

SUCCESS FACTORS OF ERP IMPLEMENTATION

Not quite. In order to keep your ERP solution working at peak efficiency – and providing the business advantages you’re paying for – you need to have a plan for maintenance or you risk having your ERP system eventually become obsolete. Without a maintenance plan, the efficiency of your system will decline and its lifespan will be shortened. However, this kind of maintenance isn’t so much nuts-and-bolts as it is figuring out how your company uses the ERP solution and figuring out ways to enhance its performance for your company.

Stay Up-to-date: Of course, one of the primary components of ERP maintenance is keeping abreast of upgrades from your vendor. Not only do these updates contain important bug fixes and increase your security, they also keep your solution from getting stale since many upgrades improve the functionality of your solution or add features. This is one way you can ensure that your ERP solution continues to meet your company’s needs. You may feel that some upgrades aren’t necessary for your company, but many need to be done sequentially. If you fall too far behind on the updates, it may be too difficult to catchup.

Changing Business Operations: Your business is constantly changing and so are your needs. If you don’t have regular maintenance and support your ERP solution is likely to become static. The longer that goes on, the less it will fulfill your requirements. You may have added new customers, new services, or new technology – all of which can have an impact on how you run your organization. If your ERP solution can’t keep up with these changes, employees will develop ways to get their desired results by working around it, thus diminishing the efficiency of the system. You should have an annual review of

your business, its needs, and how it has changed so you can ensure that your ERP solution is keeping up with the times.

Training: Remember that people are an important component of [ERP success](#). Yes, you had them trained when you installed the system, but do they remember everything they learned? Brush up training can help them use the system more efficiently, learn about the system's new functionalities, and get rid of bad habits that impede efficiency. Not to mention that you probably have new employees who have only learned the system through on-the-job training.

Improving the System: You will probably want to make adjustments to the system as the employees get used to it. They will use it differently after a year than they do when they're newly trained. Ask your employees for suggestions on how to enhance the system's

functionality. You'll get more out of your solution if it can adapt to more knowledgeable users. **Equipment:** Hardware can decrease in efficiency or wear out. Look at your equipment's metrics to see if there's been a drop off in performance. Sometimes the technology needs maintenance or such declines point to where you need maintenance on your ERP solution. Or there might be new technology on the market that can really improve your ERP solutions efficiency or effectiveness. You owe it to yourself to review your hardware needs and capabilities on a regular basis.

A true Enterprise Resource Planning (ERP) system integrates both internal and external information flows used by the organization within a single, comprehensive solution. An [ERP](#) solution incorporates the practical systems used by organizations to manage the basic commercial functions of their business, such as: planning, inventory/materials management, purchasing, manufacturing, finance, accounting, human resources, marketing and sales, services etc. The objective of the ERP

solution is to drive the flow of information between all internal business functions while managing connections, or "touchpoints."

ERP solutions run on a variety of computer hardware and network configurations, including "on premises" (i.e. client/server) or hosted (i.e. "cloud-based" or Software as a Service). ERP solutions use a common database to hold information from the various business functions that's accessible in some form or another by various users. The use of an integrated database to manage the solution's multi-module application framework within a common information system is one of the primary ERP benefits of this kind of system over "point solutions."

Unlike point solutions (historically used by small to midsize businesses) that rely on multiple (sometimes duplicating) databases which strain IT resources, ERP solutions standardize the use of one application to run an entire business. This not only increases efficiencies, but also decreases the overall total cost of ownership (TCO), thereby reducing operational costs and improving the company's profitability.



Key benefits of ERP software:

1. Scalability: An ERP system is easily scalable. That means adding new functionality to the system as the business needs change is easy. This could mean easy management of new processes, departments, and more.
2. Improved reporting: Much of the inefficiency in operational work stems from improper reporting. With an ERP system, this possibility is eliminated as reporting follows an automated template system, allowing various departments to access information seamlessly.
3. Data quality: As compared with manual record-keeping or other traditional approaches, an ERP system improves data quality by improving the underlying processes. As a result, better business decisions can be reached.
4. Lower cost of operations: An ERP system introduces fundamental innovations in managing resources, which

eliminates delays and thus reduces cost of operations. For instance, use of mobility allows real-time collection of data, which is indispensable to lowering costs.

5. Better CRM: A direct benefit of using a good ERP system is improved customer relations as a result of better business processes.
6. Business analytics: Having high-quality data allows businesses to use the power of intelligent analytics tools to arrive at better business decisions. In fact, many good ERP systems have built-in analytics functionality to allow easier data analysis.