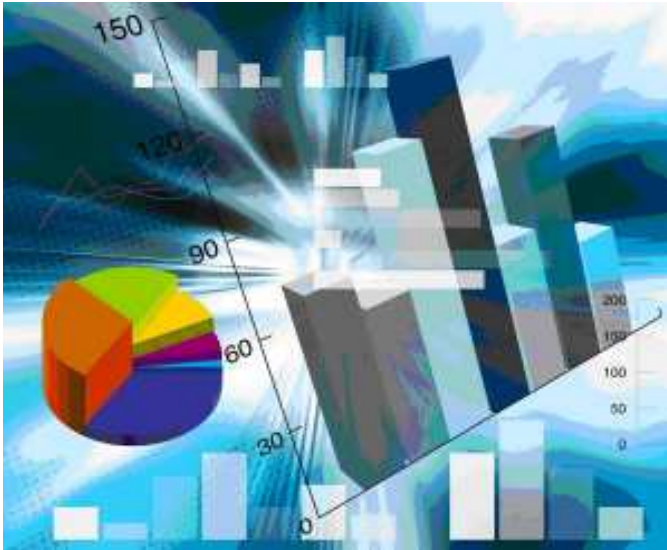


# Buying ERP in an Economic Downturn

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***Why it is not only smart to buy ERP now, but why your business stability post recession could depend on it.***



Statistics show that the period just beyond a recession is the most aggressive growth phase. Companies who strategize during the slow times to build their business and prepare for an economic turn-around will be better aligned for growth post-recession. The right ERP system can help companies not only survive the recession period, but come back faster and stronger than their competitors.



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## Buying ERP in the Midst of an Economic Crisis - Reasons to Buy Now

Companies have discussed it with the finance committee, in the boardroom, and elsewhere that spending needs to be cut! Cut, cut, cut! It's the only way to survive in today's recession. Unfortunately, these companies have been consumed with the "recession obsession" that is plaguing our country's media.

In some cases, cutting spending may be an effective strategy. In other cases, this strategy is simply WRONG. In fact, companies that halt or even slow spending too much may lose competitive advantages that could possibly never be recovered when business picks back up. Companies that get caught up in the media's negative messages miss the essential fact that business continues to go on, and those not prepared for the inevitable recession turn-around will lose significant ground compared to those that are prepared.

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The highest rate of growth has often been the period immediately following a recession.

*-Office of Productivity and Technology, Bureau of Labor Statistics*

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That being true, companies that have held off on the purchase of a new Enterprise Resource Planning (ERP) system or an upgrade of their current system, need to get back on the purchase track. Now IS the time to purchase ERP software, and this white paper will outline some of the most compelling reasons why.

### Recessions are Temporary

In looking over the economic history of the past 25 years, we can see that financial declines are scattered throughout this period. Rarely have any of the recessions lasted longer than a year; most lasted only 8 to 10 months. Being prepared for the period of time that lies beyond the recession is critical. In fact, according to the Office of Productivity and Technology, Bureau of Labor Statistics, the highest rate of growth has often been the period immediately following a recession. When the economy does recover, companies need to be in a position that allows for stable, yet exponential, business growth.

## Optimize Expenditures

While everyone needs to adjust somewhat to the current economic situation, forward thinking companies continue to invest in their business despite the current recession. Their strategy, however, is to keep their investments focused.

Gartner predicts that in 2009, leading companies will be making both major and minor IT decisions.

Spending capital on the most advanced technology is one example of a focused investment. Current

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Current technology actually helps companies survive economic tough times.

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technology actually helps companies survive economic tough times by taking advantage of the new functionalities of the latest innovations that drives business efficiency and enables market leadership.

## Lower Costs

Companies are looking for reduced prices at a time when there isn't extra cash for anything but the necessities; providers have responded. Many software developers are pricing ERP systems more aggressively than they have been, with a variety of incentives and purchasing options. Forrester reports that purchasers have more bargaining power and should take advantage of the opportunity.

## Maximize ERP Benefits

It wouldn't make much sense to purchase an ERP system, and then not fulfill the potential on what it can do for a business. ERP systems are great tools for retrieving, organizing, and storing valuable information that can be analyzed so as to

better serve the manufacturers customers. Reports can depict products and solutions that are most beneficial to the end-product consumer. Better serving the customers is better for them, and in the end, better for the manufacturer as well.

## Service and Training

At an economic time when service quality is as critical as product quality, many ERP vendors are offering extensive training on how to use the software to get the most out of the functionalities listed

above. Implementation specialists that know their software product intimately can show their clients how to find and utilize reports and other tools much faster than the client can learn it independently.

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Our ERP's exceptional reporting functions have helped in gaining and retaining major accounts.

-Ede Payne, COO  
Swiss American Products, Inc.  
ProcessPro® software user

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## Improve Business Efficiency

The very nature of a fully integrated ERP system is intended to improve both manufacturing and business efficiencies, and increase productivity. ERP is designed to streamline and automate operations, eliminating non-value add activities. ERP also allows companies to more efficiently and accurately match consumer demand to inventory, thus reducing carrying costs. In some cases, ERP can also reduce labor costs as the system enables companies to get more work done with less people.

## **Faster ROI**

A survey conducted of approximately 900 ERP users by Technology Evaluation Centers (TEC) indicated that close to 70% of current ERP users noted significant disadvantages with their legacy systems. Users are looking for systems that can manage specific business scenarios and closely mirror their specific business needs. Systems that cater to individual manufacturing differences bring a faster ROI for those producers. Looking to ERP providers that provide industry or vertical specific functionality “out of the box” is a great place to start your ERP search. These ERP solutions typically require less investment in implementation and customization, giving the manufacturing company a faster return on investment (ROI). If a company has to spend more on implementation of a solution than on software, the solution is most likely not a good fit for the business.

## **A Critical Question**

Can your company afford NOT to invest in the right ERP solution now? This isn't the time to “sit on the fence” while your competitors take the steps necessary to set themselves up for success. ERP software can be an effective tool for companies as they endure the current economic storm; a tool that sets companies up for accelerating success as the economy improves.

Joe Blauert  
Business Management Consultant

## **About the Author**

Joe Blauert is an independent management consultant specializing in strategic planning and business process improvement in the software



industry. Joe has over 25 years of experience in enterprise software, ranging from auditing business information systems for Honeywell, Inc. to leading HighJump Software, a supply chain management software company. Joe has held senior executive roles in sales, operations, and finance; has completed Six Sigma and Lean Manufacturing training at 3M; and holds a Bachelor of Science degree in Business, and a Masters degree in Business Administration from the Carlson School of Management at the University of Minnesota.

### **About ProcessPro® software**

ProcessPro® software is proud to be the leading ERP software for the highly-regulated process industry. Excelling in the small to mid-sized market, ProcessPro® software provides an affordable solution to those who must adhere to strict QC and government regulations including FDA, cGMP, 21CFR Part11, Bioterrorism, HAACP, and more. ProcessPro® software seamlessly integrates all aspects of plant operations, from beginning order entry through manufacturing, packaging, shipping, and accounting.

This fully-integrated, real-time solution rises above other industry software in production capabilities, financial integration, user interface, system functionality, flexibility and more. ProcessPro® software is available with full source code and can be customized to fit your organization's unique business needs. For more information, visit [www.ProcessProERP.com](http://www.ProcessProERP.com).

### **About Swiss-American Products**

Swiss-American Products is a privately held manufacturer of Elta brand skin care products. The primary markets for the Elta brand are doctors, pharmacies, nursing homes, and hospitals. Private label products are also produced in their 30,000 square foot manufacturing and warehouse facility. Elta has utilized ProcessPro® ERP software since 2002. For more information about Swiss-American Products visit [www.Elta.net](http://www.Elta.net).

### **Resources**

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