



Aptean Distribution ERP

The 3 Questions to Ask When Researching **Consumer Goods ERPs**





Many consumer goods companies dive right into the ERP selection process without first doing the research. Without first determining their goals. Without first figuring out exactly what they want to get out of their implementation.

Then they find themselves overwhelmed by the range of options in the marketplace. Because, really, there's a lot to choose from.

By doing upfront research, you can eliminate any uncertainty you may have and instead go into the process knowing exactly what you want.

We have identified and answered three questions that companies looking to implement an ERP system should explore before starting the buying process. Knowing the answers to these questions beforehand will allow companies to conduct a more focused and thorough search for an ERP vendor.

The 3 Questions to Ask When Researching Consumer Goods ERPs

- › Is a fully integrated solution the right decision for my business?
- › How do I select the right industry-specific ERP solution for our business needs?
- › Is a cloud deployment the best approach for our business?

Is a fully integrated solution the right decision for my business?

The primary rationale behind the overall trend to moving away from disparate, best-in-breed systems and towards a fully integrated solution is its advantages in integration, reporting, costs, security, usability and data integrity.

A best-in-breed solution has a reputation for adding enriched functionality to a specific task while also allowing you to pick and choose which solutions are best tailored for your business. While best-in-breed strategies were popular in the 90s, fully integrated ERP solutions are now the smarter choice.

Fully integrated solutions are more robust, versatile and enable you to optimize your operations.

With information from [Industry Week](#), the following chart highlights the differences between best-in-breed and full-suite applications.

	Best-in-Breed	Aptean Distribution ERP
Integration	You must integrate all the third party solutions—this adds significant time and cost to the project.	Comes fully integrated—every module is interconnected and ready to go from day one.
Reporting	Information is spread across multiple applications and platforms—leading to expensive data warehousing solutions to pull together a standard view of data.	Automatically pulls and updates numbers from the system since all revenue and costs are hosted within the same application.
Security	The different solutions generally have unique security models, making it more difficult to maintain security and privacy across the entire solution.	Fully-integrated suites offer consistent and straightforward authorizations as well as user permissions across functions. Security and privacy are seamless throughout.
Usability	Every third-party best-in-breed solution has different usability functionality. This means that users that must work cross-functionally need to learn different interfaces and systems.	Offers a consistent and clean user experience—making it easy for users to work cross-functionally without relearning an entirely new system.
Data Integrity	Common data—like product information—is shared by multiple disparate solutions. This means data must be synchronized across applications, leading to duplicate data and complex data integration issues.	No issues with data integrity since the entire suite is running off of the same information. Data cascades down through the system, which means it is never duplicated, and no synchronization must occur.

How do I select the right industry-specific ERP solution for our business needs?

Most of the large ERP providers offer horizontally-focused ERP solutions. These solutions aren't bad—they offer brand recognition, many resources and top-tier technology. Their functionality, however, is pretty general.

For industries that operate using precise and unique processes—like the consumer goods industry—the choice to go with a vertically focused ERP solution generally makes more sense.

Unlike horizontal software that requires extensive customizations to meet the specific industry's needs, a vertically-focused ERP solution for consumer goods will already include the industry-specific requirements of the consumer goods distribution business.

While the ERP software is obviously crucial in the buying decision, it's also worth considering the vendor you'll be working with.

According to a [Panorama Consulting study](#), over 57% of ERP implementations take longer than expected.

One of the primary reasons projects are delayed is the learning curve that most horizontal ERP vendors require to understand your business. Teaming with a vendor who already knows and has expertise in your industry eliminates the chance that the project will be stalled.

In the same study, Panorama Consulting found that the implementation process's length was dependent on what size vendor was used.

Average Implementation Duration	Overall	Tier I	Tier II	Tier III / Other
Months Planned	11.2	12.9	9.25	9.3
Accrual Duration	14.6	15.7	15	12

Thus, vendors who were more specialized and knew their customers' business better turned out to have the shortest implementation time. You want a solution and a vendor that's industry-built.

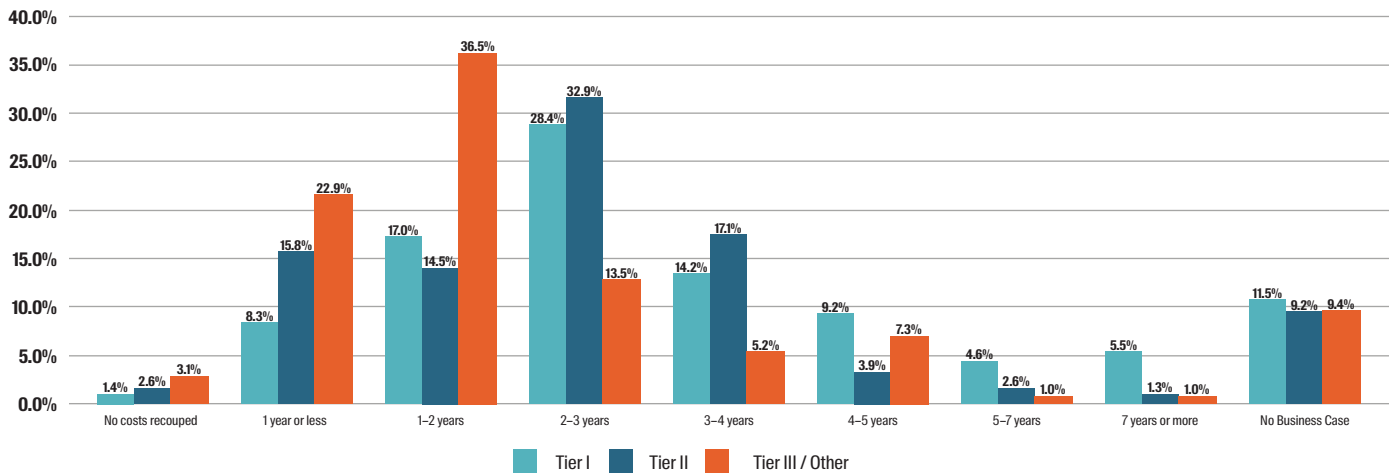
For this study, Tier I vendors were considered the largest ERP providers, Tier II vendors were considered mid-size, and Tier III were niche, industry-focused companies.

Tier I vendors, on average, took 15.7 months to implement their ERP system. Tier II vendors took, on average, 15 months to implement their ERP. Tier III vendors took, on average, just 12 months to complete their ERP implementation.

The Panorama Consulting study points out that Tier III applications typically offer the shortest implementation times due to their highly specialized focus.

The Panorama Consulting report also highlighted the average payback period for each vendor tier.

Payback Period by Vendor Tier



According to the study, Tier I payback periods average less than three years, only 55% of the time.

Tier II vendors fared a little bit better with payback periods under three years 66% of the time.

However, in Tier III, specialized vendors obtained a payback period of fewer than three years 76% of the time.

Once again, the quicker return on investment is attributed to vertically-focused software and a solution provider that is an expert in the industry. These factors allow for faster implementation and for the users to understand and master the system faster.

Is a cloud deployment the best approach for our business?

Simply—yes.

Cost is always the first point of discussion when it comes to the cloud. And the upfront capital costs are cheaper—you don't have to purchase new external hardware, supply power to the servers and employ an IT team to monitor and manage your data.

Instead, you can free up internal IT resources to work on more strategic projects. For smaller companies that lack resources, this is a huge advantage because their IT department doesn't have to worry about monitoring or updating the servers needed to host the ERP system.

Companies primed for growth should more seriously consider a cloud-based system because it's much easier to scale when a vendor hosts the system. Adding users is not only simpler, but adding applications is faster and smoother. And depending on how your ERP vendor licenses programs, using a cloud-based system allows you to test or trial applications without a large capital investment.

Many executives are concerned that hosting their ERP solution outside the company servers is a security risk. When your data is hosted in the cloud, the IT department monitoring it has the expertise and tools necessary to protect your data. And they do this 24 hours a day, seven days a week.

Cloud solutions free up company resources, eliminate upfront capital costs, make growing easier, and are more secure.

Every company is different. Each has different goals, different ambitions, and different processes.

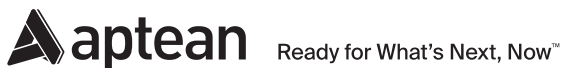
Don't compare what you want to what someone else has or doesn't have.

We encourage you to look for an integrated full-suite ERP. To look for a specialized vendor that knows your business. For a solution with complete out-of-the-box functionality and an opportunity to migrate to the cloud—either at the onset or later on.



Are You Ready to Learn More?

Contact us at info@aptean.com or visit www.aptean.com.



About Aptean

Aptean is one of the world's leading providers of industry-specific software. Our enterprise resource planning and supply chain solutions are uniquely designed to meet the needs of specialized manufacturers and distributors, while our compliance solutions serve specific markets such as finance and life sciences. With both cloud and on-premise deployment options, Aptean's products, services and unmatched expertise help businesses of all sizes, across many industries, to scale and succeed.

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