

White Paper: ENTERPRISE RESOURCE PLANNING

Source Code Based Enterprise Resource Planning (ERP) Promises Even Bigger Gains

Today, mounting competitive pressures, global presence and a shrinking economy is forcing savvy business leaders to maximize revenues, improve efficiency, increase productivity and manage costs. For midsize to large organizations, Enterprise Resource Planning (ERP) promises big gains by integrating business functions, streamlining operations and automating time-consuming processes.

By tightly integrating a variety of company-wide back-end processes, ERP software solutions provide exceptional visibility into core business processes including finance, human resources, manufacturing, marketing and sales, which enable executives to make better strategic decisions.

A sophisticated set of integrated, cross-functional business processes, ERP solutions are tailor-made to support unique business policies, procedures and budget. ERP systems that are scalable and built with open architectural development tools offer greater flexibility. Customizable source code availability allows companies to remain in control as processes, people, systems and strategies change. Functionality and feature choices during implementation carefully align an ERP system with organizational processes, business goals and corporate strategies.

The modules that compose an ERP system and the features provided within each module vary depending upon enterprise requirement and vendor core competency. Generally, core ERP modules should factor industry, business type or government compliance requirements and may include:

- Sales and Marketing
- Master Scheduling
- Material Requirement Planning
- Capacity Requirement Planning
- Bill of Materials
- Purchasing
- Shop Floor Control
- Accounts Payable/Receivable
- Logistics
- Asset Management
- Financial Accounting

ERP solutions harmoniously integrate technology, people and processes. Real world examples of instances where tightly integrated ERP solutions have boosted business performance include:

- Created job costs based upon completed bill of materials. Once a sales quote is approved, a sales order and a work order are automatically generated with bar coded shop floor routing tickets which reduces the time to produce accurate sales quotes from hours to minutes.
- Automated inventory valuation capability reduced significant year-end audit adjustments to zero within two years, and produces audit-ready, closed books within five days of each month end.
- Reducing administrative staff by 35% without compromising customer satisfaction.
- Synchronized multiple locations, enabling all company employees to have a real-time snapshot of current product, pricing and customer information.
- Separated stock and non-stock inventory on the financials allowed for accurate inventory values, on-hand inventory balances and financial reporting. As a result, a \$20,000 inventory value swing was reduced to pennies each month without any account reconciliations.

- Generated work orders that assigned work stations by employee based upon experience, client preference or artistic background. As a result, the production timeline reduced from 5 hours to 20 minutes and dramatically increased manufacturing and shipping accuracies.
- Overhauled order taking process, which produces sales orders 30% faster and increases order volume by 10% without adding employees.

ERP software solutions deliver a comprehensive set of integrated, cross-functional business processes, allowing enterprises to quickly uncover hidden costs, inefficiencies and redundancies. Sharing up-to-the-minute views of personnel, finance, workflow, documents and asset information provides meaningful data for smart decision making. Sophisticated ERP systems offer a host of benefits, including:

Service Improvements — Harmoniously integrating business processes improve on-time delivery by reducing lead times and system bottlenecks. More efficient scheduling, less data entry errors and efficient pick, pack and ship processes dramatically increase performance and overall customer service.

Customer Satisfaction — Customer Resource Management (CRM) modules facilitate real-time account support, so every employee can provide current and historical client information instantly. Synchronization with an outside sales force enables sales associates to configure products, generate quotes and enter orders at the point of sale. This fosters healthy customer relationships and increased repeat business.

Cost Reduction — Improved coordination across functional departments and increased efficiencies of doing business reduces operating costs, such as lower inventory control costs, lower production costs, lower marketing costs and lower help desk support costs. Accurate forecasts will reduce inventory carrying costs of unwanted goods and achieve optimal stock levels.

Business Intelligence

As a compliment to most modern ERP systems, Business Intelligence (BI) tools allow users to share and analyze data

collected across the enterprise, enabling powerful inquiry, analysis and reporting capability on every desktop. This results in more informed decision making amongst all employees such as accountants, customer service representatives, line managers and executives. Examples of BI tools may include templates for pre-defined reports, key performance indicators and dashboards.

Beyond Manufacturing and Distribution

Historically, ERP systems have specialized in manufacturing and distribution type enterprises. Most services-based organizations are now facing significant challenges relating to efficiently capturing time and expenses, managing work-in-progress, generating and approving invoices, or reporting on project and client status. With some advanced ERP systems specializing in project tracking, grant or retainer-based billing and revenue, ERP fits professional services, research or venture backed businesses. ERP fund accounting functionality with on-demand inquiry of fund balances, financial performance and net financial assets ensures compliance with government and non-profit sectors.

Industry Specific Third Party Applications

Independent software solutions provide industry specific vertical solutions. Source-code availability enables integration with specific third party industry solutions that compliment ERP system installations. Some examples include distribution, shop floor control, supply chain management, billing, human resource management and more. Most of these vertical solution products can be tightly integrated with the business solution software so data transfer is in real-time providing a comprehensive, seamless front-to-back office solution.

About AccountMate Software Corporation

Founded in 1984, AccountMate develops and markets fully customizable source code business accounting software. Systems range from single user versions to those that support over hundreds of users simultaneously. AccountMate software is distributed exclusively through a worldwide channel of authorized solution providers. AccountMate can be reached at (800) 877-8896 or at www.accountmate.com.

AccountMate Software Corporation

1445 Technology Lane | Suite A5 | Petaluma, California 94954 | USA
800-877-8896 | 707-774-7500 | www.accountmate.com