



The entrepreneur's guide to **ERP**



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For every growing business there comes a day when ERP software is required, but when is the right time and how can you ensure you select the right system and functionality for your needs?

Technology is high on the list of priorities for growing businesses in the JAPAC region. By 2027, total budgets dedicated to IT investments and connectivity services in SMBs will increase by 40% as entrepreneurs turn to technology to compete with larger businesses, according to IDC. This means many growing companies will soon be taking steps to implement an enterprise resource planning (ERP) system. But how do you know if the time is right for your organisation?

Often, the need for ERP stems from growing complexity across your business. Perhaps you've outgrown your basic accounting software and require stronger financial reporting to inform better decision-making or attract investment. Or maybe you're planning to introduce new subscription-based products or packages and require stronger revenue recognition processes.

ERP software can also come calling when your compliance obligations grow due to operating in more regions. Automating your financial processes will ease the pressure on your finance team while ensuring strong controls are in place to satisfy different tax laws and regulatory standards.

Even if the need to simplify reporting and compliance is not a compelling enough business case, every company can benefit from a more seamless approach to customer acquisition. Tracking sales leads, storing customer information and utilising data to better target new customers can quickly get out of control in Excel, or even disparate CRM and marketing automation systems. To more efficiently acquire new customers and take better care of existing ones, you need ERP.

What functionality should I look for?

An ERP system is capable of automating a large range of business processes, so the specific functionality you need will depend on your bespoke business challenges. For many growing JAPAC businesses, an ERP journey will be kickstarted by the need to automate accounts payable and accounts receivable processes as well as log and track data in the general ledger across multiple currencies and in compliance with tax laws and regulations in different regions.

To understand what other functionality you might require, look at what areas are causing friction for your customers. Can they easily find the information they want on your website? Is inventory constantly running low? Is customer support performing as it should? A good ERP system has the functionality to optimise your entire customer journey, resulting in greater sales and loyalty.

The more functionality you acquire, the more you discover the ultimate value of an ERP system: gaining greater visibility across all of your business processes, and as a result fuelling better decisions everywhere. That's because implementing an ERP system not only enables you to get all of your data in order, but it also presents a single version of the truth that all parts of your business can access in real-time to uncover valuable insights and power their decision-making.

The ERP system becomes the beating heart of your business, integrating processes in such a way that operations flow harmoniously. The sales team is forecasting from the same numbers that finance is using to report to investors, and the marketing team is contacting customers based on accurate information obtained directly from customer orders. The business is unified.

Cloud or on-premise

For a long time, ERP software was the preserve of large enterprises. Even then, it had a reputation for grinding business processes to a halt during long, tricky and expensive implementations. That was when ERP software had to be deployed and installed 'on the premises', however, and licenses had to be purchased upfront, even for modules you didn't end up using.

Then the cloud came along and changed everything, democratising access to ERP software for practically any business with an internet connection. Cloud-based ERP is now the dominant model and the APAC cloud market is expected to grow at a compound annual growth rate (CAGR) of 16.6% from 2023 to 2030, according to Grand View Research. And for good reason.

The cloud frees businesses from costly capital investments in ERP hardware and the IT staff to manage it. Instead, an annual subscription model can run as an operating expense which is flexed up and down according to your size and how many modules you need at any given time.

Functionality-wise, SMBs quickly find themselves leveled up with their enterprise counterparts after a cloud ERP deployment. The systems can be up and running in weeks, rather than the months or even years of traditional on-premise ERP deployments, and they can be accessed anywhere, at any time, which is imperative as companies embrace hybrid and remote working.

Updates are automatic in cloud ERP systems like NetSuite, protecting you from being caught out by new regulatory mandates or other disruptions. Security measures taken by cloud providers, meanwhile, typically trump what an SMB could invest in its own security protocols.

Choosing the best ERP for your business

Starting your ERP journey doesn't have to be complicated or overwhelming, but it is important that you adopt robust processes to get it right. Taking these six steps will make it manageable.



Define the pain points

Frame your technology needs around your key business challenges. Ask end users where the greatest points of friction are in their processes.



Get buy-in

Every successful ERP project requires the support of senior leadership, so prepare a strong business case to secure their buy-in.



Understand the costs

While the cloud has made ERP easier and more cost-efficient to access, it's still important to understand the costs of implementation, training and support.



Research the options

Look online, ask peers for recommendations and read what the analysts and trade press say about vendors. Pay special attention to customers and industry-expertise.



Assemble an ERP selection team

This should include not just IT but an executive sponsor and representation from the finance team and each business function that will be affected. A communications professional can also help with the change management.



Contact the providers on your shortlist

Be clear about your requirements, timeline and budgets. If you can, test drive software before meeting with vendors and ask to talk with customers. Make sure the vendor will continue to offer strong support post go-live.

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