A Step-by-Step Guide to Choosing the Right ERP for Your SMB Business

FORGESTIK

About SAP

SAP Business One is a powerful yet easy-to-use ERP management system that offers a wide range of features to help small and midsize businesses streamline their operations.

With SAP Business One, businesses can improve their forecasting, inventory management, financials, and customer relations. In addition, SAP Business One offers a wide range of customization options to meet the unique needs of each business.

About Forgestik

Specialist in the implementation of the SAP Business One ERP solution, Forgestik supports small and medium-sized businesses in the deployment, optimization, and evolution of their management solution. For more than 30 years, Forgestik has been the trusted partner of SMEs looking to grow their business.

With offices across Canada and the United States, our team of experts is committed to meet the needs of growing SMEs by providing high-quality implementation services and customized solutions. Forgestik is a top SAP Partner and received the Best Canadian SAP Business One Partner award for 4 consecutive years.

INTRODUCTION

In the age of technology and connectivity, the question is no longer whether your Small to Medium-Sized Business (SMB) needs an Enterprise Resource Planning (ERP) system, but rather which ERP system is the right fit for your organization.

ERP systems integrate all facets of an enterprise into one comprehensive information system. Employees in procurement, manufacturing, sales, and finance—all have access to the same data and can quickly respond to changes in the business environment.

The significance of selecting the correct ERP system cannot be overstated—it can mean the difference between streamlined operations with high productivity and a system that causes more problems than it solves. The process involves careful analysis, comprehensive research, and strategic decision-making skills.

Small businesses with ERP systems can make decisions with 36% less time than they did without the solution.
(Aberdeen Group)

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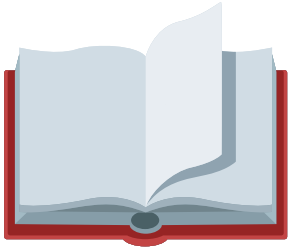
This ebook aims to guide you through the potentially overwhelming process of selecting the best ERP system for your organization.

Over the course of eight chapters, this guide will walk you through the critical steps involved in ERP selection, from understanding the essence of ERP and dissecting your business needs and goals to the actual process of ERP selection, features to look out for, vendor evaluation, cost considerations, and eventual implementation.

It provides practical insights and steps that reflect the uniqueness of SMBs, focusing on their specific needs and constraints. This guide concludes with tips on post-implementation evaluation and ongoing management to ensure that your ERP system remains an asset rather than becoming a liability.

Let us embark on this journey together to ensure that your business reaps the maximum benefits from your ERP system, propelling it to new heights of efficiency, productivity, and success.



After reading this eBook, take a deep dive and explore everything there is to know about ERP systems.

Learn more about ERP systems

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WHAT IS ERP, AND WHY YOUR SMB NEEDS IT

An ERP system is like the central nervous system of an organization. It collects information from various departments, processes it, and then disseminates the processed information throughout the organization.

An ERP system is critical to an SMB's success for several reasons. Here are just a few:

1. It consolidates all your business processes into one system, eliminating the need for disparate, standalone systems.
2. It provides real-time data and information, enabling timely and informed decision-making.
3. It enhances collaboration across departments, leading to increased productivity and efficiency.

Understanding ERP systems and their benefits is the first step toward selecting the right one for your business. ERP systems can vary greatly in their scope and functionality, so understanding what they can offer and how they can impact your business operations is crucial.

An ERP system can offer a wide range of functionalities:

A recent study by the Aberdeen Group found that an ERP solution could reduce operational costs by 23%, reduce administration costs by 22% and increase on-time deliveries by 24%.

Read more

By having an integrated system managing these different areas, data is shared seamlessly between departments, reducing the risk of data duplication or discrepancies.

An ERP system can also provide valuable insights into business performance and trends, enabling you to make strategic decisions. It can identify inefficiencies in your operations and highlight areas for improvement. Additionally, the system can help you forecast future needs and growth, providing you with a roadmap for strategic planning.

> Using SAP Business One has allowed us to bring our processes to a very high level of performance and reduce personnel costs by 30% while maintaining a continuous increase in turnover, number of customers and the number of unique items in stock.
>
> David Black
> President
> Emblemtek Solutions Group Inc.

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SAP Business One

WHY SAP BUSINESS ONE?

One prominent ERP solution tailored for SMBs is SAP Business One. Designed with the nuances of small to medium-sized businesses in mind, SAP Business One offers a comprehensive range of features while ensuring user-friendly implementation and maintenance.

This solution stands out for its ability to seamlessly integrate various business functions and provide a unified view of the business operations, making it an attractive choice for SMBs seeking efficiency and scalability.

YOUR BUSINESS GOALS: THE FIRST STEP TO ERP SUCCESS

An important initial step in selecting an ERP system is to conduct a comprehensive analysis of your business needs and goals. This chapter will guide you through the process of identifying your business processes, determining your specific needs, and aligning these needs with your long-term business goals.

1 MAPPING OUT YOUR BUSINESS PROCESSES

This includes identifying the various functions and activities carried out by your business, from procurement to customer service. By understanding these processes, you can identify where inefficiencies exist and where improvements can be made.

2 DETERMINE THE SPECIFIC NEEDS OF YOUR BUSINESS

You need to conduct a needs assessment to determine which functionality is most important to your business. This will vary depending on the specific industry and company, but ask yourself the following:

What issues are you trying to solve with an ERP system?
What functionalities are essential for your business operations?

FOR EXAMPLE:

The ability to manage inventories and track stock levels
The ability to generate reports on product movement
The ability to receive payments in multiple currencies
The ability to plan my production and resources

3 CONSIDER YOUR LONG-TERM BUSINESS GOALS

Your chosen ERP system should not only cater to your current needs but also support your future growth. Whether you plan to expand into new markets, introduce new products or services, or increase your workforce, your ERP system should be scalable and adaptable to these changes.

By answering these questions, you can narrow down the selection of ERP systems to those that align with your needs.

Consider Your Long-Term Business Goals

Your chosen ERP system should not only cater to your current needs but also support your future growth. Whether you plan to expand into new markets, introduce new products or services, or increase your workforce, your ERP system should be scalable and adaptable to these changes.

SAP Business One

WHY SAP BUSINESS ONE?

Considering solutions like SAP Business One can be invaluable as you delve into understanding your business goals and mapping out processes.

What sets it apart is its adaptability.

As your business goals shift and evolve, SAP Business One has the flexibility to adapt, ensuring that your ERP system remains in harmony with your strategic direction.

Moreover, its user-friendly interface and analytics capabilities make the process of aligning daily operations with long-term objectives more intuitive.

Thus, as you evaluate the congruence of an ERP system with your business aspirations, SAP Business One emerges as a robust contender that can streamline processes while providing insights to foster growth.

CHOOSING THE RIGHT ERP: FROM SHORTLISTING TO DEMOS

The process of selecting an ERP system for your SMB is not a one-size-fits-all journey.

Shortlist ERP Systems

Once you know your business needs, you begin by shortlisting ERP systems that align with these needs. To do this, you need to understand the features and capabilities of different ERP systems, which brings us to the second step - researching ERP vendors and systems.

There are many options on the market, so it is important to take the take the time to find the right one for your company. During the research phase, you will compare different systems based on their features, ease of use, scalability, cost, and the vendor's reputation. Online reviews, customer testimonials, and professional recommendations can be useful during this stage.

Arrange Product Demos

Next, arrange for demos with your top choices. This will give you a firsthand experience of how the system works and allow you to ask any questions. It is important to involve all the stakeholders and department managers in these demos so each one can understand if the system covers his specific department's needs.

Once you've narrowed your choices, the next stage involves a more detailed analysis of costs, scalability, and post-implementation support.

After reading this eBook, take a deep dive and explore everything there is to know about ERP systems.

Learn more about ERP systems

MUST-HAVE FEATURES FOR YOUR SMB'S ERP

Knowing what features to look for in an ERP system can be overwhelming, especially with the numerous options available. This chapter outlines some of the key features to consider.

Features	Key Considerations
Integration	If you have other software applications in place, choosing an inventory management system that can integrate with those applications is essential. For example, if you use an accounting software, you'll want to ensure the inventory management system can export data to that software. By integrating with other software, you can avoid errors and ensure that your data is accurate.
Scalability	As your business grows, you'll need an inventory management system that can grow with you. Look for a system that offers scalability. This way, you won't have to worry about outgrowing the system or having to replace it in a few years. Scalable systems can save you time and money in the long run. They can also help you avoid disruptions to your business operations.
User-Friendliness	In the search for cutting-edge features, don't forget to consider how easy a system is to use. If it's complicated and difficult for your team just to figure out the basics, then it's not worth spending money on. Remember, you're looking for an inventory management solution to help you simplify your operations. Choose the intuitive, easy-to-use one over the complex one.
Real-Time Data and Reports	The ability to provide real-time data and reports is another essential feature. This allows for quick decision-making and gives you a clear picture of your business's performance at any given time.
Customization	While you want an out-of-the-box solution that meets your specific needs, you also want a system that can be customized to meet your unique requirements. Look for a system that offers a wide range of customization options. In addition, choose a system that allows you to add or remove functionality as your needs change. For example, if you decide to add a new product to your inventory, you should be able to add the necessary fields to the system quickly.

SAP Business One was absolutely required for us to succeed. Moving forward, it will allow us to streamline our business processes and grow more in the future.

LAURA KEMPLING
HR & ADMIN MANAGER
OCEAN PACIFIC MARINE STORE & BOATYARD

Read the case study

SAP Business One

WHY SAP BUSINESS ONE?

When discussing key features to prioritize in an ERP system, it's hard to overlook the capabilities offered by SAP Business One.

This system is a powerhouse when it comes to integration. Designed with the modern business in mind, SAP Business One seamlessly integrates with other software solutions, ensuring streamlined data flow and reducing redundancy.

Its inherent scalability ensures that it caters to businesses at different growth stages, allowing for expansion without the hassle of switching systems.

What distinguishes SAP Business One further is its user-centric design. The platform prioritizes user experience, making it intuitive and user-friendly. With a gentle learning curve, businesses can swiftly deploy it without exhaustive training sessions.

Real-time data access is another hallmark of SAP Business One. It provides actionable insights through real-time analytics and comprehensive reports, ensuring businesses remain agile in their decision-making processes.

Additionally, customization is at the heart of SAP Business One. Recognizing that no two businesses are alike, it offers extensive customization options, allowing organizations to tailor the system according to their unique operational needs.

SELECTING THE PERFECT ERP VENDOR

Improved forecasting, actionable inventory analysis, customization, ease of use, scalability, and total cost of ownership are all important factors to consider when choosing an inventory management system. However, finding a trusted implementation partner is one of the most critical factors.

Vendor Assessment

Assess the vendor's expertise and track record in your industry. Industry-specific knowledge and experience can be invaluable in tailoring the system to your business needs. Ask the vendor about their experience working with businesses similar to yours and the results they have achieved.

Support Offering

Look at the level of support the vendor provides.

This includes implementation support, training, and post-implementation support. Your vendor should be there to assist you through every stage of the ERP journey.

Financial Stability

Implementing an ERP system is a long-term investment, and you want to ensure your vendor will be around for the long haul.

References and Reviews

Reach out to other businesses that have worked with the vendor and ask about their experiences.

Online reviews can also provide valuable insights.

We are more than satisfied with their collaboration with the Forgestik consulting team. They recommended that we only implement additional applications once we had mastered the standard version of the SAP Business One solution, and this really impressed me.

WOOSUNG JUNG
VICE PRESIDENT
YG-1 CANADA

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SAP Business One

WHY SAP BUSINESS ONE?

When considering vendors for your ERP journey, SAP Business One stands out with its robust capabilities tailored for growing businesses. But software is only as good as its implementation, which is where Forgestik shines.

As an experienced SAP Business One partner, Forgestik offers deep industry knowledge and a track record of successful implementations. Their hands-on approach ensures not just the deployment of the software, but a tailored fit to your business model, amplifying the system's benefits.

Beyond installation, Forgestik's dedicated support encompasses training and post-implementation assistance, ensuring businesses reap the maximum benefits from their ERP investment. Combining the prowess of SAP Business One with Forgestik's expertise, businesses are positioned for seamless integration and optimal outcomes.

COUNTING THE COST: UNDERSTANDING TCO AND ROI

Implementing an ERP system is a significant project that requires careful planning and preparation. This chapter outlines the critical steps in preparing for ERP implementation.

Understanding the Total Cost of Ownership (TCO) and the potential Return on Investment (ROI) are two essential factors to consider in your ERP selection journey. Let's break down these two concepts and how they play out in the context of ERP systems. Here are the key components of TCO:

SOFTWARE

Depending on the vendor and the model (on-premise or cloud-based), you might pay upfront or subscribe monthly or annually.corrective action when needed?

HARDWARE

For on-premise solutions, you'll need servers, network equipment, and possibly new workstations or devices. These costs can be significant and should be included in your calculations.

IMPLEMENTATION

This includes the costs of installation, system configuration, and data migration.

OPERATIONAL

These include the costs of managing the ERP system, including the IT staff time devoted to system management, user support, and the cost of downtime, if any.

The TCO of an ERP system goes far beyond the initial purchase price or licensing costs. It encompasses all the expenses incurred throughout the lifecycle of the system.

CUSTOMIZATION

If you need the ERP system to perform specific functions unique to your business, customization will be necessary, adding to the costs.

INTEGRATION

If you plan to integrate the ERP with other existing systems, the costs might be associated with making these systems work together seamlessly.

MAINTENANCE & SUPPORT

The system will need routine maintenance over time, and occasional troubleshooting may be required.

TRAINING

Initial training sessions and ongoing education must be considered when the system upgrades or new features are added.

On the other hand, the ROI of an ERP system is the tangible and intangible benefits that the system brings to your organization. Here's how you can look at ROI:

1 Increased Efficiency

Your business processes can be streamlined, so tasks can be completed more quickly. This time savings can translate into cost savings.

2 Reduced Operational Costs

An ERP system can help eliminate redundancies and manual tasks, leading to cost savings.

3 Improved Decision-Making

With access to real-time, accurate data, leaders can make better-informed business decisions, potentially leading to increased profits.

4 Improved Customer Service

Better data management means better customer service, which can result in increased customer retention and profits.

5 Inventory Management

ERP systems can optimize inventory, reducing carrying costs and potentially increasing sales by ensuring products are available when customers want them.

Remember, a cheaper system doesn't necessarily mean it's the most cost-effective choice in the long run. And an expensive system doesn't automatically mean it will provide a higher ROI.

A thorough understanding of TCO and ROI will help you make the best choice for your situation.

With the implementation of SAP Business One, we've got more disciplined in our processes and our data maintenance.

It just helps everybody work so much more efficiently and together as a team.

DEB O'CONNELL
VP SALES ADMINISTRATION
WESTERN SPIRITS BEVERAGE COMPANY

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SAP Business One

WHY SAP BUSINESS ONE?

When evaluating ERP solutions, SAP Business One often stands out for its impressive balance between TCO and ROI. Thanks to its intuitive design and powerful analytical tools, businesses often experience a swift and impactful ROI. With quick implementations and minimized customization needs due to its vast out-of-the-box functionalities, initial costs can be kept in check.

Its integration capabilities also reduce operational costs, as it can seamlessly interact with existing systems, minimizing disruptions.

On the ROI side, SAP Business One users often report enhanced decision-making, streamlined processes, and improved customer relations, further solidifying its value proposition. As with any ERP decision, assessing both the TCO and ROI is crucial, but SAP Business One presents a compelling case in both arenas.

GETTING READY FOR ERP IMPLEMENTATION

Implementing an ERP system is a significant project that requires careful planning and preparation. This chapter outlines the critical steps in preparing for ERP implementation.

1

Establish a Project Team

Establish a project team consisting of representatives from each department. This team will oversee the implementation process, ensuring that the ERP system meets the needs of all departments.

2

Create a Detailed Project Plan

This includes a timeline for the implementation, milestones, and responsibilities for each team member. Having a well-defined plan can help keep the project on track and ensure everyone understands their role.

3

Prepare Your Data for Migration

This involves cleaning up your current data, removing any duplicates or inaccuracies, and formatting it to fit the new system.

4

Prepare Your Staff for the Change

Training is crucial to ERP implementation, and ensuring your employees are comfortable with the new system can lead to a smoother transition.

SAP Business One provided us with a structure and allowed us to implement processes based on best practices. We were ready to put in the necessary resources and efforts required from the start to have a reliable and robust system. It was well worth it.

JADE MERRIMAN
VICE PRESIDENT
LH IMPORTS

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SAP Business One

WHY SAP BUSINESS ONE?

When gearing up for the implementation of SAP Business One, there are a few tailored considerations to keep in mind.

- Due to its user-friendly interface, many businesses find the transition to SAP Business One relatively smooth.
- Leveraging the expertise of an SAP-certified partner, such as Forgestik, can be immensely beneficial. We provide invaluable insights into best practices and potential pitfalls for SAP Business One.
- It's wise to explore the suite of resources and tools that SAP offers for data migration, which can significantly streamline the process.
- Lastly, since SAP Business One is a globally recognized platform, numerous training resources are readily available. Leveraging these materials can empower your staff, ensuring they're well versed in the system's functionalities and can harness its full potential from day one.

AFTER THE IMPLEMENTATION: MANAGING YOUR NEW SYSTEM

After implementing the ERP system, it's essential to evaluate its performance and manage it effectively. This chapter provides guidance on post-implementation evaluation and ongoing management.

Choosing an ERP system is an investment in your business's future. It's not just about purchasing software; it's about partnering with a vendor who will support your business growth, help to streamline your processes, and provide solutions for future challenges.

POST-IMPLEMENTATION REVIEW

Begin by conducting a post-implementation review. This includes evaluating whether the system is meeting your business needs, whether your staff is using it effectively, and whether it's delivering the expected benefits.

ONGOING SYSTEM MAINTENANCE

Ongoing system management involves regular maintenance, updates, and training for new staff. This ensures that the system continues to function optimally and adapts to any changes in your business.

OPEN LINE OF COMMUNICATION

Finally, keep a continuous line of communication open with your vendor. They can provide valuable support and advice on managing the system, resolving any issues, and making the most of your investment.

86% of organizations that began communication during or after selecting ERP software and implementation consider their ERP project a success.
(Panorama Consulting Group, 2020)

Hungry for more information? Take a deep dive and explore everything there is to know about ERP systems.

Learn more about ERP systems

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SAP Business One

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