto a single platform and unify business areas
- Standardize processes
- Gain a competitive advantage
- Get real-time reporting

- Enhance decision-making
- Improve productivity
- Replace an old system that's preventing growth

Does an ERP Implementation Make Sense for You?

ERP transforms businesses, so don't move forward unless the timing is right. If your business isn't experiencing operational challenges, your current accounting software may suffice for now.

Adopting ERP before you need it may be more costly and time-consuming than it's worth. However, if your business is experiencing growing pains, don't delay. Extending your current system's capacity via software upgrades may maintain your performance, but you won't have the scalability and additional functions that enable your business to grow.

Overcoming ERP Misconceptions at the Management Level

Because of ERP misconceptions, your management may delay their strategic planning for ERP selection. **These myths have been debunked:**

ERP is too expensive

ERP software is affordable for small businesses. The application gathers all core business functions and data onto one platform, replacing multiple disconnected systems and resulting in a lower total cost of ownership. The true question may be, "Can your business afford NOT to choose ERP?"

ERP software is too complex for my small business

ERP software streamlines your operations by integrating major business functions. A unified system resolves discrepancies between departments and maximizes efficiency. ERP software is also scalable, allowing you to add or subtract additional functions and users whenever you need to.
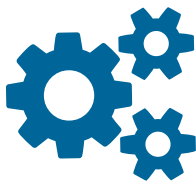
ERP software is difficult to implement

ERP software implementations require planning, but the actual implementation requires less time than you think—and gets results faster than you think. On average, businesses achieve a 92% return on investment in as few as 21 months. With top-tier ERP software, time to value can be even faster.

Learn the Difference Between
ERP and Accounting Software

You're familiar with "ERP," but what are the differences between it and accounting software? If you think you're ready for an ERP solution, you must understand its benefits and how it can help you achieve your business's short- and long-term goals.

As your business grows, you'll need processes and functions that small business accounting programs don't offer. With ERP, business leaders can manage their daily operations from a single integrated solution that provides a centralized database and real-time information—no more siloed data, spreadsheets, or collecting and sorting information from multiple sources.

ERP and Accounting Software Business Function Support

ERP solutions natively support every aspect of your operations, including customer relationship management (CRM), inventory, financials, and planning. And as your business grows, ERP solutions grow with you.

> **On average, businesses achieve a 92% return on investment in as few as 21 months from the implementation."**

If you've decided your business needs new software, it's time to dive deeper into ERP. Identifying what ERP software can do for your business will make it easier to choose the correct solution and vendor.

ERP Features

When considering the features ERP supports, ask yourself how it lines up with your requirements.

Although ERP solutions are customizable, the out-of-the- box version should support as many functions as possible to avoid the expense and time requirements of extensive customizations and add-ons.

Finally, when examining an ERP solution, don't forget to consider your business's growth plans.

If it's difficult to alter an ERP solution, it will eventually slow your business down. ERP should be flexible so it offers what you need today and can grow to provide what you'll need tomorrow.

Supported function	Accounting software	ERP software
Accounting	✔	✔
Finance		✔
Marketing		✔
HR		✔
Project management		✔
Manufacturing		✔
Supply chain management		✔
Sales		✔
Inventory		✔
Operations		✔
Planning		✔

A common pitfall is focusing on what ERP software can do today and forgetting to consider what it will be able to do tomorrow."

ERP Business Benefits

Accounting software helped your business get started, and ERP will take it to the next level. You'll boost productivity, cut costs, seize opportunities, and anticipate challenges.

Increase revenue

Use fast, easy access to real-time information to identify new sales opportunities, bring new products to market quickly, and provide stellar customer support and service.

Reduce costs

Reduce costly upgrades and recurring customization efforts to maintain system compatibility when you add new functions.

Unify your business with one solution

Get support for core business functions, including accounting, CRM, sales, manufacturing, purchasing, banking, and stock control.

Improve customer relationships

Integral CRM arms your team with relevant company-wide data for stronger sales and support to enhance customer satisfaction.

Maintain your ERP solution as you grow

ERP software is a scalable solution that grows with your business, allowing you to add functionality, locations, users, and more when you need to.

Get clear performance insights

Use up-to-the-minute dashboards to get revealing snapshots of key performance indicators for daily control and informed decision-making.

Improve efficiency

One centralized data repository dramatically boosts efficiency by giving the right people the right information and eliminating redundant data entry.

Access local support

Some ERP solutions have a worldwide partner network of qualified business partners providing unsurpassed local support.

Get up and running fast

Take advantage of proven best practices that enable easy implementation to get you up and running quickly.

Get critical business alerts proactively

Use ERP's proactive business alert system to get notified of issues before they become problems.

Get multilingual capabilities

Some ERP software helps businesses expand their operations into other markets with support for multiple languages.

Integrate with Microsoft Office applications

Some ERP solutions integrate with the Microsoft® Office® suite, including Outlook. This enables seamless communication across your organization as departments share contacts, appointments, and tasks.

Evaluate Your ERP Readiness

While an ERP solution will make it easier to achieve your business goals, it's a significant undertaking. Having support from management is ideal.

Management often asks, "Do we have the internal IT resources to support ERP implementation and maintenance?" Or, "What are our reporting requirements for an ERP solution?" Others may be more concerned with cost, what the ERP solution will support, and how it will affect users.

Assemble a Stakeholder Team

Step one is to assemble a team of experts from your business units, including accounting and finance, purchasing and operations, inventory and distribution, and production. This team will outline the features your business needs in an ERP solution. Team members should include managers, employees familiar with your current processes, and employees who will use the new software daily. Ensure the team meets on a schedule.

Define Your ERP Objectives

Write down—literally, on paper—how your business operates. By explicitly understanding your operations, you can see inefficiencies, workflow breakdowns, and bottlenecks ERP can overcome. If you don't have the resources to map out your processes, an ERP partner can help. (ERP partners are discussed later in the guide.) Next, outline your optimal operational model and objectives for switching to an ERP solution.

The stakeholder team should agree on answers to these questions:

1

What's our vision for ERP success?

Companies that define their ERP vision early on and establish quantifiable benefits are more likely to succeed.

2

What are our minimum requirements for ERP?

ERP solutions offer a vast range of features. Don't get mired down in exciting but non-essential features—focus on the must-haves. Also, avoid looking for features to fix your broken processes. Instead, think about how an ERP solution could replace non-functional processes and workflows and how you could benefit from new functions like automation.

3

Is there a business case for ERP?

Is there a business case for ERP supported by performance metrics and quantifiable data that points to inefficiencies or a lack of visibility? These issues are compelling reasons to commit time and resources to adopt an ERP solution.

Factors That Affect ERP Implementation Success

If you've heard ERP implementation horror stories, consider that many were the result of poor planning. But other factors can negatively affect ERP implementations, including:

- The ERP solution isn't a good fit for your industry
- Employees weren't trained, so the ERP solution is being used ineffectively (or not all)
- A lack of expertise in the project management team
- Limited internal IT or departmental resources
- The ERP solution doesn't address problems as expected
- Not enough resources to manage the system following go-live

Decide on Necessary ERP Functionality

There are many ways to define your functional requirements for ERP adoption. One of the most effective is business process mapping.

Business process mapping is time-consuming, however, so we recommend working with an ERP partner who provides that service.

Business Process Mapping

While there's no industry standard for business process mapping, solid ERP partners generally include the following blueprinting steps to ensure the solution aligns with your needs:

Strategy development and execution	Change management	Performance analytics
Program and project management	Diagnostics and identifying improvement opportunities	Discovery and health-check services
Risk assessment and planning	Data migration	Post-implementation reviews

Prepare for Change Management

Another requirement for ERP readiness is preparing your organization for change. If your employees are accustomed to doing their jobs a certain way or are attached to the legacy system, they won't see the need for change—and may actively fight it. This can cause adoption challenges and low user engagement, so choose an ERP partner who can handle this and provide training to increase employee readiness.

Review ERP Solutions

When it's time to choose your ERP solution, you should evaluate multiple options. Before doing so, establish decision-making criteria.

There's no shortage of ERP solutions, so you might need a spreadsheet to track your favorite candidates.

So many choices might seem overwhelming, but since it's impossible for every ERP solution to meet your needs, searching for specific industry features, core functionalities, and support narrows the search considerably.

Define Your Process Needs

Which of your processes can you not do without? Whether it's a custom manufacturing process, support for an ERP integration with an eCommerce solution, or a self-service function so customers can manage their accounts, you must define your needs upfront. Otherwise, you can't choose the right solution. With this process, you can envision how an ERP solution will improve operations and help you run more efficiently.

**ERP popularity among industry verticals and micro verticals**

In the past, it was difficult to find ERP solutions in vertical or micro-vertical industries. But in the last decade, ERP has grown, and now ERP packages are available for almost any industry, including manufacturing, wholesale, distribution, and retail.
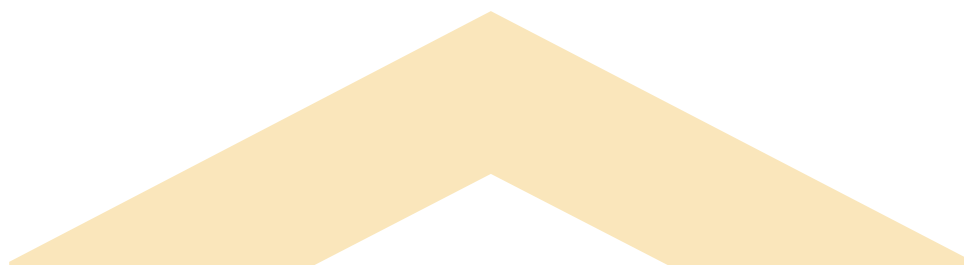
Set Performance Expectations

It's critical to establish an ERP solution's anticipated ROI. It's also critical to consider how much it will cost if you delay making the move. The buildup of costly manual processes, double data entry, human error, and bottlenecks will continue to cause operational inefficiencies. Not having the tools to analyze your business in real-time, track your customers' purchasing habits, understand changing market trends, and identify new opportunities will impede growth.

These opportunity costs are an excellent business case for adopting an ERP solution.

SAP
24%

Oracle
12%

Sage
6%

Infor
6%

5% Microsoft
3% Kronos
2% Concur
2% Totus
1% Yonyou

Others
37%
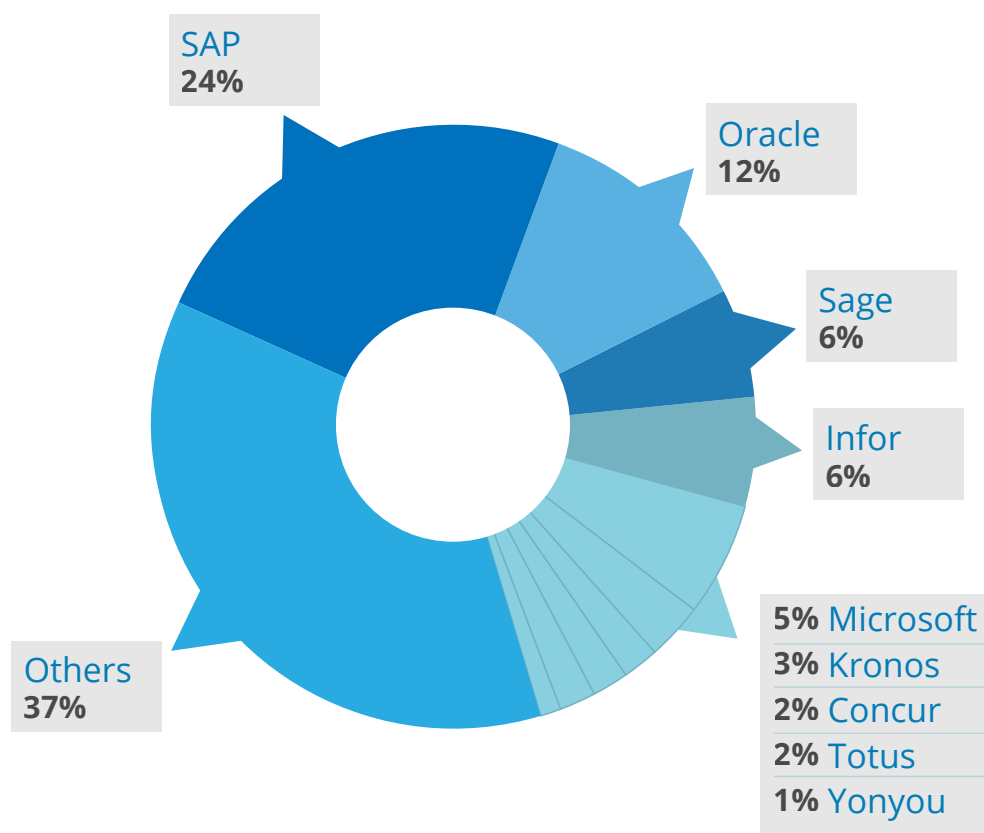
ERP market share

The worldwide ERP software vendor market share looks like this

Define Your Process Needs

STEP 1: Evaluate ERP software
Consider hiring a consultant to handle this process. Ensure your evaluation team has representation from across the entire organization.

STEP 2: Identify process gaps
Outline the gaps or business areas the ERP solution must address.

STEP 3: Establish decision-making criteria
Decide what's essential for your business. Consider these criteria to get started:

- Total cost of ownership (TCO)
- Core feature set
- Industry support features
- Software ecosystem and innovation
- Ease of use
- Scalability
- Market share
- Regulatory compliance
- Training and ongoing support

STEP 4: Schedule a sales demo
Arrange a demo with a sales representative to test drive the application. The salesperson should tailor the demo to your industry to show you relevant, real-world use cases.

STEP 5: Check references
Are there customer success stories from businesses in your industry that use the software you're considering? These can offer confidence in your selection and show you what ERP success looks like.

Select an ERP Partner

You've now reached the most important step of ERP selection: choosing an implementation partner. The implementation partner provides experienced project managers, senior software developers, and implementation consultants to align technology with your business goals and coordinate the implementation process.
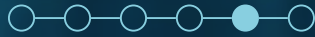
ERP implementation partners minimize risk, prevent costly business interruptions, and maximize ERP's impact on your business. Look for a knowledgeable, experienced partner with a deep understanding of your industry who takes time to learn your operations, goals, and needs. The partner also needs a strong technical support team and should go above and beyond to help you.

The Role of an Implementation Partner

1. Map out the implementation process and project timeline

An ideal partner will keep you informed from the beginning. They'll offer a road map with business optimization processes to ensure the proposed solution addresses your needs. This way, you know what to expect. The partner should refer to the road map throughout the entire process.

2. Maximize the value of your chosen ERP application

Your partner must understand your requirements. The more they understand, the more they can help you achieve your goals and customize your solution for the best ROI. For example, if your business needs mobile reports, an ideal partner would design a custom, easy-to-use dashboard that offers easy access to customer information when engaging prospects. The partner can increase value by integrating the system with existing processes, such as eCommerce software.

3. Provide ongoing customer support for your ERP system

Don't choose an implementation partner who doesn't offer support past go-live. Maximizing an ERP solution requires aligning the technology with goals. This will be especially difficult if you don't have strong internal IT resources, so look for an ERP partner who offers long-term support.

How to Rate Partners

It's helpful to create a shortlist of ERP partners who resell the solution you're interested in. Rate each partner from 1 to 10 on criteria like:

Criteria	Why is it important?
Expertise	It's your business in their hands, and they need industry, business process, and financial knowledge.
Company size	A larger partner means more ERP resources and often more experience. It can also mean more formalized structures and processes for managing projects.
Industry solution offering	Most ERP solutions will require some customization, but you want a partner with a proven solution for your industry to avoid extensive customizations. Also, look for a partner with a stable ecosystem and developers experienced in your industry.
Dedicated customer support program	An ERP project isn't just about implementing the system. It's also training staff, ensuring user adoption, troubleshooting issues past go-live, educating, and more. A long-term customer support program is a sign of customer dedication and indicates you'll be in good hands.
Local consultant support	Having a local partner gives you easier access to experts for software upgrades, future customizations, or system updates. A local partner instills confidence that you'll have support when you need it most.

Choose a Deployment Option

Choose the deployment option that aligns with your business goals—
and don't forget to consider lower total cost of ownership, growth plans,
agility, and adaptability.

Your needs, resources, and budget will determine your deployment option's ROI. The two most common deployment options are on-premises and in the cloud. The following diagram provides use cases to help you decide.

On-Premises		In the Cloud
Deployed locally on client-owned IT infrastructure	**Application Deployment**	Deployed via the internet
Can be customized	**Customization**	Can be customized
2-4 months	**Implementation**	1-2 months
Integrates with other software	**Integration**	Integrates with other software
No (only one client per instance)	**Multi-tenancy**	Available
Accountability may change depending on software provider, publishers, and infrastructure integrators	**Accountability**	One vendor is responsible for the entire solution
Local area network (LAN), hardware, and system platforms are required to run the application	**Required Hardware**	Internet connection is required. Other hardware and software are run by the provider on their site
Provided by customer	**IT Support**	Provided by vendor
Available with supporting virtual private network (VPN) from	**Remote Access**	Available as a service, provided via the internet
Up-front capital costs for hardware, software, lab space, etc.	**Cost**	Pay-per-user subscription model
Client maintains network infrastructure and security	**Infrastructure and Security**	Vendor keeps customer data secure
Clients are responsible	**Upgrade Cost and Risk**	Vendor is responsible
Clients are responsible	**Hardware Infrastructure Risk**	Vendor is responsible
Limited access via browsers running on mobile devices	**Mobile Access**	Full access via browsers running on mobile devices

Conclusion

Choosing an ERP solution is part of your growth strategy. By following these six steps, you can avoid the common pitfalls made by first-time ERP buyers. However, technology is constantly changing and providing new value, so below are more tools to help you decide.

There are many other topics to consider when researching ERP software. Vision33 offers additional resources with greater detail, including cloud-hosting benefits, industry-specific ERP, customer support, training, tips and tricks, and information about two-tier subsidiary ERP deployment.

Resource Center

Visit Vision33's Resource Center for more helpful resources and an in-depth look at how ERP can help your business grow at **www.vision33.com/resources**.

Whitepapers   **Checklists**   **Guides**   **Success Stories**   **Brochures**

About Vision33

Vision33 (www.vision33.com) helps growing companies deliver on the promise of technology through enterprise resource planning (ERP) solutions, including SAP Business One and Sage Intacct, automation, and integration solutions. Vision33 has the people, processes, and technology to help businesses solve everyday challenges and seize new opportunities for growth and transformation. With proprietary solutions such as iDocuments and Saltbox, Vision33 helps businesses leverage the right transformative technology for their digital transformation journeys.

With 30 offices worldwide, there's a local team ready to discuss your business needs and collaborate with your team to create an ERP implementation plan.

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