

# Sage ERP X3 | White Paper

## How Does Your Business Grow?

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## Introduction

In implementing an ERP system, companies always seek ways to streamline operations and reduce costs. However, the opportunities to improve processes and minimize expenses eventually will fall to the law of diminishing returns. At some point, it will be impossible to go any further without the effort expended outweighing any added value.

That's why it's important to always consider how your business will grow. Beyond automating processes and reducing costs with an ERP system, you have to seek out opportunities to develop your revenue stream. An advanced ERP system will provide additional tools that can help build your business.

### Integrated Functionality

In an ever more competitive climate, companies must make certain business processes as efficient as possible. An ERP system can help streamline operations by eliminating manual, time-consuming processes, thereby freeing up employees to complete more tasks in a given day or focus on other areas that deserve more attention.

Integrated business management solutions, such as Sage ERP X3, integrate your business management processes into one common database and distribute information throughout your company in real time, thus avoiding manual re-entry of data. The results are no time lost, fewer errors and reliable, coherent data. Integrated ERP systems also offer a common application interface enabling users to more easily back up each other or switch roles without the need for new training.

Additionally, an integrated management system can help you operate your business over time with a limited IT staff and technological investment.

### Customer Case

When Sligh Furniture Co., a family-owned furniture supplier located in Holland, MI, restructured its organization, one result was fewer employees managing more responsibilities. The company needed an ERP system that could significantly streamline operations, while being easy to use and cost effective.

According to Rick Albertie, Systems Manager for Sligh Furniture, "Sage ERP X3's integrated functionality has definitely helped streamline our operations." The company has seen a large reduction in the amount of manual, paper-based processes and reduced month end closings by two days.

As Sage ERP X3 consolidates data into one common database, information is now easily accessible by all users and, thanks to user-friendly forward/backward audit trail functionality, coupled with the powerful User Portal and Dashboards, the reliance on IT staff to find and analyze the information has been reduced. In fact, according to Mike Schermer, Director of Supply Chain for Sligh Furniture, Sligh is positioned to grow into other markets without adding additional IT resources.

### Integrated Business Intelligence

An ERP system with integrated business intelligence can be a dangerous weapon. Not only does accurate and timely information help employees from the top down can make faster, more informed decisions. It also can facilitate the growth of your business by helping to recognize opportunities to increase sales.

If a business has a large amount of customers, it's often hard to see the forest through the trees. It's nearly impossible to identify the most profitable customers or if profitable customers are about to defect. The company can only guess what direct marketing offers will be most attractive to which customers. An ERP system with integrated business intelligence can provide detailed and specific information about customers' past purchasing behavior, helping companies to better understand customer needs and preferences, and in turn, retain profitable customers and grow revenue.

When selecting your ERP solution, make sure it offers powerful analytical tools that are both simple to use and fully customizable by any user. Integrated dashboards and key performance indicators (KPIs) – built on the system’s database – should provide users with customizable, actionable, up-to-the-minute graphical representations of key statistical information such as revenues and equipment usage. Dashboards can help boost profits by providing instantaneous access to key company data, allowing management to quickly react to changing business conditions. Further, it is essential to provide users with seamless integration with Microsoft Office, so they can export and manipulate data in familiar Office standard format without losing accuracy and consistency.

### Customer Case

Libertyville, IL-based Onsrud Cutter uses complex formulas to differentiate pricing for its nearly 1,800 standard products by customer, territory and tool type. Sage ERP X3 gives Onsrud the advanced pricing customization capabilities it needs to automatically discount an order involving multiple variables. With the system’s parameterization feature, Onsrud has the flexibility to give a customer a price break based on the number of items purchased from a broad category, such as solid carbide cutters, or based on the total value of an order for different items within a category.

### Flexibility and Scalability

An ERP system should support your business strategy, not act as an obstruction. A good ERP system will offer your company greater control and flexibility, not only for your business as it is today, but also for what it will become in the future.

The economic climate is always changing, and your company often needs to adapt to a new environment. The ERP system you choose should support your current and future business processes by providing an easy way to change or define new information flows and procedures quickly, without additional development. However, if you find the need, the system should also enable you to create a fully customized routine.

As your business grows, you’ll likely need to add additional manufacturing and/or distribution locations to accommodate customer demand. And, as the world operates under a more global economy, expansion to foreign countries could be a possibility. Operating a multisite organization, whether solely domestic or internationally, should be as easy as running a single domestic implementation. Whether you’re ready for it or not, the ERP system you choose must be prepared to accommodate your company’s growth to a multisite organization.

While most of the current ERP systems may adjust to your evolving needs, only few of them are providing simple and secure tools to do so without engaging too much time and too many resources. You’ll want your ERP system to be easily customized through simple parameterization, without changing source code, to meet your company’s unique requirements, now and in the future. Also, if the need arises, the availability of an Integrated Development Environment (IDE) will facilitate development of custom applications, specifically designed for your business. But not all ERP systems will keep custom development intact. Make sure your ERP system will keep your company’s custom applications safe from the standard functional updates or upgrades. Otherwise your system’s ability to evolve will be seriously hindered.

Further, your ERP system should facilitate easy addition of new manufacturing sites or distribution centers as customer demand requires. And, if you're managing a global business or considering international expansion in the future, the system should be ready to support multiple sites, languages, currencies and legislations.

### Customer Case

With company growth beginning to outpace its distribution capability, Holmberg's customer service priorities forced them to make a critical decision. With the right choice, a new system could help provide a level of customer service previously unattainable. "With greater inventory accuracy, visibility into production and purchasing requirements, better reporting and communicating, we could set the standard within our industry for customer service," said Greig.

Greig noted that the benefits have added up significantly, improving customer service to 98.65 percent for on-time shipments and a stellar inventory accuracy rate of 99.2 percent. As for the future, Greig noted, "Flexibility and room to grow were major factors in the new system upgrade. We can open remote distribution centers to support sales growth in another location using the same centrally-located system.

### Customer Case

Another Sage ERP X3 customer, Minneapolis-based Satellite Industries which manufactures portable restrooms, had been running Sage ERP X3 for over two years when the company acquired two German competitors. Satellite management set an aggressive goal of getting the acquisitions up and running on Sage ERP X3 in time for the start of the new fiscal calendar, which was approaching in less than eight weeks.

Satellite's team handled nearly the entire implementation, with minor technical assistance from the Sage ERP X3 services team. Sage ERP X3's import utilities made it easy to upload master files for business partners and products to the system through simple Microsoft Excel spreadsheets. And the SQL database structure permitted easy and controlled data migration while installation wizards and configuration tools helped configure the system to meet Satellite's business needs.

"Sage ERP X3's ease of implementation was a key factor in the success of our project," said John Babcock, Satellite Vice President. "The project was conducted by our Sage ERP X3 users and the implementation team was able to meet the time table without expending resources for outside consultants." He added, "If another international expansion opportunity arises, we'll have confidence in adding the new business knowing our system can handle it. With Sage ERP X3, Satellite is poised for future growth."

## Enhanced Collaboration with Business Partners

Considering partners, suppliers and customers as part of the supply chain is imperative to growing your business. As market conditions fluctuate and competitive pressures increase, you most likely will experience an increased need to team with multiple geographic partners and to rely on contract manufacturing and third-party logistics providers. To successfully meet customer expectations, maintain loyalty and remain profitable under these conditions, communication with your partners must be swift and efficient.

For the latest best-in-class collaboration capabilities, look for an ERP system that is built on a Service-Oriented Architecture (SOA) platform, which enables all management functionality to be accessed as interoperable services, easily invoked by external applications. Additionally, a web-native system will make this functionality available as Web Services, so users can access and execute any services over a network, such as the Internet, as well as create new collaborative applications with partners.

An SOA/web-native ERP system will enable you to work online with partners, giving them direct safe access to specific functions through a secure Internet connection. You can also publish ERP objects, object lists and subprograms through Web services that make them available to external applications such as a Web storefront, other enterprise applications, PDA applications and other Web service-enabled devices and applications.

### Customer Case

Supply chain collaboration was the driving force in the system selection process for Satellite Industries, which effectively integrated their business partners as remote Sage ERP X3 users in a secured, collaborative environment from the beginning. Third party participants include 3PL providers, contract manufacturers (which process direct customer shipments) and their largest carriers.

According to Project Manager John Babcock, "One of our primary objectives was to better integrate our business partners with our internal systems, and they already have full and immediate visibility into orders and are planning their workloads accordingly. On day one of go-live, we achieved an 87 percent order fulfillment rate (order entry through shipment and mailing the invoice) and by the end of week one, we were over 95 percent order fulfillment on the new system."

Properly managing your company's growth requires a business management system equipped to handle the challenges that often arise as your company develops. You need a flexible, scalable solution that can evolve with your company and adapt to changing business conditions to support your growth, not hinder it – one that offers integrated business intelligence to provide the information you need to stay competitive and the integrated functionality required to keep operations as efficient as possible. It should also enable you to integrate your partners into your supply chain to achieve the highest possible customer satisfaction and loyalty.

Mid-size companies worldwide are growing their businesses with Sage ERP X3. To read the full customer cases and to learn more about Sage ERP X3, visit [www.sageERPx3.us](http://www.sageERPx3.us).