How 'ERP-Like' Solutions Can Drive Profitability

Steve Leavitt

Small business manufacturing and "ERP," or enterprise resource planning, typically do not mesh well — or so you've thought. Small manufacturers believe they can neither afford ERP solutions nor can they spend the time to iron out the complexities. ERP has historically been better suited to larger businesses because they can afford it. A hefty price tag, systematic complexity and difficult usability have meant that ERP simply wasn't a realistic option for small manufacturers. But, today's business landscape is more competitive and dynamic, and ERP or ERP-like solutions (business software) may be the best way forward for businesses of ANY size.

Finally, ERP-like options for all

Forget everything you've heard about business software. Today, solutions exist that provide similar functionalities found in ERP, but without the startling price tag and complexity. Imagine having a single view of your business, from what people and machines are producing to what's being invoiced and delivered, and much more. And to further remove complexity, the single view can be accessed via the so-called cloud, which really means that you don't have to deal with traditional software. Nothing to install, no expensive long-term commitments, no costly maintenance and none of the hassles of the past. Simply log on, from any internet enabled desktop or mobile device, and you're running your business with unprecedented agility — whether you're a one person shop or 50 people strong.

The answer is in the cloud

Google "the cloud" and you'll see words and phrases such as mystery, trendy and "phrase du jour" — hardly inspiring. The industry has been its own worst enemy. The cloud is really about simplified, cost effective access. What's on the other side

— the business software — is where the complexity resides, but even that has been engineered for ease of use.

Cloud computing is merely a superhighway to proven functionality and an arsenal of valuable data — your data; it's as simple as that. All the complexity of running profitable business — from quoting jobs for maximum profit margin to managing inventory and negotiating volume discounts with suppliers, is structured so clearly that decision-making is accelerated and done with greater confidence. So much so that businesses that use business software report having more time to focus on growing top line revenue or, for some, fulfill a personal dream of spending more time with family. Whether your motivation is profit, work/life balance or handing down a more thriving business to a next-generation, cloud-based business software offers four powerful benefits:

1. Ease of use: All the capabilities and insights described above and more are accessible within days of getting started with business software. And instead of an IT team camping out in your office to make this happen, all that's required is your PC, your time and a step-by-step onboarding process. Once this is complete, using the software is as simple as choosing a tab performing functions that appear simple, but that are actually helping to run your business with the precision of a larger manufacturer after years of running ERP.
2. Single view of the business: No more silos. Critical drivers of your business such as sales, inventory, production schedules, invoicing and customer relations are no longer managed in separate systems or, for some, separate notebooks and files. Aspects of your business that are critically co-dependent — such as inventory and accurate job quoting — are linked in software, so all you need to do is open a new job quote; you can be confident that the information is accurate and based on the most up-to-the-minute information.
3. Accessibility: Because your business software exists in the cloud, not on premise, you can do everything from anywhere. Everything that happens inside your business, including the most current information on a production run or receipt of new materials from suppliers, goes into the cloud so you can access it from anywhere – vacation home, fishing boat or kitchen.
4. Affordability: Cloud-based business software is more affordable — no hardware, consulting fees, costly maintenance or upgrades. And because cloud solutions are available via monthly subscription, the modest cost is predictable with no surprises down the road. The cost of accessing the software is easily offset by the higher profit margins within weeks of getting started.

Business software as stress reducer

Small business manufacturers have dreams like anyone else, but those dreams are challenged daily by unpredictability. How do you grow revenue? How do you justify new capital equipment? How do you deal with seasonality and rising material costs? These challenges won't go away, but you can mitigate their impact by having

greater visibility. Visibility is the ultimate stress reducer, letting you adjust to higher supplier costs when competitors do not, letting you hire workers before the competition because you can predict the upswing, and much more. Your ability to see trends and identify threats and opportunities before they happen is the best way to keep your business dream on track.

The bottom line

Actually it's the bottom line and the top line — with business software you have better control over both. Yes, it has taken years for ERP to evolve to the point where it could be relevant to small manufacturers, but now that it is, there's no reason to delay. Thanks to the cloud and software that's designed to work expressly for small and medium sized businesses, fears of cost and complexity are no longer justified and it's finally time to let business software help your business dream become a reality.

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