

# Auditing ERP for Manufacturing Fit and Functionality

How to Scale Your ERP System for Growth

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## *How to Scale Your ERP System for Growth*

Does this describe your current ERP situation?

*Our ERP software was a good fit several years ago when our manufacturing operations weren't as complex and our supplier base smaller. Now we have over a dozen more products and much more in development. Our supplier base is now double the size of when we put in our ERP system, and we're competing in more regulated markets that require compliance. In short, our business grew fast, and we're facing entirely new challenges. Our goal is either expand our existing ERP system or replace it with a new one.*

In other words, your business is growing faster than your ERP system can keep up and may lack features and functions needed to support expanded operations. Software functionality relates to the modules, tools and features available to meet the needs of your business, such as finance and accounting, inventory and purchasing, production execution, warehouse management and customer relationship management.

What's key to supporting your growth is selecting the ERP features and functions that can scale as fast as your business is growing. The greater the scale, the faster you're going to be able to grow. ERP user interfaces are also going through a rejuvenation today, shifting from the rigid green-screens of the past to configurable, easily customized screens and workflows. Speed, scale and simpler, easier-to-use interfaces are quickly becoming the norm.

### **Signs It's Time to Re-Evaluate Your ERP's Systems Scale:**

- New products are more complex and the existing ERP system is starting cause mistakes
- Sales are soaring and the existing ERP system is having trouble keeping up
- Your company recently acquired another manufacturer or was acquired, increasing capacity
- Inbound supplier quality is slipping and there is no way to automate a solution
- Manufacturing shop floor scheduling is out of control because so much is going on
- Inventory and stock levels have different dollar values based on the system used
- Product quality is slipping and there are more returns
- Multi-entity financials across multiple production plants is handled in separate systems
- Production teams asking for mobile device support and current ERP system doesn't support it
- Work progress on the shop floor is tracked using a paper-based system with large, complex grids that are prone to data entry and omission errors
- Machinery operators have to stop what they are doing and manually update status in paper forms, wasting valuable production time and leading to potential errors
- New customer orders are manually transcribed into Bill of Materials (BOM) leading to errors and multiple rework cycles

- Sales teams sell products they know customers want without knowing if the ERP, SCM and MES can build them. (integration issues)
- The most popular products for sale are always on allocation because sales and production have no way of collaborating on forecasts
- Supplier forecasts are inaccurate with no real-time integration to increase accuracy
- Sales spends a high percentage of their time calling manufacturing to get the status of big orders and their delivery dates as CRM, ERP, MES and production planning systems are not integrated together
- Order Status could have been a mobile app and instead it's the job description for the new Sales Admin who is expediting orders for the sales team
- It's elusive to produce the identical high quality products every day because the quality management, MES, ERP and supply chain systems aren't integrated with each other
- It's common to see project managers, sales ops team members and customer service teams scrambling across the production floor to expedite special orders because CRM, ERP and production planning systems aren't integrated
- Everyone knows the real way to get an order out is to babysit it through production and push it through with favors rather than relying on integrated systems to get it done

### **Deciding where to Scale Your ERP system For Growth**

Chances are the design, feature, function and module decisions made when the ERP system you're currently using was first purchased don't completely apply now. New distribution channels, manufacturing locations, suppliers, product lines and possibly an acquired company or two is pushing the limits of your existing ERP system.

If any of these conditions or comparable ones sound familiar it's time for an ERP check-up. Think of this process as an annual examination of how healthy your ERP system is given the demands placed on it daily in getting production work done and customer orders out.

#### *Checklist for Your ERP Check-Up*

It's time to get started with your ERP check-up. The table below and [linked](#) lists the main areas and features of an ERP system. Looking over the list you'll see applications that are designed within the main ERP platform and those that are provided by 3<sup>rd</sup> party providers. Applications provided by 3<sup>rd</sup> party partners are often specifically developed to meet a unique vertical market need or non-standard area of manufacturing in a given industry. When evaluating new or current ERP functionality, be sure to also consider whether the tools are native to the core system or whether they are third-party programs loosely integrated by the software vendor.

While integration of external programs can work, the process is often fraught with challenges such as duplicate data entry, information delays and silos, interface issues and customization expenses. The benefits of a native ERP solution are extensive, including visibility and traceability into every aspect of your business, employee-wide accountability and real-time speed and responsiveness, best of all a native ERP solution can scale with you as you grow, relying on just a single database that alleviates any of the problems ERP systems in growing companies' have.

One of the most challenging problems of relying on multiple manufacturing systems is that they often generate multiple versions of the truth. With an ERP system designed on a single database architecture, you have a single system of record and a trusted, single version of the truth to grow operations from.

Using the grid linked score the Expected Growth Contribution of each area on a scale of 1-10 with 10 being those areas providing the greatest growth potential. Using this ranking you'll have the beginning of an ERP roadmap to guide your future system expansion plans.

#### Next Steps To Driving Greater Growth With Your ERP System

At Solution Systems we've helped many manufacturers in the Chicagoland area scale and grow their manufacturing business with ERP systems that expand at your pace. We're committed to making our customers strong competitors and welcome the opportunity to serve you.

Please send the [linked](#) table to [Michael@solsyst.com](mailto:Michael@solsyst.com) and we'll get right back to you with our ideas on how we can help you grow.



<b>Expected Growth Contribution (1-10)</b>	<b>ERP</b>	<b>Details</b>
	Financial Accounting	General ledger, fixed asset, payables receivables (cash application and collections), cash management, budgeting, costing
	Order Processing	Order entry, credit checking, pricing, available/capable to promise, forecasting, sales analysis
	Material Resource Planning	Production Planning, resource planning, scheduling, inventory control, purchasing
	Supply Chain Management	Planning, supplier scheduling, product configurator, purchasing, inventory, claim processing, warehousing
	Electronic Data Interchange (EDI)	Electronic interfaces for customer and suppliers, POs, shipping notification, invoices
	Warehouse Management	Receiving, put away, picking and packing
	Business Intelligence Reporting & Dashboards	Standard reports, reporting writing, ad hoc queries, summary dashboards and alerts
<b>Expected Growth Contribution (1-10)</b>	<b>MES</b>	<b>Details</b>
	Product Definitions	Version control and exchange master data focused on defining how to make a product
	Production Scheduling	Production schedule, work orders, production requirements, received from ERP to make optimal use of resources
	Production Dispatch and Execution	Distribution of batches, runs and work orders, adjustment to unanticipated conditions. Checks on resources and informing other systems about the progress of production processes
	Process Monitoring	Collection of process data, equipment status, material lot information and production logs in a data historian. Performance analysis of raw production data. WIP overviews, period production performance, overall equipment effectiveness or any other performance indicator. Track and trace. Registration and retrieval of information that presents a complete history of lots, orders and equipment parameters that can feed a statistical process control module
	Digitizing, Audit and Quality	Digitizing log data with edit lock, also pulling data from the supervisory control and data acquisition system into the common databank. Audit utilities to evaluate and document performance and events. Statistical quality control tools

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<b>Expected Growth Contribution (1-10)</b>	<b>CRM</b>	<b>Details</b>
	Customer Information	Company and contact information, sales history, contact history, open and closed opportunities
	Prospect Information	Company and contact information, contact history, open and closed opportunities
	Pipeline Management	Ability to report of the value and likelihood of open opportunities
	Marketing Campaigns	Ability to create and track email campaigns
	Customer Service Management	Company and contact information, open calls, closed calls, call metrics, ability to track service calls by issue type
<b>Expected Growth Contribution (1-10)</b>	<b>Technology</b>	<b>Details</b>
	Single Database	All sub-systems run from one database and one native body of code
	Real-Time	Information flows through the system in real time. There are no batch updates
	Ability to Manage Multiple Locations	Total cross-location visibility of all information in real time
	Ability to Scale Users	Ability to maintain performance within broad user, load and storage parameters

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## About Solution Systems, Inc.

Solution Systems uniquely combines ERP and manufacturing functionality to give manufacturers a comprehensive end-to-end suite for running the business, backed by the real-time performance and scalability companies demand. Developed specifically for small to mid-market manufacturers, Solution Systems provides robust capabilities for addressing strict customer and regulatory certification and compliance. Solution Systems achieves this by delivering traditional ERP functionality for accounting, sales orders, material requirements, inventory and purchasing, plus extended native features for CRM (sales software), human resources, production scheduling, shop floor control, warehouse and quality modules.

For more information, please visit [www.solsyst.com](http://www.solsyst.com)