

THE OPERATIONS  
MANAGER'S GUIDE TO:  
**Cloud ERP**



# Introduction

Whether you're a new convert to cloud-based ERP, still on the fence, or a cloud veteran, there's always more to learn about how to best leverage all the benefits the cloud brings to your business. Navigating the host of potential integrations, keeping inventory levels where they need to be, and incorporating the right workflow options might seem like a daunting task, but never fear — SalesPad is here!



# Build the perfect suite using integrations

The ease of adding cloud-based integrations to your cloud-based ERP is a big reason to make the switch to the cloud. But how do you know which integrations to choose when crafting your company's perfect business suite? And do you even need to?

## Why add integrations?

The idea behind integrations is pretty simple: if a user of one piece of software wants to use an additional piece in combination with the first, they simply enter their account information for the second piece into the first's integration setup for that software, adjust any pertinent settings, and get to work combining their two functions. There are lots of different types of integrations out there — examples of integrations range from additional shipping and ecommerce services to file sharing, internal communications, EDI, and more.

For example, if you're a SalesPad Cloud customer (because, let's face it, it's your favorite cloud ERP solution) who wants to use PayFabric to process your credit card transactions, all you have to do is enter your PayFabric account credentials into the PayFabric page in SalesPad Cloud. Because SalesPad Cloud provides an integration to PayFabric, the two programs can talk to each other seamlessly from within SalesPad Cloud. There's no need to run the two solutions separately or to manually input data from one software into the other.

Think of your cloud-based business software suite as a team of superheroes — the best work gets done when everyone cooperates and plays to their strengths. New members can be added when needed, and your team can evolve as your business grows and changes.



# Which integrations should I add?

Every company is different, and integration needs will vary. The biggest factor in choosing which integrations you should add to your ERP solution is whether or not the integration is supported. Check with your ERP provider for a list of available integrations, then verify that the ones you need are actually supported.

Available **integrations are a crucial element to consider** when you're evaluating which ERP solution is best for you. Choosing a solution that doesn't provide you with the right integration options to enhance your ERP's performance will inhibit your company's potential for growth.

Cloud software is flexible by design, evolving, and able to scale with your business. Because integrations can elevate a software's overall performance so well, they are a central part of cloud software's inherent advantage. If you're not at the very least exploring the integration options available to you, you're probably missing out on some awesome performance upgrades.

If you've got your eye on software that you know would make a great integration for your ERP but your ERP provider doesn't support it, now's the perfect time to **think about software customization**. Custom-built software can create the integration for you, and it's a great way to build the perfect ERP suite for your company.

What it all boils down to is this: teamwork really does make the dream work. Take a look at what integrations are on your team right now and which ones are available, then get to work creating your company's ultimate dream team.



# Ditch the crystal ball for some top-notch inventory management

Are you tracking your inventory, or are you managing it? Do you know the difference between the two? And most importantly, does your cloud ERP solution *allow* you to manage your inventory? If predicting your future inventory needs seems more like guesswork than an achievable task, chances are that your inventory management methods need some improvement.

Many people use the terms “tracking” and “managing” interchangeably, when in reality they shouldn't. These two very different ways of dealing with inventory have big ramifications for your business' future growth, and it's important to understand the difference between the two.

Here are a few key characteristics of and differences between tracking and managing inventory:

- Tracking inventory is all about seeing quantities.
- Tracking inventory doesn't provide any detailed information about inventory cost.
- Tracking inventory usually provides a “sum cost,” which is generated by whatever number you input into your system and does not reflect the actual, or “physical,” cost of inventory.
- Managing inventory allows you to see your inventory cost stack and cost layers.
- Managing inventory provides in-depth information regarding cost, individual sales transactions, sales trends and more, which are necessary for forecasting future growth.



# Estimated cost versus cost stacks

When using a system that only tracks inventory, the cost of each item is usually a static field that a user can then enter a price into. In other words, tracking inventory only gives you an item's supposed cost, and that "cost" doesn't reflect any sort of information about how much that item actually cost you, such as the shipping, handling, and storage costs — the cost is simply what you determine it to be.

When only tracking quantities, there's no way to automatically manage the changing cost of receiving your regular inventory items. This can cause gross cost miscalculations.

However, using a system to manage inventory provides cost stack visibility, which is key for making business decisions based on inventory costs and actual profit.

The cost stack is a record of each quantity and its unit cost recorded into the system (purchase receipt, adjustment in, return, etc...). Then, based on the valuation method (FIFO, LIFO), when that inventory is sold, the cost stack is sorted in either ascending or descending order and the appropriate entry is relieved from the cost stack.

When you're just tracking inventory, you either have no cost stack or your system flattens the cost stack and averages the cost. It doesn't matter what you ultimately sell an item for, because there's no way of knowing if you actually made money on it or not.



# Opt for growth over stagnation

The distinctions between tracking and managing inventory can spell growing or plateauing for sales and profits, so choose wisely.

Managing inventory well gives you access to a slew of insights regarding sales trends, best-selling items, inventory costs, gross profit, profit margin, and every sales transaction. This level of insight into your business can usually only be attained when your ERP system is fully integrated with your accounting system. Disconnected systems won't give you the insight you're looking for, and operating from the cloud makes it easier than ever to find an ERP solution that integrates directly to your accounting platform.

At the end of the day, deciding between tracking and managing inventory is a question of growth — are you ready to take your business to the next level?



# Kick it up to eleven with workflow

So you've assembled the perfect team of integrations, and you're managing your inventory effectively. What's the next step toward operations manager bliss? Eliminating unnecessary steps or hiccups in your processes.

If you're using paper anything, such as transaction documents, pick lists, or customer notes, you'll want to move to a primarily paperless process. Once that's in place, it will save loads of time, plus it's better for the environment.

More importantly though, you'll want to rely heavily on workflows. Workflows are predefined paths for transaction documents where these documents can be evaluated against a wide range of criteria. Specific actions, such as evaluating profit margins or sending emails to management for review, can be triggered on each document based on those criteria. If you aren't using workflows, you should definitely look into ways you can incorporate them into your business processes, either through an integration or by switching to an ERP solution that offers workflow functionality.

## Start with a flowchart

Workflows are really nothing more than sophisticated flowcharts that save your company boatloads of time. If you can create a flowchart, you can create a workflow.

To give you a clearer understanding of what we mean by workflow, and to illustrate just how helpful they are, let's walk through a couple of quick examples.

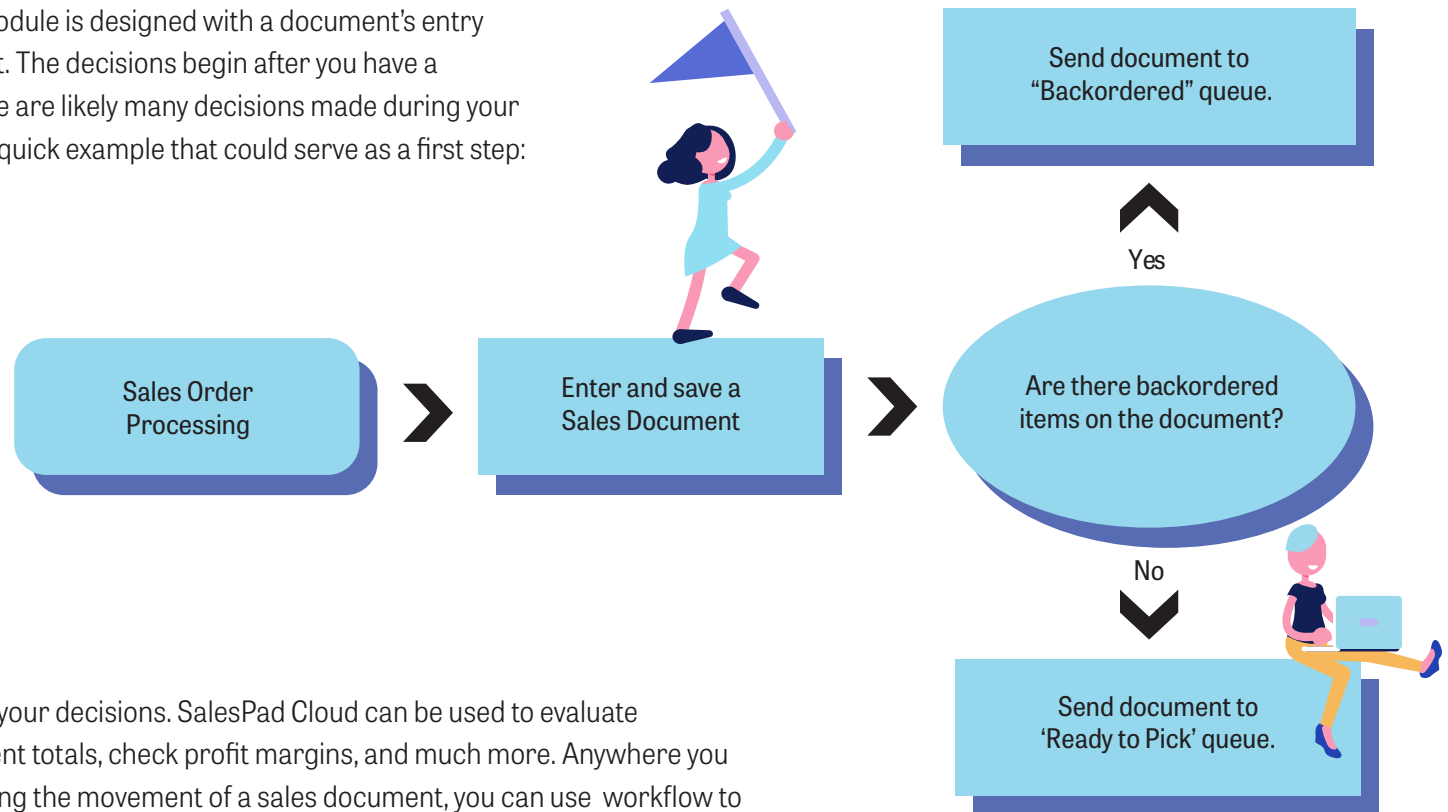
The first step in creating a workflow is to outline your current process. So, let's start at the very beginning and make a flowchart.





# Ask some yes/no questions

In SalesPad Cloud, the Workflow module is designed with a document's entry into the system as the starting point. The decisions begin after you have a document entered and saved. There are likely many decisions made during your own business process, but here's a quick example that could serve as a first step:



Don't be afraid to get complex with your decisions. SalesPad Cloud can be used to evaluate customer credit limits, verify payment totals, check profit margins, and much more. Anywhere you make a "yes or no" decision regarding the movement of a sales document, you can use workflow to keep this process clearly outlined and effective.

When it comes down to it, making a useful flowchart or workflow is as easy as asking the right questions. Sometimes, though, the answer is not a matter of "yes" or "no," but more a matter of "now what?" If you're having trouble identifying the steps in your typical process, asking this question can help you find the way forward. This can also be an effective way to identify areas where there may be some ambiguity, which can help you clearly define the next steps.



# Get fancy with some harder questions

Let's say a sales document has been entered, saved, and there have been a few yes/no decisions made. Now the document is sitting in a "Credit Approved" batch (a batch is SalesPad's term for a stop along your workflow), but you're unsure what the next step in your workflow should be. Ask yourself what normally happens after a document receives a credit approval.

If normally, after a document receives the credit approval, it moves to the warehouse for picking, but on certain special occasions the document might need another management check before moving to the warehouse, it might seem like workflow isn't useful here.

Workflow does work in this situation, though, especially when paired with one of those handy integrations that can trigger emails or instant messages. In a scenario like this where a manager must review the document before it can proceed, pairing workflow with an internal communications integration, such as Zapier or Slack, can keep the entire process flowing smoothly. Documents for sensitive customers will move to a "Management Review" queue, and the appropriate manager will be alerted that they must review the document before sending it to the warehouse for picking.



# Cloud ERP for the win

Keeping a thriving, product-centric company's operations running smoothly is no easy task (go ahead and pat yourself on the back — you deserve it), but the right cloud-based ERP solution will make your workday easier and be an invaluable ally as you continue to grow and expand your business. By utilizing the advantages that cloud ERP can provide, you'll gain an edge on the competition and generate some positive momentum that the higher-ups will surely appreciate.





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To learn more about SalesPad's own ERP solution (we barely scratched the surface on how awesome workflows are), drop us a line! We'd love to connect with you.

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