SALESPAD

HOW TO DESIGN AN ERP STRATEGY THAT WILL SCALE WITH YOUR BUSINESS

Introduction

If profitable growth is one of your goals as a product-centric company, there's one word that needs to be front-of-mind whenever evaluating a software solution: scalability.

Investing in a solution that works for your company now but isn't fully equipped to handle your company's needs down the road is a recipe for disappointment, added time and expense, and, in some unfortunate cases, failure. Don't panic, though — finding a solution that will scale with your business as it grows and evolves is simply a matter of research.

So what are the qualities that the perfect scalable ERP system offers? The answer to that question will differ slightly depending on your company's specific needs, but there are several key requirements that all forward-thinking, innovative, and adaptable ERP systems have in common.

Visibility

An ERP solution that provides easy, secure visibility into the health of your business is an ERP solution that is looking to the future. In order to make the right decisions for your company and take the necessary steps toward growth and profitability, you need clear, reliable access to key performance indicators.

It's not enough to just see the numbers, though — you need to be able to work with them. In the world of scalable ERP solutions, robust reporting options and visibility go hand-in-hand.

For example, let's say that in the interest of growth, you want to expand one of your product lines. You have a hunch that you can make more money by offering your customers additional options, but you've got to take a look at the data first to make sure that the numbers back you up.

How difficult is it for you to pull a report analyzing the current profit margins on your existing inventory? You need to be able to answer this question in order to justify adding additional products to your catalogue.

If the answer is anything short of, "a piece of cake," then you're going to want to dig into why that is. Scalable ERP solutions put an emphasis on ease of access when it comes to data and reporting.

Your ERP solution should not only make data visibility and easy reporting a priority, though — it should also promote visibility into your workflow, sales pipeline, and the overall state of the union of your business operations. After all, you can't move forward if you are unable to even see where you are right now.

Planning for the future takes careful analysis of where you are in the present, how you got here, and where the growth challenges are. As you chart a path forward, make sure your ERP solution is there to support you today, tomorrow, and the next tomorrow, too.

Unlimited Data

Speaking of data — is there a cap on yours? "Unlimited data" isn't just a buzzy phrase reserved for cell phone commercials.

If your ERP solution has limited data storage and you're planning on healthy growth for years to come, that data cap might turn out to be a huge problem. ERP data encompasses many things: SKU count, customers, transactions, etc. Experiencing a hard stop on any of these can quickly turn disastrous if your business is ready to hit that next growth marker, but data limits stand in the way.

A limit on your company's data is essentially a limit on your company. And depending on where that limit is, you might run into it well before you'd think.

If you're running an on-premises ERP solution, data limits are pretty dependent on your hardware setup. The larger your database, the longer it takes to browse, and if you aren't equipped with the hardware that can handle the intensity, you will see slowdowns at a certain point. Hardware limitations can usually be conquered by throwing money at the problem, but at a certain point this "solution" becomes cost-prohibitive, and the gains will be low relative to the cost.

Data availability, storage, and access is where cloud ERP really shines as a clear front-runner. Cloud ERP systems with unlimited data are specifically aiming for companies looking for a scalable ERP solution — even if you're currently running an on-premises solution, take a look at what cloud ERP systems have to offer. You might be surprised at the heavy-lifting capabilities of today's modern cloud-based ERP systems. Just think what tomorrow's will bring!

Integration Options

We live in an integrated world. Anyone carrying a smartphone in their pocket is essentially carrying a computer loaded with dozens of integrations. In the same way that apps added to a phone help you fully utilize this powerful machine in the palm of your hand, integrations added to your ERP solution enhance what your company is capable of achieving.

ERP solutions that don't offer a host of available integrations, or who make creating a custom integration (or better yet, customized software) prohibitively difficult are not looking to the future, and therefore will struggle to scale alongside your company.

An ERP solution outfitted with a healthy suite of integrations, on the other hand, is your ultimate companion when working towards that next milestone. Even the very best ERP solution won't be capable of tackling every single task you need it to (or tackle it well, at any rate). Handling all aspects of a thriving, product-centric company's digital operations is a herculean task that requires a team of capable players. Think of your ERP solution as Iron Man, or maybe Captain America — it can take on a lot, but when paired with a couple of strategic, complementary sidekicks (like Black Widow or The Hulk), it's able to accomplish infinitely more.
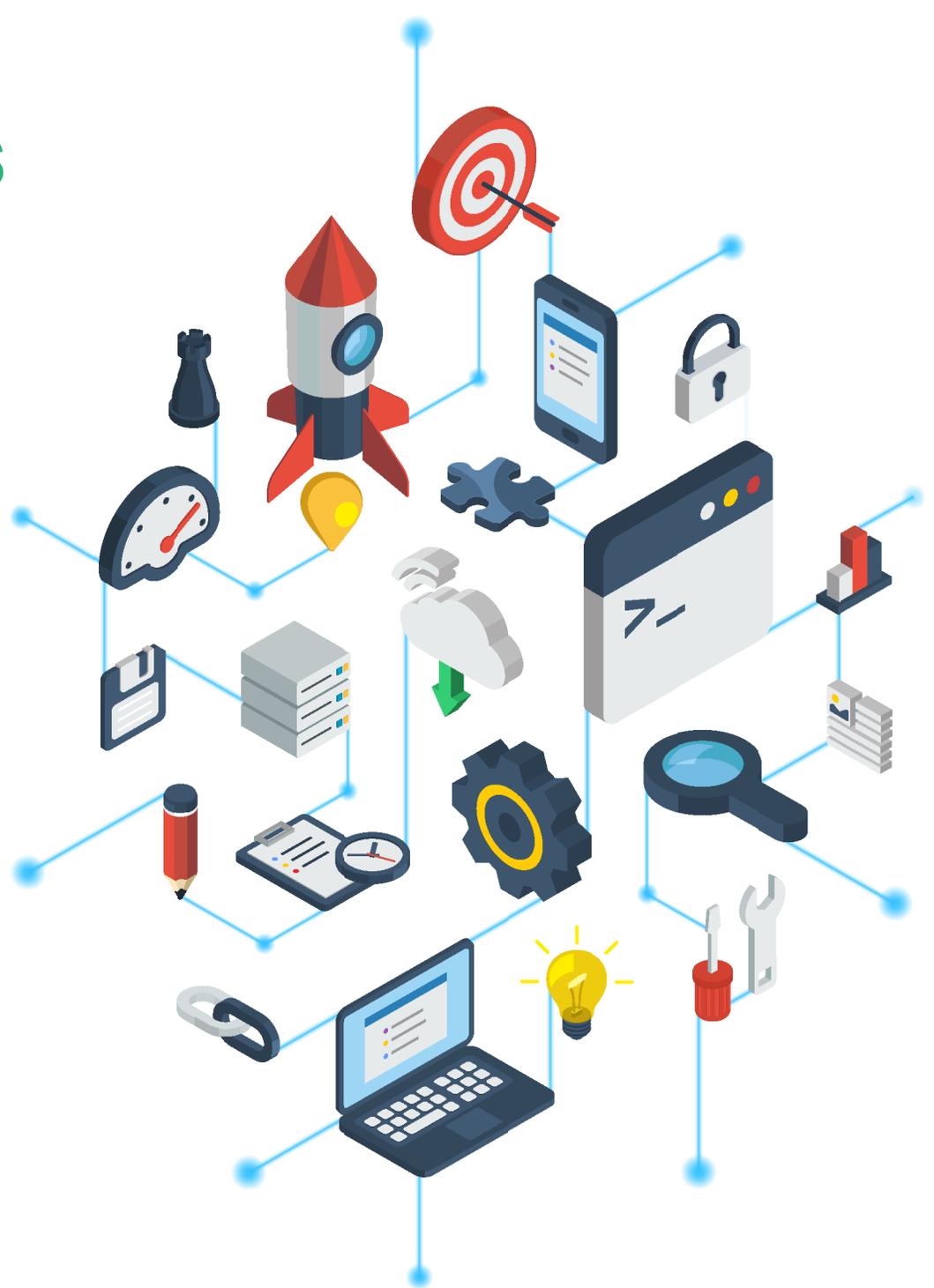
Customization Capabilities

Customization options go hand-in-hand with integration capabilities. Sometimes your unique requirements are so niche that there's just no other option than to have your software customized, and the right ERP solution will allow you to do just that.

Customized software can be the difference between moderate and exponential growth for thriving, forward-thinking companies. Thinking outside the box and imagining what could be is an essential element in driving a scalable business forward. And software customization doesn't always mean expensive, robot-ridden fulfillment warehouses — **software customization can be as simple or as complex as you need it to be.**

Granted, customizing software is almost always a challenge, but there's a big difference between challenging and insurmountable — after all, you get what you pay/work for. If a customization would push your productivity to the next level, but you aren't able to implement it because your ERP stands in the way...that's a big problem, and it's an issue you can resolve by opting for an ERP solution that does allow for software customization.

If your ERP solution forces you to color within the lines and doesn't allow for some expansion here and there, that's an ERP solution that isn't designed to scale with your business.

The future is unpredictable, and so are your future requirements as a business. Flexible ERP solutions that give you room to grow by leaving the door to software customizations open are with you for the long haul.
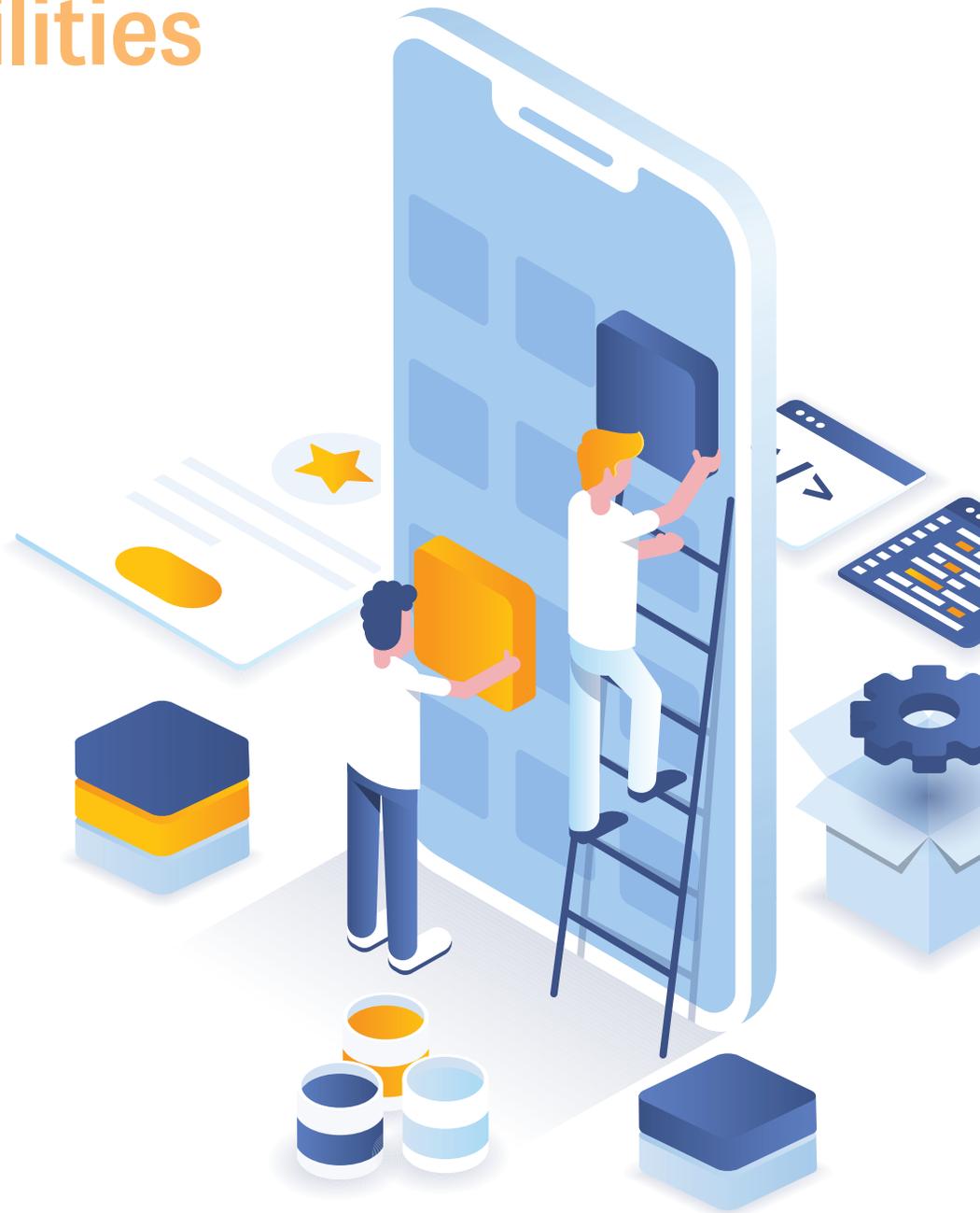
Automation Opportunities

The robot revolution is upon us — get on board now, or be left in the proverbial cyber dust.

Just like with software customization, though, automation doesn't necessarily mean big, complicated, and pricey. To put it simply, automation is a smart solution that eliminates redundant or otherwise unnecessary manual labor.

Simple or complex, automation is absolutely the way of the future, and a scalable ERP solution is designed to accommodate that.

Many ERP solutions have certain automation functions built right in. For example, automatically forwarding a sales document through its designated workflow is a form of automation. Other automation options have to be added as either an integration or as software customization. No matter the form it takes, though, your ERP solution needs to be able to support your automation needs.

Determining where and when to implement automation solutions into your processes will depend on your particular company. Automation opportunities present themselves in almost every aspect of your business, whether that's through order processing, recurring events such as invoicing or audits, data synchronization across platforms, or elsewhere. Look for these opportunities in your day-to-day operations, then look to your ERP solution for available options. If there are none…well, maybe it's time to look at alternative operational ERP solutions.

Conclusion

The key element that all scalable ERP solutions have in common is flexibility. Your company is not going to stay stagnant over the course of time — it's going to grow, expand, evolve, and change. Your ERP solution must do the same.

As one of the most influential software programs your product-centric company runs, your ERP solution has an outsized effect on your company's growth potential. It's critical to insist on the highest standards for your ERP system, and to periodically check in on its performance as well. How many errors in your system held you back this month? How many support issues hindered your progress as you waited for a resolution? Did you run into data management issues?

Ease of use and reliability will influence your ERP's scalability. After all, if you spend all of your time fighting with your software, that's time that can't be spent making those all-important decisions that will propel your company onward and upward.

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