

ERP Should Make You Free

Posted At : April 27, 2007 5:00 PM | Posted By : Tom West

Related Categories: Business Intelligence, Business Analysis, Business Process Management (BPM), ERP, Technology Evaluation Centre, Briony Smith, Guy Kawasaki, Collaboration Products, Seth Godin, Tom's_Blog, Oracle, SAP

ERP Should Make You Free

The very essence of a well designed **ERP** system is to free you from the dependencies of making all the mundane decisions over and over again and have the confidence that your system is helping you to run your business in the most efficient and profit producing manner known to man. I just finished reading an [excellent article](#) by Briony Smith of www.itbusiness.ca and it was a revelation, particularly for me as a person in the ERP business and providing ERP systems, consulting, and implementation services. The article is compelling right from the start with the following quote;

“A recently released survey of [Technology Evaluation Centre](#) newsletter subscribers sponsored by Sliedrecht, Netherlands-based ERP company Agresso found that, out of the 900 respondents, 70 per cent feel their ERP systems put them at a disadvantage.”

Following is a list of points made by Ms. Smith that I think is salient to my train of thought today:

1. 70% of the surveyed companies “feel trapped in a “need-spend-need-spend” cycle”
2. Many of the companies commented that they were upset by the expense of bringing in high-priced consultants to help them make changes to their ERP systems as their companies, businesses, and industries change.
3. 58% of the interviewees resisted change due to the inflexible nature of their ERP systems and the perception that if they did change it would cost huge money and cause disruption to their business that may never pay off.

So what is the answer for ERP users to get out of this cycle? I think it lies squarely with the ERP vendors. I say this to my fellow ERP vendors because your clients trusted you to provide them with their needs and it is up to you to preserve that relationship by delivering constant value and proving that value every time your client needs an upgrade. Your client should feel free to change their business processes to keep up with the times, keep up with their growth, and keep up with the latest available technology. So here are a few ideas of how to regain the trust of those 70%.

Win-win is a tad overused and even irritating in some cases, but in this case it is a necessity and I feel it is an appropriate use of the term. Everytime our clients come to us for advice on how to upgrade their business process, add processes, or just for our advice we should both come out of the consult feeling we have achieved something. The consult to gather information should always be freely given. This means that it is a meeting of peers who are strategizing to improve their businesses, both the client, and the ERP provider. The client has processes that are not unlike any of the other businesses in the world, so what they are asking for may be already available. If that is the case then a fair price would be put on the process and everyone is happy. If the process needs to be built it should be done with the ERP provider sharing the risk by agreeing to absorb some of the costs in lieu of multiple additional sales into the industry. Pretty standard treatment of mutual respect and shared business risks.

No more gouging is something that is pretty easy to figure out. If we think of win-win this will not be an issue. Our clients should feel free to give us a call and explain their needs without us rubbing our hands together in anticipation of the big payoff.

Competition is a great thing for business. We are getting to the point in the industry where the giants are even more than giant. It is time to shake things up a bit with some fresh thinking and products that will actually improve the value of our offerings.

Flexible tools are also a way for our clients to even build their own ERP with easy to understand Tools and widgets. Once the client understands that there are no boundaries with the ideal ERP system and they are shown the way, we can all make our ERP to suit our situation, direction, and goals....and we can save money doing it!

Go web-based if you want to stay on top of the latest and greatest and most inventive thinkers in the business. Web-based is just an obvious direction to be able to bring the global economy into control, and control is the goal.

Here are a few tips for ERP clients:

Constantly evaluate your business process as if you don't have an automation system. This will free you from getting into a trapped thinking of the ERP being the end all be all. There are other alternatives to seven year old systems. I am making it sound simple and I realize that an ERP change is major, but there are options.

Smaller vendors are worth a try, spoken from the heart. The small to mid-sized business community now has several choices, the biggest seller is of course SAP with Oracle right there as well, and you likely won't get fired for choosing either of those products as they are good. There are other alternatives that are worth your time to investigate because they may be perfectly tailored to your business.

Collaboration is the essence and core of a good ERP system. Demand that it be embedded in your system so the entire enterprise can participate, contribute, and even use the ERP system.

Short term gain is often long term pain. Sometimes it is just time to cut your losses and move on to the new system. I liked Guy Kawasaki's Blog about the famous author [Seth Godin's](#) book, [The Dip](#). Guy's Blog is

entitled, “[The Big Dip: Ten Questions with Seth Godin](#)”. So even though it may be a challenge and even disruptive, it just needs to be done sometimes.

Bottom Line: It is your business and you should enjoy it and not worry about how much it will cost to improve the ERP system to improve your business.

Tom West, Technical Toolboxes Canada, Ltd., twest@ttoolboxes.ca, +1 403 235-3495 x201, www.ttoolboxes.ca, Skype: [twest1960](#)