



SELECTING A NEW ERP SYSTEM

What do you need to think of?





INTRODUCTION

A good enterprise resource planning (ERP) system is an indispensable part of any modern business. ERP helps you to optimally coordinate IT systems and software and to support your processes in the best possible way. Think of the ERP system as the hub of your company's digital landscape: it gives you insights into and an overview of your finances, logistics, and sales.

An ERP program usually consists of different parts and applications that all come together in one central environment. As all business data from different departments at the organization is centralized and accessible to all employees with the requisite credentials, there's no need to work with several separate systems. If you choose a cloud ERP, you benefit from an additional advantage: the system is accessible anytime, anywhere – ideal if a company has several branches or people working remotely.

Although ERP systems have been around for a while, the technology behind them has come a long way in recent years. ERPs can do more than ever before, offering an increasingly versatile range of functions that support optimal collaboration, communication, and process integration. However, many companies are still working with old ERPs that offer only a fraction of this arsenal of features.

If you want to upgrade your organization's ERP and are considering choosing a new ERP system, but are uncomfortable with the selection and implementation process, this e-book will tell you what to look out when choosing the best ERP system for your organization.



WHAT OPTIONS DO YOU HAVE?

To get straight to the point: the current ERP market offers a huge number of options. Microsoft Dynamics Finance and Supply Chain Management is one of the most popular, best, and most complete ERP systems – but SAP, AFAS, Oracle, Visma, and Exact also offer great ERP packages.

The best type of ERP for you depends on factors such as the industry you operate in, the data flows at your company, the size of your organization, and the number of current and potential users.

There are various options for you to choose from. An initial factor in your choice is the type of hosting. If you choose ‘on-premises’, you have your own server, and the software runs on that. This was the norm not so very long ago, but now we see that more and more organizations are opting for a cloud ERP. This has many advantages, especially in terms of flexibility and scalability. For example, you can extend basic packages with numerous add-on modules and features that are important for your business. Or you can keep an ERP small-scale, if that’s more appropriate to your needs and organizational structure.

The scope of ERP packages can also vary, and there are many add-ons to choose from. To illustrate: alongside generic ERP systems, there are versions that are dedicated to specific business processes such as HR, invoicing, sales, logistics, or purchasing. There are also ERP systems that are specifically tailored to B2B or B2C, with ERPs for B2B sales often offering a secure information environment for dealers. The best type of ERP for you depends on factors such as the industry you operate in, the data flows at your company, the size of your organization, and the number of current and potential users.



WHY AND WHEN SHOULD YOU REPLACE YOUR CURRENT ERP?

How can you know or recognize when your current ERP system needs replacing?

The signals and issues below are good indicators.

Your IT isn't keeping pace with your business growth

Many old ERP systems aren't able to keep pace with your business growth. As they're monolithic, it's difficult to adapt them or expand them with new services and features. If you notice that your IT environment is failing to keep up with your business and changing IT needs, it's most likely time for a more modern ERP system. The newer ERPs operate in the cloud and are usually modular, making it much easier to add or remove features.

You want to use new technology

New ERP systems support or are equipped with modern technologies such as AI and IoT. These help you to gain more insight into decision-making processes, make predictive analyses, and automate repetitive tasks. If your current ERP system doesn't support AI and IoT, it's time to look for a new solution.

Hybrid and remote working is problematic

If your current ERP hinders working from home or hybrid working by making it difficult to give employees remote access to important applications and data, then you absolutely need to choose a new ERP. That's because most organizations aren't likely to make a swift return to the fully office-based work of pre-COVID times.

You have no insight into data

Have you noticed that your data is scattered across different systems? And do employees regularly have trouble finding the information they need? If so, your ERP is no longer living up to the requirements of a modern, data-driven organization – you need to look for something new.



WHAT REQUIREMENTS DOES AN ERP NEED TO MEET?

The best ERP for your company depends on several organization-specific factors. However, there are also general requirements that a modern and contemporary ERP system needs to meet. The most important are:

- Ease of use. Even people without much specialist technical knowledge should be able to work with it.
- Flexibility and scalability. The design of the ERP system must enable you to easily incorporate new technology and quickly respond to changing markets and customer needs. The classic monoliths make this difficult to nigh on impossible.
- Experience and knowledge in your industry. This way, you can be sure that the system is suitable for your work and the challenges in your industry. Many old ERP packages are generic (some overly so) and don't offer enough solutions or features to support the unique industry needs.
- Security. A good and future-proof ERP is GDPR-compliant, has quality and security certification (e.g. ISO), and enables you to set up a solid system of roles and access rights. For example, the Microsoft Dynamics ERP system offers a very extensive security framework.
- Integration capabilities. A good and modern ERP system is easy to link to other applications and systems you use.



Requirements for the best ERP:

- ✓ Ease of use
- ✓ Flexibility and scalability
- ✓ Experience and knowledge in your industry
- ✓ Security
- ✓ Integration capabilities



WHAT DOES IT COST?

Exactly how much money you should set aside for an ERP system primarily depends on your goals, the exact design of the system, and the size of your organization. The choice of hosting also affects the cost: 'on-premises' requires a one-off payment for things such

as the purchase of software and hardware, installation, implementation, and links. There are also recurring costs for licences, technical support, upgrades, and hardware maintenance or replacement.

If you opt for a cloud ERP, you pay a one-off implementation fee. A cloud ERP's recurring costs usually consist of a predictable or fixed subscription fee based on the number of users, which also covers maintenance, updates, and security patches. It also means you no longer have to pay the cost of periodic hardware replacement.





ACTION PLAN, CHANGE MANAGEMENT, AND PROCESS CHANGE

If you're sure you need a new ERP system, make a good action plan for the final selection and implementation of your new ERP. As a minimum, this plan should contain a list of essential and desired features, which may be linked to an overview of your current ERP environment.

Besides the wish list, a good action plan also gives an estimate of the available budget. Be sure to pay attention to the hidden costs alongside the immediately visible costs. If you feel overwhelmed by the selection process and cloud migration, or if you think they stretch beyond your organization's capabilities, you can always enlist the help of a specialized partner who will guide you in selecting a new ERP system.

The next – and perhaps most important – step in the ERP selection process is choosing the right technology partner. At the very least, ask yourself the following questions:

- What technology are we already familiar with? If your IT landscape relies heavily on Microsoft technology (as is the case for many companies), Dynamics 365 Finance and Supply Chain Management would be the obvious choice.

- Does the target technology partner have the right combination of technical knowledge and product experience to help you?
- Has the supplier done previous implementations for similar organizations? Are there other companies in your industry that use the same technology partner?

Working with a new ERP system involves changes, especially when you're migrating from on-premises to the cloud. At the same time, you want as little disruption as possible to daily processes. That's why good change management is hugely valuable. Develop and share your vision and explain to people why you've selected the new ERP system. Emphasize the benefits and how the new system will help people to perform their work better and more efficiently. Make sure to initiate and sustain the adoption process, such as by providing employees with clear instructions, webinars, and workshops.

HOW FOCUS ENTERPRISE SOLUTIONS SUPPORTS YOU

If you need extra expertise and support when selecting and implementing a new ERP system, Focus Enterprise Solutions would be happy to help you. We are a recognized specialist in ERP implementation and management.

Focus Enterprise Solutions is your strategic partner for everything to do with Microsoft Dynamics 365 Finance & Supply Chain Management, plus Extended Banking – our own solution for processing bank statements. From deployment to management, we help SMEs across different industries get the most out of their ERP. As your proactive partner, we can help your organization move forward – both now and in the years to come. And our personal approach is central to this.

Want to find out more about our services? Please get in touch by e-mail to info@focus-solutions.nl or use the [contact form](#) on our website.



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