Confronting the Immediacy of Now

How manufacturers are using next-gen ERP to meet the need for speed

infor™

Keep up with pace of change:

Be a leader, not a laggard.
Choose a next-generation ERP system.
Embrace speed as a competitive advantage.

Keep pace with change.

We are increasingly focused on speed—and the immediacy of now.

Technology is a huge catalyst in terms of driving the rate of change. It constantly resets the expectations of people: customers, employees, partners, and shareholders. Technology accelerates the rhythm of business: the speed at which customer requests are addressed; the speed at which processes run; the speed at which decisions get made.

These are the issues you and your enterprise must now confront.

You are charged with meeting ever-increasing expectations. You are challenged to plan with superior insight and respond with flawless precision. Your enterprise software applications will play a critical role in this endeavor. As a manufacturer in an accelerating network of supply and demand, your applications must allow you to compete effectively on the basis of speed.

Leaders vs. laggards.

As Aberdeen Group has demonstrated in its research, "ERP in Manufacturing 2011: Defining the strategy," manufacturing enterprises that fully capitalize on their enterprise resource planning (ERP) systems, are far more likely to excel than others. According to the study, best in class companies have distinguished themselves from laggards based on achievements in five key areas:

- 18% reduction in levels of inventory, versus 3% for laggards

- 97% inventory accuracy, versus 89% for laggards

- 96% manufacturing schedule compliance, versus 79% for laggards

- 98% on-time and complete shipments, versus 79% for laggards

- 3.3 days to close each month, compared to 7 for laggards

Clearly, best-in-class companies are experiencing real results. They are using technology to confront the challenges of an increasingly demanding and fast-paced marketplace. As such statistics convey, world-class ERP strategies and systems can deliver important outcomes in term of speed, efficiency, and overall performance.

Aberdeen Group states that the top business drivers for today's ERP investments are:

- Improving the overall customer experience

- Managing growth expectations

- Reducing costs

Whatever the size of your business, you need to be easier do business with. You need to manage both growth and expenses. And that's why world-class ERP approaches are so critical. Aberdeen finds that best-in-class manufacturers are slashing roughly 100% more costs (including inventory, operational, and administrative costs) than other companies. But they are also producing 120% better growth in operating margins and are achieving an astounding 170% improvement in time to decision.

That last point is particularly notable. They are making decisions at a faster rate. That enables them to act and respond at a faster rate—driving up customer satisfaction even as they drive down costs.

Conventional ERP = unmet expectations.

So what must happen to ensure your own ERP solution is helping you perform at world-class levels? How can your ERP solution meet the need for speed?

It's important to acknowledge how conventional ERP systems are actually thwarting the efforts of manufacturers to accelerate their operations. You can't produce or deliver what your customers demand—in the timeframe they expect it—if you are unable to find the information you need to take action. Even if you meet customer expectations through heroic actions, your productivity levels are likely to be disappointing—undermining profitability and competitiveness. What explains these disappointments? There are several factors associated with conventional ERP solutions that are slowing companies down. Existing solutions are:

- **Too complex.** They are difficult to use, integrate, and deploy. Rollouts can take months or years, and upgrades can hamper operations and reduce performance. And it's extremely difficult to take action when tools are hard to navigate and the information you need is hard to access.

- **Too expensive.** Customization and integration can add tremendous cost to an ERP deployment—and huge investments of this sort drive down your ROI.

- **Too inflexible.** You may want to embrace change and agility, but your ERP system can thwart your growth. You know that data is trapped in disparate silos, but the apparent challenge of integration makes it hard to move forward.

Many manufacturers are at risk of disappointing customers and falling irrevocably behind rivals. Their systems are preventing them from moving at the speed today's hyper-competitive, highly demanding marketplace demands.

Next-Gen ERP: Stepping on the accelerator.

While the current state of conventional ERP can be frustrating, it's important to recognize that the next generation of ERP solutions promises to address many of the challenges manufacturers are now experiencing. The next-gen promises to support high-speed operations—and the next-gen is now.

Next generation solutions are addressing the constraints and limitations that have reduced enterprise agility in the past. They are taking on three key issues: information access and navigation; data flows and workflows; and industry focus.

Information access and navigation. You must navigate a vast amount of information and take appropriate action in order to perform at consistently high levels. You can't afford to be trapped in your own systems or struggling to find disparate information that may be in your customers, or your suppliers, systems.

Instead, you require an intuitive interface and consumer-grade applications that can change the way you work. This is what you can expect from next-gen ERP solutions. According to Cindy Jutras, senior analyst with Mint Jutras, these solutions are "customizable by role and by individual, bringing together the power of internal and web-based applications."

With these next-level apps, you can find the information you want when you want it—enabling you to more rapidly make smart and successful decisions. Within existing applications, you'll have access to data that was previously locked away in disparate systems and sources.

Success in accessing and navigating information will depend on a user experience that is far superior to today's conventional experience with ERP. Next-gen ERP meets this objective by making it easy to navigate from

> **The basis for competition is now speed and not just scale. First to market. Fastest to respond to customer demand. Fastest to innovate. Just consider how society is consumed with the demands of speed.**

one screen to another, and one application to another. The look and feel will be clear and consistent. In fact, you'll have a single sign-on and universal interface to help you reach all of the applications and information sources you need to perform at your best.

And what if you are on the move? Some studies suggest that by 2015, the majority of ERP users will access information not through a screen, but through their mobile devices—smartphones, tablets. Next-gen ERP systems are tailored for this and go another step forward by allowing you to subscribe to the information you want to see—in the same way that you "follow" people in Facebook. Imagine the power and speed of response that can come from subscribing to all activities associated with a particular sales order or quotation and receiving those alerts on your smartphone.

With this new open environment, you will be able to collaborate across boundaries with your colleagues, partners, and customers, sharing relevant information and working together in new, dynamic, and highly productive ways. Such levels of collaboration increase agility and responsiveness.

Data flows and workflows. To ensure your enterprise is performing at the speeds the market demands, you'll also need to ensure you've streamlined your data flows and workflows. Unfortunately, it's difficult to take this step if the cost and complexity of implementation and integration are excessively high. That's the breakthrough associated with next-gen solutions. Now, you can optimize the flow of data and work without the expense and frustration associated with a conventional ERP upgrade.

Cost effectively tie your systems together—ERP, supply chain, asset management, product lifecycle management, etc.—to ensure you have access to relevant information (wherever it resides). You won't need the expensive and proprietary middleware traditionally required to integrate

applications. Nor will you face the costly and lengthy upgrade cycles you've associated with customization.

Now you can create connections quickly. With lightweight middleware based on open standards, you'll be able to rapidly install, configure, and activate new linkages between applications. Not only will it facilitate the flow of data and support the performance of application users it will make your organization more agile.

You can also streamline and automate workflows. You can direct work activities, events, and business documents to your colleagues and partners. You can automate approvals. And you can centrally manage tasks and alerts. This heightens the clarity and quality of your business processes, allowing your enterprise to rapidly scale up in relation to new market demands.

As Aberdeen Group's research suggests, streamlining and accelerating processes is now critical to enhancing productivity and performance. "Where you really start to see wide gaps in strategy between best-in-class and all others is providing visibility into business processes," it states. "Best-in-class companies are 25% more likely to use ERP as the mechanism for the visibility."

This is where next-generation solutions shine. Expect your software partner to deliver event management capabilities with triggers and alerts that give you a high level of visibility. You should expect pre-configured dashboards, master data management, and integrated ERP modules to support your decision-making and enhance enterprise agility. You get all that, and more, from Infor™ next-gen ERP solutions.

Industry focus. One size does not fit all. Your business is different than others. And so your enterprise software should be adapted to your business and your industry. However, enterprise software companies have often force-fit their clients into their own generic designs and approaches. When these solutions are heavily modified, they become rigid, inflexible, and unsustainable.

That's not the case with next-gen solutions. They are designed to match your specific needs and requirements in a cost effective way. The goal now is zero modifications. Integrations, configurations, and analytics shouldn't be part of the implementation—they should be part of the application.

Central to making this possible is a commitment to industry-focused design. Whether your enterprise is in the automotive, aerospace, food and beverage, chemicals, healthcare sector (or some other industry), you should have solutions matched to your needs.

With vertical industry focus at the heart of next-generation designs, you'll now have an ERP solution that grows as you grow—and fully supports your moves as you become increasingly agile and fast.

By embracing the next-generation of ERP, you'll have a sophisticated vehicle to drive your business at entirely new speeds. The time is now. The technology is here. Are you ready to ready to accelerate?

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