

Industry Specific vs. Generic ERP: Choosing the right solution guarantees best practices

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Choosing enterprise resource planning (ERP) software for your business can be a daunting process. The choice between industry-specific and generic solutions is a significant part of the selection process because of the path the choice will lead you down. In your quest for the perfect software fit for your business you will hear arguments from both sides but understanding the facts will help you to make the best choice.

Once you have outlined the needs of your organisation in terms of functionality and pain areas you can begin the process of short listing business software vendors. There is a definite list of criteria to assist you in the process of short listing potential candidates.

After looking at the complexity of their business, one of South Africa's leading suppliers of quality, value-for-money branded welding products concluded that its old systems did not integrate with one another, nor did they offer the flexibility and depth which the company required to realize its business and growth objectives. One system managed customers, inventory and sales while another was being used to do the accounts. This made continuity, accountability and transparency impossible. Following on from this, a warehouse management system was a prerequisite to establish the smooth flow of management data and efficiency, using accurate information. After the successful implementation of a world class ERP system, the company is now able to accurately manage and streamline the business with an end-to-end solution that provides visibility through detailed reporting to facilitate forecasting and bolster their bottom line.

While generic solutions have modules to manage a wide range of business functions, manufacturing processes sometimes require a more in-depth tailor made solution. Some generic systems can be customized to facilitate these processes but this customization can be costly and often still doesn't get down to the nitty-gritty. An industry-specific solution on the other hand has been designed with a specific industry in mind and is therefore far simpler to implement and ultimately more cost effective. This is because having to 'customise' a one-size-fits-all solution takes much more time and doesn't yield the same results or have the same comprehensive functionality. Therefore an industry specific solution has a much shorter time to value, which is critical to the success of the project.

By choosing a generic solution you are often forced to adapt your unique manufacturing processes to conform to a one-size-fits-all structure rather than implementing industry best practices offered by an industry specific solution.

On carrying out significant research into ERP providers, a leading distributor of energy, power solutions, automation and industrial electricity products in East Africa realised that on the surface it may appear that all the big ERP players are similar but there are definitely key differentiators. Scalability and flexibility coupled with a detailed understanding of a

customer's unique operational requirements is paramount. These are key benefits offered by a truly industry specific solution that can be molded around a business' needs.

Industry-specific solutions also typically have more functionality because they have been designed with very definite requirements and a deep understanding of the manufacturing process. It encompasses all activities in one solution which negates the need for other systems to complete business processes. They are far more intricate and allow the user to manage single parts and projects with more control and detailed reporting ultimately facilitating a streamlining of processes and improving agility.

One the largest integrated supply chain solution partners in the African communications sector operating over multiple locations, required an ERP system that offered intricate management capabilities with up-to-the-minute reporting. After implementing an award winning business inspired ERP system, they can now track anything by serial number, so that they can run their business centrally across multiple geographical locations ensuring efficiency and customer satisfaction.

Industry-specific solutions are truly customer centric. Since industry-specific systems are built with the manufacturer in mind to encompass his unique processes, there is typically more control and a better understanding of the end-users needs. It also enables the manufacturer to track the process and identify problem areas which can compromise quality, pricing and delay delivery before they happen. By reducing wastage and streamlining processes, the manufacturer can maintain competitive advantage through accurate pricing and dependable timelines.

The challenges that manufacturers face are similar, although their products may differ greatly. Factors such as fluctuating exchange rates mean that accurate forecasting and procurement is crucial to ensure profitability. Anticipating customer needs, calculating stock requirements and pricing must be carried out precisely so that manufacturers are able to meet customer demands on time and at the right price. Understanding pain areas specific to an industry make it easier to offer solutions and implement them with the utmost care to ensure that these pain areas are remedied. Applying industry standards and best practices offer a manufacturer the best possible solution.

Many business software vendors pass off their solutions as being industry-specific however they will use another vendor's front end to create the illusion of having a very specific fit for your business. Having multiple systems integrated with a different vendor's ERP system means that these systems must work together seamlessly and be maintained by each party. This opens the gap for bugs to creep in which can cause critical data losses and costly downtime. An industry-specific solution has all the parts that you need in one; from one provider developed to work hand-in-hand to manage processes from end to end.

For more information about how to choose between a generic and industry specific system please download the free white paper: <http://emea.businessinspired.com/how-to-choose-between-generic-and-industry-specific-erp-systems/>

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