The Consequences of Delaying an ERP Implementation

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When a company is created, processes and procedures are put in place to manage and direct business operations. These are established to ensure that all critical information and operations are done in ways that are efficient, effective, and economically sound.

"Everyone wants to know the cost of acquiring and adopting an ERP software, but very few consider the cost of inaction."

In the beginning stages, it is likely that a business will not appear to have the financial capabilities to purchase and install Enterprise Resource Planning software. It is likely that they'll revert to more simple software, such as Microsoft tools or QuickBooks to minimize the costs to manage their business. Small-scale software like this can become very quickly outgrown, as the needs of the company evolve beyond the capabilities of legacy systems. Failure to accommodate organizational change may result in data not being readily available, silo ways of working, and faster growing expenses than revenue. Furthermore, the different components do not flow well with one another; customer order forecast, inventory purchases, shipments, and financial systems are all managed separately and are not intuitively collaborative.

The hesitation towards the initial installation – aside from the costs – stems from the concern regarding complexity, difficulty, and timeliness of installing a new ERP software system, and how severely the adjustment could impact the company. Despite the façade that these 'formerly smaller' software companies will be cost-efficient, there are multiple hidden costs that limit profitability, growth, and efficiency, thus rendering these "cheaper" options detrimental. A few examples of potential

problems with this type of software can include errors in inventory tracking, incorrect amounts of inventory available and poor communication to customers.

Ultimately, selecting and implementing an ERP software can have a significant impact on the business. Therefore, organizations need to make sure they are first selecting the right partner to guide them throughout their journey. Delaying this process can have a meaningful impact on parts of the business most are not aware of, such as customer experience, turnover rate, and even missed/lost opportunities.

This begs the question; how do I know I've partnered with the right organization? To address this question, one must look at multiple factors. The following is an example of some key elements to look for in a partner:

- Able to communicate and demonstrate value from implementing or upgrading an ERP.
- A proven methodology and successful track record.
- The appropriate infrastructure to support one's organizational requirements.
- More than just a software vendor; aims to understand the business and embark in a strategic partnership leading to desirable outcomes.

Implementing or upgrading an ERP software system may be much more cost-efficient than perceived, especially when all the hidden expenses are accounted for. ERP software will not only make day-to-day operations simpler and more efficient, but it will also improve your business' sales and therefore profits. Imagine being a few years in and realizing all the smaller fees incurred could have paid for the ERP software right from the start? Installing the software in the beginning stages of your business is a hefty down-payment, but a worthy investment into you and your company's future.

ERP installations have been greatly improved throughout the years, making the entire process easier and less expensive. Whereas previously the process required hardware to be installed on-site and on-premises, modern cloud-based software tools take away that necessity.

IFS ERP software is now able to be installed quickly while running in the cloud. IFS does not require any hardware installation, nor does it require any upfront capital.

The Covid-19 pandemic was a massive speed bump for nearly every business in the world, and in the aftermath, it is proving difficult to pick up where they left off. Some are struggling to recover, and some are succeeding in overcoming these obstacles. Regardless of your situation, now is a great time to begin implementing and upgrading your systems. Not only will it aid your company financially and efficiently, but the transition will be seamless as your business develops a fresh start in this new business landscape. It is wise to look at an ERP implementation as more than just installing a new software. Organizations should take the chance and use that time as an opportunity to revisit the business structure, its processes, resource utilization, and perhaps its culture. It is arguable that an organization cannot have a successful ERP implementation without a healthy appetite for change.

Hoist team members have been in your shoes. We have decades of combined experience in software implementation and can leverage our knowledge to put actions to words, showing you how much a reliable ERP software system can benefit you.

For a consultation, email christophe.mezher@hoist.tech or reach out to us at https://hoist.tech/contact-us

About the Author:

As our Vice President of Business Value Delivery, Christophe has been involved with many key accounts; collaborating with customers to develop their case for change, as well as helping them identify and realize the potential value from strategic initiatives. He has a bachelor's degree in psychology from Carleton University and is a certified Project Management Professional (PMP). As part of his role, Christophe has had the chance to extensively study and understand organizations and their journey in seeking the best outcome possible from their ERP implementation. With his many years of experience in implementation, developing support programs, and conducting business value assessments, Christophe is an expert in the ERP industry.