



Getting Started with ERP

A guide for businesses
looking at an ERP software solution
for the first time



synergy
technology

Introduction

For more than 25 years, Synergy Technology has been providing ERP solutions to companies across the UK and around the world. It's always rewarding to work with clients who are new to ERP and witness what it can do for their businesses. Our team has seen the transformative power of an effective ERP system time and time again.

It's tremendously rewarding to be a part of the process of moving to a new ERP solution, or helping a company to optimise their existing system, as the benefits to finance, customer service, supply chain efficiency, and team productivity can be truly revolutionary.

We have been living and breathing ERP solutions for more than 25 years. Nothing brings us greater satisfaction than collaborating with clients to identify their needs and provide solutions that fit their objectives and budget.

ERP should benefit users immediately, but the greatest solutions are those that are designed with the future in mind. Nobody wants to spend money on an ERP system that will be underused or out-of-date in a few of months. You also don't want to be forced to switch between technologies if your needs change.

For this reason, the core of our strategy is strategic planning. Working as a long-term partner with clients to make sure their ERP system is still right for their needs as their company expands is satisfying.

We recognise that making your first investment in an ERP system is a significant step. In this whitepaper, we'll walk you through the process.



The Benefits

What is a ERP solution, and why would I need one?

An ERP, or Enterprise Resource Planning solution, is a software system that integrates a company's various departments and functions into a single, unified platform. ERP systems typically include modules for finance, accounting, human resources, manufacturing, supply chain management, customer relationship management (CRM), and more. These modules share a common database, which means that data entered in one module is instantly available to all other modules. This eliminates the need for duplicate data entry and ensures that everyone in the company is working with the same up-to-date information.



Streamline Business Processes

ERP systems integrate various business functions such as finance, HR, inventory management, supply chain, and customer relationship management into one unified platform. This integration eliminates the need for disparate systems and manual data entry, streamlining processes and reducing the likelihood of errors. ERP software centralises data across the organisation, providing a “single source of truth” for all departments. This accessibility to accurate, real-time data enables better decision-making and improves collaboration among teams.



Improve Stock and Supply Chain Management

ERP solutions offer advanced inventory management features, including real-time tracking, demand forecasting, and automated replenishment. This ensures optimal inventory levels, reduces the risks of running out of stock and minimises excess inventory costs. ERP systems can also provide visibility into the entire supply chain, from procurement to distribution. This visibility enables businesses to optimise sourcing, production, and distribution processes, resulting in reduced lead times, lower costs, and improved supplier relationships.

Improve Efficiency

An ERP system can help you streamline business processes by automating manual tasks, and making sure the right information goes to the right people at the right time. An ERP system can provide a central repository for all of your customer data, including contact information, purchase history, and support tickets. This can help you avoid duplication of effort and ensure that everyone on your team has access to the latest information. An ERP system can also track key performance indicators (KPIs). This information can be used to identify areas where you can improve your business processes.

Remove Risk

A good ERP solution will also help remove risks from within your business. This could include removing a single point of failure caused by an over reliance on key individuals. Vital information is stored on your ERP system, accessible by multiple people and not just on one staff member's PC, or even worse, in their head! A ERP system can also be used to help your company comply with industry regulations such as tax rules and GDPR, and reduce the likelihood of a data breach that could put the company at risk.



Defining Your Needs

What do you need from your ERP system?

So all of this sounds great, there are systems out there that are all singing, all dancing and can handle every aspect of a business. But is that really what you need? After all, features cost money, so you don't want to be paying for things you aren't going to use. That's why it's important to define your ERP needs, a process which we can help you with.

Taking the time to be clear about what you need your ERP system to do is an important step in the process of implementing a system, perhaps as important as the implementation itself. This step will define what system you use, how you use it, who you involve in your project and what results you measure.

We take clients through a three-step process to define their ERP needs. This process is designed to help us understand your business, your goals, and your current processes so that we can recommend the best ERP solution for you.



Step 1

Define your objectives

When defining your objectives for an ERP solution, it is important to be as specific as possible. It will be important to get into the specifics to create a crystal-clear picture of where you are now and where you need to be from a data management and business process point of view. Here's a step-by-step guide to defining ERP implementation objectives:

- **Assess Current Business Processes:** Begin by evaluating your existing business processes across departments such as finance, human resources, inventory management, supply chain, and customer relationship management. Identify pain points, inefficiencies, and areas for improvement.
- **Identify Strategic Goals:** Determine the strategic goals and priorities of your organization. These could include improving operational efficiency, reducing costs, enhancing customer satisfaction, increasing revenue, expanding into new markets, or ensuring regulatory compliance.
 - **Set SMART Objectives:** Define objectives that are Specific, Measurable, Achievable, Relevant, and Time-bound (SMART). For example:
 - **Specific:** Clearly define what you want to achieve with the ERP implementation (e.g., streamline procurement processes, reduce stock holding costs).
 - **Measurable:** Establish metrics or key performance indicators (KPIs) to measure the success of the ERP implementation (e.g., reduce order processing time by 20%, decrease stock levels by 15%).
 - **Achievable:** Ensure that the objectives are realistic and attainable within the constraints of resources, time, and technology.
 - **Relevant:** Align objectives with the strategic goals and priorities of the organisation.
 - **Time-bound:** Set deadlines or milestones to track progress and ensure accountability.



Step 2

Define which business functions will be included

ERP solutions can support all areas of your business from finance, through to stock management and customer service. It will be important to define which business functions are the highest priority. Of course, it is possible to include all or several business functions from the outset, but it's likely your project will be bigger, more expensive and take longer to bring to fruition.

Because of this, most businesses will undertake a phased approach, implementing the ERP solution in one or two business areas at a time. This doesn't mean the ERP solution is designed with only those function in mind. Quite the contrary, in fact. It's just that implementation is undertaken in a measured way.

- Where are the biggest gaps/opportunities for ERP to make a difference? For example, do you need to improve your stock and supply chain management before you enable your sales people to win more new business?
- Who needs to be involved in your ERP project team, and at what stage?



Step 3

Define what software functionality needs to be included

Your ERP solution will typically include a wide range of functionalities designed to integrate and streamline core business processes across various departments. This is where a good, thorough functionality specification is vital. The functionality spec enables us to get into the nitty-gritty, and things become very exciting indeed. By joining up the thinking between 'what's possible' and 'what would make business sense', your ERP solution can be truly transformative. The following functionalities are commonly included in ERP software:

- **Financial Management:** Features for accounting, financial reporting, budgeting, and forecasting, including modules for general ledger, accounts payable, accounts receivable, fixed assets, and cash management.
- **Supply Chain Management:** Tools for managing procurement, stock, warehousing, logistics, and distribution processes. This may include modules for supplier management, purchase orders, inventory tracking, demand planning, and order fulfilment.
- **Manufacturing Management:** Tools for planning, scheduling, and controlling manufacturing operations. This may include modules for production planning, shop floor control, bill of materials (BOM) management, quality control, and job costing.
- **Human Capital Management:** Functionality for managing HR-related processes, such as employee data management, payroll processing, benefits administration, time and attendance tracking, performance management, and recruitment.



- **Customer Relationship Management:** Features for managing customer interactions, sales processes, marketing campaigns, and customer service. CRM features included in ERP systems tend to be fairly limited, so you will have to decide whether this will be enough, or will you want to invest in a specialist CRM system such as Dynamics 365 Sales or SuperOffice CRM.
- **Project Management:** Functionality for planning, executing, and tracking projects, including task management, resource allocation, budgeting, and reporting. This may be particularly relevant for industries such as construction, engineering, and professional services.
- **Business Intelligence and Reporting:** Tools for data analysis, reporting, and decision support. This may include dashboards, ad-hoc reporting, data visualisation, and predictive analytics capabilities to help users gain insights from ERP data.
- **Compliance and Risk Management:** Features for ensuring regulatory compliance, managing risk, and maintaining data security. This may include modules for compliance tracking, audit trails, security controls, and data encryption.
- **Integration and Customisation:** Capabilities for integrating with third-party systems, such as third-party CRM software, e-commerce platforms, and specialised industry-specific applications. Additionally, ERP systems often offer customisation options to tailor the software to the unique needs of the organisation.
- **Mobile Access:** Support for mobile devices, allowing users to access ERP data and perform tasks remotely. This enables greater flexibility and productivity for employees who need to work outside the office.
- **Collaboration Tools:** Features for facilitating communication and collaboration among employees, teams, and departments. This may include document sharing, workflow automation, and project collaboration tools.



Costing your Project

All too often, ERP projects are started with great enthusiasm, only to fizzle out because the costs of set-up and maintenance are not properly scoped or understood at the outset. That is where a good business case comes in. Time spent at the outset to define your requirements and understand where the biggest payoffs will be instrumental in costing your ERP project effectively.

Factors that will affect the costs of your ERP solution include:

- The extent of the functionality you include – clearly, the more you want your ERP solution to do, the more involved your project will be.
- Whether your solution will be hosted in the cloud or on-premise. If it's on-premise, you will have server and server maintenance costs while you'll have smaller upfront but ongoing subscription costs when it's in the cloud.
- What indirect costs will be associated with your project such as consultancy, staff training, the time of staff involved in the initial project etc.
- Which vendor solution you choose and the extent to which your system is configured to your exact requirements.



Cost Stages

STAGE 1: Launch

Good ERP solutions require investment to get them off the ground, but that should not be prohibitive. The cost should be in line with your company's current and short-term financial position, which is where an analysis of your goals and priorities is so important. Additional functionality can be added to your ERP solution as your organisation evolves and brought on stream at the right time when the financials add up.

STAGE 2: Maintenance

Whilst the cost settles once your ERP solution has been implemented, it will still have a budgetary impact as steps will be necessary to maintain the system. Upgrading on premise technology, training new users etc, all have a cost which needs to be factored in from the outset.

STAGE 3: Evolution

As your organisation changes, so too will your ERP needs. Adding and amending functionality, streamlining systems and processes, embracing new opportunities presented by new technologies, all of this requires time and budget. Whilst investment in your ERP solution should be made in line with your organisation's growth, it's important to have an evolutionary mindset.

It's not easy but your business case should ideally provide an analysis of revenue and cost impacts of implementing (or not implementing) an ERP solution.



Revenue and Cost Impacts

When analysing revenue impact, it may not be possible to be entirely accurate, but you should be able to make a very good assessment of the financial impact of adopting an ERP. Look at the costs of operating the particular business area as well as the cost of acquiring and serving your customers. Also, identify the value of what more you will be able to do as a result of the ERP implementation. For example, will it allow you to serve more customers without having to increase your headcount? Will you be able to divert staff from manual activities and use them in other areas as a result of automation and improved management reporting?

Summary

There's certainly a lot to think about when you're at the start of your ERP journey. The key steps can be summarised as:

- **Define your needs:** What does your business need to achieve with its ERP solution, now and in the future. What are the priorities?
- **What business functions will be involved:** Does your ERP solution need to impact across your organisation or will you prioritise particular business areas? Who needs to be on your project team?
- **What functionality will be most important:** Join up your thinking between what's possible and what will make the biggest difference to your organisation.
- **Build your business case:** It's easy for costs to run away. Build a business case so that you get the best return from your investment.

Experts by Your Side

You don't need to be an expert in ERP to get a fantastic solution up and running within your business, but you do need to hire the best support.

We've been at the forefront of ERP technology for 25 years and have worked with hundreds of businesses in a range of industries, so are well placed to help and advise you in the early stages of your ERP journey.

Our Service Includes:

- **Consultancy:** To help you define your requirements and build a business case.
- **Proof of concept:** So that your project can be affirmed and de-risked before full rollout.
- **Implementation & delivery:** Complete service to ensure your ERP solution is properly implemented.
- **Hosting support:** We can provide hosted ERP solutions as well as cloud-based ERP and we can work alongside you if you wish to implement an on-premise hosted solution.
- **Licensing:** We can administer all of your licensing requirements.
- **Integrations:** We are particularly good at integrations, joining up your ERP solution and other systems your business relies on.
- **Training:** We can train your users to ensure high user adoption of the technology and maximum business benefit.
- **Critical Thinking:** To understand your processes and data. We understand how to architect the site to optimise and drive results through ERP software.



Why Choose Synergy Technology?

We seek a long-term partnership with our clients and work alongside them to help them get the best use of their solutions, to help attract, win and retain clients.

Since 1997 we have implemented hundreds of ERP and CRM solutions of differing complexity that have helped improve business performance by identifying opportunities for improvement and growth.

We have the scalability, knowledge and experience to offer the most relevant software solutions for your business needs and our highly responsive technical helpdesk works pro-actively to ensure any queries you have are resolved efficiently and effectively.



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