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How to Choose ERP Software for Process Manufacturers





If you've recently searched the internet for process manufacturing ERP software, you likely found thousands of search results for various ERP developers and vendors. In order to make the proper decision, you must start by asking the right questions. An ERP solution could be the best investment your company makes. By taking the time to do the research, you'll be more likely to find the best fit for your company.

When examining the following questions, you will be able to sort through and narrow down the vast array of ERP options. It's best to spend adequate time on each question, as choosing the right software doesn't easily present itself.

1. Why do I want to implement ERP software?

In order to narrow down the numerous ERP software options, it is important to determine why an ERP solution is necessary. Creating a list, allows for observations to be made on business practices that may be deficient. Many times, companies begin to see the necessity for an ERP system as the company expands. ERP software can help manage a company's growth, but it is still important to be specific as to the issues an ERP system may resolve in your company. Challenges may include lack of sufficient and accurate data regarding performance and finance, dual entry of data, as well as receiving information too slowly. Accurate and current information is vital to forecast and plan. A company risks loss of revenue through erroneous and unknown job costs which are easily corrected by receiving accurate information initially.

2. Do I need process or discrete ERP software?

The two primary categories of ERP manufacturing software, process and discrete, function in very different ways. Process ERP software works by utilizing various recipes and formulas. This allows for significant quality control testing functionality, as well as extensive tools to manage lot control and traceability. Derivatives of process manufacturing include food, beverages, pharmaceuticals and other chemicals. Whereas, discrete manufacturing produces items such as automobiles, appliances and computers, products that are able to be disassembled. Before making an ERP software decision, first you must define what niche of manufacturing your company is categorized as.

3. Do I need seamless integration and real-time visibility?

A benefit of having an ERP system is its ability to seamlessly connect information between all functional areas of an organization. Fully integrated ERP software provides the capability of storing information in one common database. Software with real-time functionality and instant access allows information to be utilized and reported on immediately upon entry.

4. Is the ERP system both comprehensive and configurable?

A baseline ERP system should meet the majority of your business requirements. Creating a direct illustration between what is imperative for your business and what is optional, will allow you to make a direct comparison and narrow down the search for an ERP system. In addition, having a completely configurable system will permit the ERP software to configure to the unique practices, products and requirements of each individual company.



5. Does the ERP system have robust reporting and capabilities?

In order to identify areas of weakness within the company, a reporting system is used to track sales, costs and profits or losses. Financial reporting is one of the most utilized tools in an ERP system. Choose one that has intuitive reporting capabilities that allow a company to create custom reports, graphs and charts with real-time data and allows you to drill-down to transaction levels. These reporting capabilities alleviate complications and empower the management team to construct smarter business decisions.

6. Do I need an ERP system to help my company meet security and regulatory reqs?

The penalties and fines involved in failure to comply with the Food and Drug Administration (FDA), Hazardous Analysis and Critical Control Points (HACCP), Safety Data Sheets (SDS) and other regulations could cause a company its business. If a recall occurs, a capable ERP system will detect the problem products quickly and effectively. The current Good Manufacturing Practices (cGMP) and the FDA require documented evidence that the system's performance is operating as intended, including running additional audit trails and electronic signature requirements. Competent ERP software will not only meet the above obligations, but will also be capable to perform individualized specifications to ensure safe, pure and effective products.

7. Is the ERP solution focused on verticals that are similar to my industry?

As previously noted (process vs. discrete), you want an ERP solution that focuses on verticals similar to your industry. It's beneficial to partner yourself with a company that provides your industry specific ERP solution in order to cut down or eliminate costly customizations for your business. An ERP company with extensive industry knowledge and experience is the key to a well-developed system and should not be compromised.

8. How closely will I work with the software developer and implementation team?

By working closely with the software developer and the implementation team you will have support after the process is complete which is crucial and will yield great success. When misunderstandings of the software arise or unexpected errors occur, having the system expert guide you step by step in fixing the issue can be irreplaceable. If considering using an ERP reseller, note that systems marketed by a reseller not only add additional confusion, but also an extra person between you and the expert.

9. Does the developer have a reputable history and a positive outlook?

ERP system investments are intended to last nearly 15 years. As with any long-term investment, it is important to look at the history and success of the company you are considering. A company's past successes are often the greatest indicator of their future achievements. Adaptability and innovation are other considerations to weigh as the market of ERP software development and technology continues to develop and change. Your research could be the difference between partnering with a fading company or a prospering one.



10. What are the key strengths and weaknesses of the ERP systems on my list?

After evaluating all the ERP systems on your list, you can begin to eradicate any systems that do not meet your criteria. You may also examine the other less-important items on your list to determine which perks are worth purchasing and which system best supports them. Furthermore, both the strengths and the weaknesses of the potential ERP software company may also be prioritized.

Conclusion

After an in-depth analysis of options, you will begin to realize which ERP software solution will offer the greatest return on your investment. When calculating the costs of each option be sure to add direct and hidden costs which can include software, licensing, implantation services, upgrades, data conversion and internal project resources. Outlining these costs will ensure all benefits have been weighed and measured. Seeking neutral, third party consultant advice may also assist in your decision making process as well.

Any manufacturer can experience the benefits of implementing ERP software. Careful planning and prioritization can help simplify your decision, and following these basic guidelines will allow for a less labored resolution.

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