

# Managing change effectively with ERP

If your critical business data resides in different business systems or spreadsheets and your everyday processes are not disciplined, your business lacks the agility to respond to change. You depend on people to manually create the necessary bridges between those systems in order to manage your business, e.g. Sales managers, plant managers, finance and supply chain executives are forced to trade spreadsheets and manually manipulate data to forecast sales, respond to proposals, manage inventory and production schedules, and determine product pricing.

## Manual or Disparate Systems

While these manual processes may seem to serve your business well today, in reality, there are multiple issues that are likely impacting your margins, your profitability, and your ability to handle change and respond to competitive pressures. Reduced productivity for your most valuable knowledge workers—Manually collecting, entering, and analyzing data adds time to your business processes, expanding instead of contracting cycle times. Manual processes result in longer times to respond to requests for proposals, forecast sales, and ultimately deliver product, affecting everything from margins to cash flow.

**Data inaccuracies**—When data is manually manipulated outside your system and moved within and between divisions, data entry errors are inevitable. For example, an error in sales and inventory projections can result in a costly out-of-stock condition that brings the production line to an unplanned halt, affecting the ability to meet delivery deadlines.

**Lack of timely data**—By the time data has been compiled into meaningful reports to support critical decision-making, the information has aged considerably—by days and even weeks. If demand changes more frequently, larger stocking inventories are required to prevent costly out-of-stocks. The result is fewer inventory turns, leading to higher inventory-carrying costs that increase the cost of your products and reduce your margins, impacting your ability to compete.

**Inability to handle change**—Since data is not readily visible and processes are not clearly defined, it becomes increasingly difficult to respond quickly to any change—from day-to-day issues involving a supplier that is unable to perform as promised, new regulatory requirements, a new manufacturing process, or a move into global markets. Instead of consistent procedures that produce dependable results, your processes are loosely defined by the workers who are responsible for their execution. If there is a lack of consistency in your processes, you are outside the “change loop.”

In a closed supply chain where you have strong established relationships with customers and suppliers that are nearby, you can easily manage high variability. But when customers and suppliers are located across the country or halfway around the globe, variability and limited visibility can rapidly magnify issues. If you cannot respond rapidly enough to change and demand, delivery times may be compromised, impacting customer service, satisfaction, and retention levels.

The end result is that when your business depends on manual processes and disparate systems, you are forced to react to accommodate change, rather than rely on your business processes to manage the change.

These changes can range from an increase in demand because of a customer’s shortened delivery time or several new large orders, to a geographic expansion of your supply chain with global reaches, to changes in trends that require new product introductions. As a result, your management team is forced into a perpetual state of reaction to minimize the impact of these changes.

A flexible ERP system can be the foundation for a complete overhaul of your business processes and enable the agility you need to accommodate virtually any type of change—quickly, easily, and cost-efficiently. A flexible ERP system provides two key capabilities and benefits:

- Linking your disparate systems and automating the movement of information throughout your business provide executives in your management chain with visibility into real-time business data, enabling the best decision-making possible.

- Creating highly disciplined workflows provides the process consistency required to enable highly dependable outcomes, regardless of what type of change may occur in your business.

## The solution: A flexible ERP system for consistency, profitability

A flexible ERP system can fortify your operations to best handle change by letting you provide any business division and any employee with the data required to improve decision-making and respond rapidly to virtually any changing condition—regardless of whether data is needed from one or multiple systems. With the right ERP system, you can overlay your business processes onto your business systems to provide the timeliness and consistency to manage variability, eliminating the need and high cost of integrating your existing systems. Instead, you simply define the processes and where the data resides to execute those processes. The result is a cost effective yet unmatched ability to streamline your operations—and best manage change. Paper-based manual processes are eliminated. Information flows rapidly throughout your operations the moment it appears in your systems. As a result, every person in your enterprise can act as efficiently and effectively as possible, concentrating on better managing the business based on timely information, rather than wasting time collecting and analyzing aging data.

Finally, manual ad hoc processes are replaced with disciplined processes to achieve peak business flexibility and efficiency. Although the word “discipline” traditionally evokes thoughts of rigidity, disciplined processes are exactly the opposite—they become flexible. Highly disciplined procedures allow one automotive giant to produce multiple models on one assembly line. Visibility into demand in real time enables just-in-time ordering of the right materials, and disciplined processes ensure that the right parts for different vehicles arrive at the right assembly line at the right time. Production-line real estate and staffing requirements are minimized, improving use of these crucial business resources. And the company can easily adapt to changing automotive trends, yet minimize costs, increase margins, and reduce delivery times.

## Summary: Flexible ERP systems mean rapid ROI

A flexible ERP system provides you with the power to respond to change—any kind of change. Access to timely data combines with process consistency and process discipline, dramatically streamlining everyday operational procedures and improving business flexibility. As a result, your business can easily adapt to virtually any changing condition, such as:

- ☐ An unexpected delay in a shipment of raw materials
- ☐ New government and industry regulations
- ☐ The need to develop new product to keep up with changing trends
- ☐ The need to collaborate with customers and suppliers who are no longer local—in different time zones with different computer systems and different languages

Business processes that previously took a week to 10 days can be shaved down to minutes, executed automatically by enabling the effective virtual integration of all your business systems. The many benefits delivering a rapid ROI for this critical business solution include:

- ☐ Increased employee productivity
- ☐ Increased plant throughput
- ☐ Decreased inventory levels and work in process (WIP)
- ☐ Reduced operating costs
- ☐ Increased margins, profitability
- ☐ Improved cash flow—and order-to-cash cycle times
- ☐ Faster production turnaround times
- ☐ The ability to set and deliver on “capable to promise” (CTP) delivery dates
- ☐ Increased customer service, satisfaction, and retention

When you choose the right ERP system, like *INFOR ERP VISUAL Enterprise* a software package developed specifically for small to medium sized manufacturers, you gain the ability to seamlessly combine your business data into a single voice and view. The discrete manual and paper-based processes associated with separate systems are no longer required, replaced by a flexible solution that can grow as your business grows. The ability to move information electronically throughout your operations in real time automates everyday processes and eliminates paper, while providing a detailed audit trail and ensuring compliance with disciplined procedures. And the resulting reduction in cycle times provides the business agility required to manage change today—and tomorrow.

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