

A photograph of two men in business attire (light blue shirts and ties) standing in a warehouse. They are looking at a tablet held by the man on the left. The background shows warehouse shelving and a blurred figure of another person. The image is overlaid with a semi-transparent dark grey layer. A large orange triangle is on the right side of the image.

# A BUYER'S GUIDE TO ERP

A Publication of

**ebizframe**  
TRANSFORM

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# Introduction



This book will give the readers insights to make the right decision while buying an ERP software for their firm.

ERP software selection and implementation is one of the most crucial decision for any business. Having worked with thousands of clients worldwide, we have gathered knowledge that can be used by our prospects to make an informed decision. The intended reader of this eBook is any C-Suite executive who is entrusted to make the strategic decision about ERP implementation in their organization.

1.

What is ERP and  
which is the perfect  
fit for you?



# What is ERP?



▶ The acronym **ERP** stands for **Enterprise Resource Planning**. ERP integrates a company's core processes such as Finance, HR, Manufacturing, etc. into a single system. It enables improved business performance, supports business growth requirements, provides flexible real-time decision support, eliminates limitation in legacy systems, provides competitive advantage by faster access to accurate and relevant information

▶ ERP software solution provides companies and their top management a clear and true view of their business operations and performance by establishing a common database that facilitates information flow between disparate departments.

▶ Dropping quality standards, delayed shipments, faltering customer satisfaction ratio, inefficiency in data, etc. are some of the dead giveaways that your company is in dire need of an ERP solution.

# Modules

- ▶ **Financials:** Get control over your assets, cash flow, and accounting.
- ▶ **Supply Chain and Operations Management:** Streamline your purchasing, manufacturing, inventory, and sales order processing.
- ▶ **Customer Relationship Management (CRM):** Improve customer service, and increase cross-sell and upsell opportunities.
- ▶ **Project Management:** Close projects on time and in budget with better billing and project monitoring.
- ▶ **Human Capital Management (HCM):** Get help attracting and retaining good employees with tools to help hire, manage, and pay your staff.
- ▶ **Business Intelligence:** Make smart decisions with easy-to-use reporting, analysis, and business intelligence tools. Minimise manufacturing cost and increase of resource utilisation.
- ▶ **Manufacturing:** Cut on production bottlenecks, make on-time delivery and enhance visibility in operation control.
- ▶ **Distribution:** Improved distribution channel performances with quick decisions on purchasing, real-time visibility of supply chain and products, and ability to monitor market and different geographies.

# Which is the perfect fit for you?

Which is the best option for you – **Cloud ERP** or **On-Premise ERP**? The answer is...it depends. Choosing the best ERP deployment option can be tricky, especially if you are an ERP noob. But worry not; we are here to guide you through the challenging process and help you make an informed decision.

Parameters	Cloud ERP	On-Premise ERP
Cost	Generally charged at a monthly or annual subscription basis. There are additional fees for implementation support and training. Requires none or small capital investment.	Generally charged as a one-time licence fee. It is more of a capital expenditure. There are additional fees for Implementation support, updates and training.
TCO(Total Cost of Ownership)	Though Cloud is positioned as a low cost investment, but over a 2-3 year period the TCO of a Cloud based system starts to outrun the On-premise model.	Once you cross 2-3 years the on-premise starts to cost less.
Deployment Method	Cloud ERP servers are deployed by your ERP vendor. You don't have to buy any server or Cloud space separately. Monthly fee/User includes these charges.	Your server is kept on your premises at an ISP(Internet Service Provider).
Security	Data security rests with the vendor. This is one of the biggest drawbacks as many organizations may not be able to make peace with this idea. While the vendor promises the best of security	Data security is largely within your control and you can make it as safe as possible depending upon the investments you want to make.
Customization	Cloud vendors offer no or very little customization in general	Can be customized as per your needs
Implementation cycle	It takes less time for implementation largely because of the fact that it does not allow customization	Implementations take longer time as they implement a Customized solution as opposed to a standard solution in Cloud.
User acceptance	Lower as the users are required to adapt to processes offered by Cloud.	Higher as the system is customized to your needs
Hassles of managing IT infra	No hassles. All hassles taken care by Vendor.	The servers these days are extremely reliable and even if you decide to go for on-premise there is hardly any support cost for managing IT infra in an on-premise model.

## 2. Why should you get an ERP?





# Why should you get an ERP?

You have heard of difficulties people face during implementation. You have heard horror stories about ERP – high costs, low returns, etc. You have been told about incomplete implementations or abandoned implementations.

But you have surely heard of the competitive advantages that an ERP gives to a user organization, who may be your competition perhaps.

There are always two sides of a coin, and there are different versions of an incident you hear depending on your own stand-point.

Some of the top of the mind advantages you derive from an ERP are :

- Improvement in business processes
- Significant reduction in order-dispatch cycle
- Improvement in materials management, reduction in inventory
- Reduced administrative costs



# 3. How to choose the right ERP vendor?



# How to choose the right ERP Vendor?

When it comes to successful ERP implementation, **choosing the right ERP vendor is as important as choosing the right ERP**. Let's go through an ERP vendor selection checklist to make things simpler for you.

- ▶ **Conduct a process review and analysis** – Since ERP will have an enormous impact on your business process and way of working, it is imperative that you first define your current business processes, pain points and strengths and analyse where improvements are required. These processes would eventually be useful while the potential software vendors demonstrate their product's capabilities.
- ▶ **Know the total cost** – We know budgeting every expense is impossible. However, you should ask the vendor to provide you with a tentative investment budget for ERP implementation. Ask your ERP vendor to provide you with the following details –
  - Initial investment (third party included)
  - ERP License fee
  - Implementation service fee
  - Software and hardware cost
  - Training or any other expenses



# How to choose the right ERP Vendor?

## Performance Track Record

Go for vendors who have a good track record of working with companies in the same vertical as you. Look at the potential vendor's reputation and previous track record.

## Industry background

How many clients do they have in your industry? Ask your vendor about their insights into the industry and its specific needs. See if they understand your business challenges and requirements. Do they have previous experience providing ERP system solutions to businesses that are a similar type and size to yours?

## Level of Support

ERP systems require close monitoring & configuration support post Go Live. Make sure the vendors provide adequate support to the business in the Client's business hours.

## Check for references

Ask the vendor to give you references from the same vertical. Be sure to ask them about the challenges that they faced and how they resolved the issues.

### Checklist for choosing the right ERP vendor

- Do a background check. Do they have sound reputation?
- Has the vendor successfully implemented ERP for companies in the identical vertical?
- Does the vendor have experience in various industry verticals?
- Does their software provide you with the solution for your business needs?
- Can their software be customized? Would it be cost-effective?
- What deployment method does the vendor offer – On-premise, cloud, etc.?
- Are they available locally?
- How long would the ERP implementation cycle take?
- What is the true cost of ERP software?
- Will the charges be one time or recurring?
- What kind of training and support would they provide during and after the implementation?
- How much training would be required?
- Do they offer regular bug fixes, enhancements, and new versions?

# 4. Everything you need to know about ERP Implementation



# ERP Implementation – Different Phases

It is important for organizations to recognize that selecting an ERP software requires time and research. Apart from the software selection, its implementation process is equally or probably more crucial. A great product may fail if its implementation is not good and an average product with a great implementation may bring great value to the organization.

**1. Project Kick-off:** Generally, at this stage, the vendor team gives a presentation to the Client on the process of the ERP implementation and provides the Road Map. During this stage, the Project Implementation Team is introduced to the Client's Team.

**2. Discovery & Planning:** The Implementation Team understands various elements and processes of the client's business. A Project Plan is created by the Implementation Vendor and agreed upon between the two teams. The Plan comprises of Project Roll-Out Plan, Go-Live, etc.



**3. Master Data Collection:** This phase involves the collection and creation of Master Data. For this very purpose the data related to company's chart of accounts, finished product, raw materials buyers, and vendors list, etc. is collected by the client in the format desired by the vendor.

**4. Configuration/Customization:** Based on the Client Discovery, the vendor configures the client's processes into their ERP. At this stage, the client may be asked to do some adjustments to their processes to map them to world's best business practices.

**5. User Acceptance Testing (UAT):** This phase plays an important role in determining whether the system's functionalities align with the agreed requirements. The users do the UAT as per the Test Data and Test Scripts provided by them. At the UAT stage, there could be some fine tuning to the ERP system as the users may come out with some finer points when they actually start running the system. Generally, the UAT is done with the Champion Users (Key Users) and is done on the Test Servers.



**6. Training and Knowledge Transfer:** The end users are required to get accustomed to the new system, and for that, they must be taught to use the ERP effectively. In this phase, the training is provided to the end-users. This can either be done by the vendor or by the Champion Users. Champion Users doing the training is considered a good practice as this helps in internal capacity building and reduces the organization's dependence on the Vendor for further training activities.

**7. Go-Live Checks and Deployment:** Before the system is made "Live" it is important that the necessary checks are done within the organization for the Go-Live. This includes Software sign-offs from the Users, Hardware/Network readiness at each point of usage at each location, availability of necessary resources, etc. The ERP Software is then deployed on the Live Server. Generally, most organizations chose to Go-Live at one location first and then do successive roll-outs to other locations. This helps contain the initial teething problems to just one location and ensures minimum disruptions during the Roll-out.

**8. Go-Live:** In this stage, the company migrates completely from the old system to the new ERP System. This phase allows users to work on the application software with real-time data. Some organizations chose to run the legacy system in parallel for some time along with the new software. This gives them the comfort that the new system is working perfectly. During this phase, there could be some teething troubles as for users may not have a 100% understanding of the system. At this stage, the ERP Implementation vendor normally provides extensive handholding support (either onsite or remotely) so that any such issues are addressed immediately.

**9. Post Implementation Support:** The final phase of ERP implementation includes keeping a close watch on the performance of ERP System. Periodic maintenance is provided for smooth functioning of the system. The client is notified of the New Releases, along with the enhancements and fixes that are done on the previous versions. Generally, all ERP vendors have comprehensive Post Implementation Support Policies and it is recommended that the Clients enter into Annual Maintenance and Support Agreements with the vendor for seamless and smooth functioning of the ERP system.





# ERP Implementation – Reasons for Failure

## Lack of defined goals

Quite often there are companies who do not know the reasons for their decision to buy an ERP in the first place. They become convinced that the ERP implementation would make all their business related issues go away or they might just be joining the rat race. They need to adopt a more realistic approach and sense as to what it is that they hope to achieve with the new ERP. It could be reduction in operational losses or facilitation of seamless flow of information between different departments or reorganization/reduction of their manpower.

## Wrong or undefined scope of the project

One of the biggest mistakes that any company makes is the wrong or undefined scope of the project. Scope of the project needs to be aptly defined so that there is no scope for confusion.



## Overselling the system by the ERP Vendor leading to expectations mismatch

Many a times, Vendor's Sales teams tend to oversell the product and its benefits. An executive may be tempted to give an estimate of 1-2 months implementation period to close the deal while it actually may take around 5. Or the promises made could be that "All" the information would be available to you "in real time" "at the click of a button" or "All your business problems will vanish with ERP". Such practices lead to expectation mismatch and tend to break the trust between the ERP Vendor and the Customer. It could also mean a loss of face for the Management who had pushed for ERP implementation and announced these unrealistic targets to their teams.

“

*Pretty much everyone knows that relying on technology to solve a business problem is only part of the solution. Without the ever-critical support from top management, for example, all of your best laid plans will certainly be sidetracked at best and, at worst, fail outright; leaving you and anyone else that can be, holding the bag... Failure takes many forms but often involves things like key people leaving in the middle of the project (sometimes your SI will actually steal them away), management failing to provide the promised resources, key performance indicators (KPIs) and deadlines being missed, fearful employees refusing to change digging in their heels ... these and a whole host of other costly surprises await the uninitiated.*

**"Top 5 Reasons ERP Implementations Fail and What You Can Do About It" by Ziff Davis**

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## **Lack of change management**

Generally considered a linchpin in a company's success, ERP software doesn't always have smooth implementation, especially if the company fails to pay sufficient attention to change management. Not being able to manage the change is perhaps one of the major reasons why ERP implementations fail. Please ensure that the right set of people who are receptive to change are involved in the Core ERP teams. Incentivize people who show positive attitude towards the Change.

## **Customization**

Customization requires major/minor changes in the source code of the ERP system. This is a very complex process and requires a lot of time and efforts at both the party's sides. Heavy customization would inadvertently push back go-live dates and also lead to cost escalations. Time is of great essence during ERP implementation as organizations cannot be in a state of flux for long periods. Even if there are customizations, the Companies should attempt to only do Show Stopper Customizations first and then Go-Live on the ERP. Rest of the Customizations can be delivered post Go-Live too. Otherwise waiting for all the Customizations would lead to longer Go-Live times which could mean organizations losing faith in ERP.

## **Unrealistic expectations of the Users**

Unrealistic expectations on the part of the users also tend to be one of the causes of dissatisfaction among them. There are certain processes which you may have to keep out of the ERP. Let us say there is a Government Tender. User may have an expectation that the Tender response will be generated automatically as per the Tender Conditions from the ERP. This is an unrealistic expectation as every Tender has different terms and conditions and formats. While the data you need to fill up in the Tender may come from ERP but an ERP cannot generate a response to the Tender automatically.

## **Lack of clearly identified resources for implementation**

One of the most critical failure factors in ERP implementation is a lack of clearly defined Single Point of Contact (SPOC) and the Steering Group, for the successful implementation. ERP implementation is an enterprise-wide exercise and hence clarity of communication between Steering Group, SPOC and the Individual Users must be maintained.

# ERP Implementation – 4 Keys to Successful Implementation



## Communication is the key

It is important to realize that one of the biggest hurdles in change management is that your employees will have their fair share of doubts and apprehensions regarding the new system that they are supposed to get used to. It is, thus, the duty of the management to communicate to their team, the imperative need of ERP system. ERP implementation affects the nature of tasks or job roles for people; therefore it is imperative that the employees are taken into confidence before implementing a new ERP software system in an organization. You need to assure your employees that the new system is not only for the best interest of the company but also for theirs.

## Buy-in

If you do not have buy-in from everyone in leadership, it may risk making the ERP implementation unsuccessful. Changes can be accepted, even gracefully embraced if you have personnel buy-in and management support to help the organization reach predetermined goals from the onset of the implementation of ERP system.

## Training and Employee Engagement

ERP software requires the end users to acquire a set of knowledge to fully understand the new system. Change management system needs to focus on training the end users to first get fully acquainted with the ERP system and make use of the ERP software in the most efficacious manner.

## My way or highway

Despite the best of Change Management efforts and trying to communicate to employees about the ERP, it is possible that there would be employees who will not be willing to align with the Company's ERP vision. Howsoever crucial these employees may be for the company, they have to be told that since they are not aligning with the vision of the company, it is time to part ways. You will be required to take such tough decisions as well in the interest of the company. All this is a part of the Change Management process in ERP Implementations itself.

# 5. Dashboard, ESS Portal and much more



# Dashboard

Traditional ERP Systems are essentially Transaction Management Systems. They store the static data and use that data to help an organization perform day to day business transactions. Based on thousands of such transactions across the company, the management generates reports from the system, which helps them run the business.

Modern ERP Systems like ebizframe, however, have shifted to a new paradigm of **Dashboards** based working for everyone. The moment a User logs in, he/she gets information pertaining to the performance indices of his/her functional area, the tasks at hand, all alerts and his/her graphical analytics on his dashboard. All this has been achieved by the introduction of 'User Dashboards'. It imports the key data from the basic ERP modules and creates useful graphs based on the user preference. Also, on a Dashboard, a user can see documents that are pending for completion.

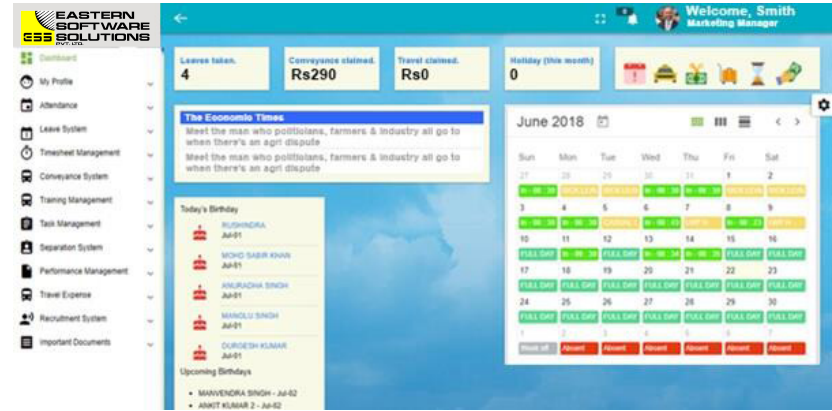


Apart from that, the reports that are frequently used also appear on the User Dashboards which enables users to have a quick access to meaningful data. In effect, this is a **Proactive Dashboard** which pushes users to their actionable and at the same time keep them on their toes by showing them their KPIs as well as information which affects their KPIs.

# Employee Self Service Portal (ESS)

**Employee Self-Service (ESS)** in a nutshell is a feature which is a part of modern Human Capital Management System, using which employees can access the transactions related to them. It enables employees to perform job-related tasks that otherwise take a lot of time to complete because of the scattered information as well as workflows involved. ESS Portal typically helps organisations save useful person hours, which leads to increased efficiency. It also helps in creating a greatly improved employee experience thereby increasing employee satisfaction. ESS Portal enables employees to

- ✓ **Access and update their own personal information**
- ✓ **Submit timesheets electronically**
- ✓ **View payslips**
- ✓ **Leaves tracking**



- ✓ **Easy navigation on dashboard**
- ✓ **Project time management**
- ✓ **Track employees' locations**
- ✓ **Recruitment System**
- ✓ **Identify and contact staff**

# SMAC – The Nexus of Forces

▶ **SMAC**, a term coined by Gartner, stands for Social, Mobility, Analytics and Cloud and all these four components **form an integral part of the contemporary business and digital landscape.**

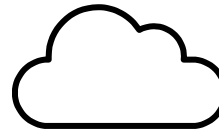
**Social Media** – An organization can get in touch with their suppliers and customers who can access its Facebook page to find out newer developments or its latest requirements. Users can tweet about their requirements to suppliers and their queries can spread across a wider network via re-tweets.



**Analytics** – Using the Analytics option in contemporary ERP solutions like **ebizframe**, the management can do cross-functional analysis of data to achieve incisive insights, which can help them take those decisions. They can view data in multiple dimensions using powerful on-screen tools to have a better understanding of information.



**Mobility** – Newer ways to use smartphones or tablets are being constantly explored by businesses so that the routine tasks can be simplified and streamlined. Modern ERP solutions like **ebizframe** have adopted the current trend by being completely mobile and providing the much-needed flexibility to employees.



**Cloud** – Users can host such ERP systems on either cloud or on their own premises. State-of-the-art ERP solutions like **ebizframe** can be easily hosted on virtual and dedicated servers so that a user's business is online 24x7. A dedicated cloud ensures that a business is not bound by the limitations of shared services.



6.

About ebizframe

## ebizframe – Transform Your Business

**ebizframe** is an internet and web based **ERP software** that can help you share information between various departments/functions and let them collaborate better and help all of them to move towards common organizational goals. Information in ebizframe, a web based ERP system software is controlled by restrictions and access rights. So you have full control and decide on “who-sees-what” and “who-does-what”.



# ebizframe ERP Structure



# Analytics in ebizframe

## T Indices

**T Indices or Transformation Indices** is a set of critical business parameters that describes the current health of an organization. T Indices or Transformation Indices is a highly intuitive management tool designed to improve the future course of actions to increase the efficiencies and profitability of an organization.



## RepSmith

**RepSmith** from ESS is an easy to use and intuitive tool which helps **ebizframe** Users create their Reports, Graphs and Dashboards on their own. The Users are no longer dependent on the IT administrator or the Implementation company to develop such reports. It's User friendliness and intuitiveness helps Users to be conversant with it quickly.

## RepStore

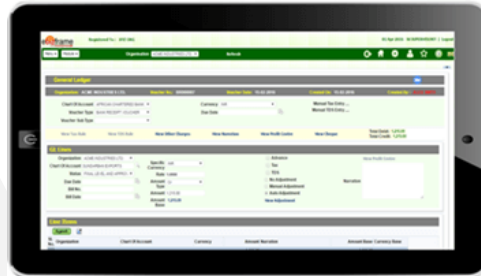
A Large number of ready to use reports. In addition, users can create their own reports. Web access to thousands of additional Reports on **RepStore**. **ebizframe** users can access RepStore over the net and plug-in any report they want into the ERP, all on their own.

# ERP Mobility in ebizframe



## The ebizframe App

**ebizframe mobile ERP** app covers functionalities enough to run business without compromising necessary detail. The **ebizframe** app is available on both Android Play Store and Apple App Store.



## ebizframe SMS

Crucial business transactions can be approved or rejected on the go by a simple SMS sent through the concerned person's mobile ERP login.



# THANKS!

**Any questions?**

You can find us at @ [www.ebizframe.com](http://www.ebizframe.com)

Or Contact us @ [marketing@ebizframe.com](mailto:marketing@ebizframe.com)

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Eastern Software Solutions  
B-65, B Block, Sector 63, Noida,  
Uttar Pradesh 201307  
[www.essindia.com](http://www.essindia.com)