

If Darwin had studied ERP...

Manufacturers today are facing a barrage of disruptive technology from mobile, social, analytics, cloud, the Internet of Things, nanotechnology, 3D printing and more. These technologies are now combining to make the industry one of the most sophisticated in the world. If Darwin had studied manufacturing instead of nature, he would probably have said that businesses needed to respond and adapt to rapid industry change in order to survive.

Manufacturers are turning to next-generation ERP (enterprise resource planning) systems to help them adapt. In fact, research by Redshift Research found that ERP is critical to the vast majority (80%) of companies.ⁱ It helps them to work faster, deal with more complexity, and make better decisions. Although it's clear that ERP is becoming essential, the same research also stressed the need for ERP systems to be more responsive. Half of respondents claimed that the ERP they currently had was just adequate or basic and a huge 35 per cent were dissatisfied with the amount of time it took to get information from their system. Those surveyed were also asked how they will need to access their ERP system in the future and while the results were not surprising, with 65 per cent of business users see mobile access as important, manufacturers need to embrace the latest technology trends in order to keep pace with change and to adapt and survive.

Mobile access

With the rise in remote working, it's becoming increasingly valuable for ERP to work as part of a mobile business solution. This shouldn't be a surprise to anyone but there are few ERP systems on the market that offer full capabilities and dashboard integration from a mobile device. The Redshift research found that 43 per cent want access through their smartphone and 38 percent using a tablet device.ⁱⁱ A fully capable mobile system could open up increasing opportunities for ERP users – from logging prospect details in the corporate system at a trade event, to checking the progress of an order during a customer meeting.

Social collaboration

Intrinsically linked with mobility is social collaboration. These tools are changing the way we communicate – whether it's asking for help, participating in special interest groups, following experts, acquiring or sharing information. The new social collaboration paradigm is allowing us all to leverage the collective knowledge and experience of our network whenever and wherever we need to.

Nearly half of the businesses surveyed agreed that social collaboration can result in better customer communication as they are able to share information in a new and interactive way. Businesses that figure out how to embrace social collaboration have an opportunity to leap-frog those that don't.

Choosing to embrace change

It's the emerging economies that seem to be most willing to embrace an ERP change. For example, in China and Mexico businesses are significantly more positive about the adoption of social collaboration tools than in the established economies of Europe or the US.ⁱⁱⁱ

It's possible that leading manufacturers in mature economies like the UK have already realised some of the benefits that put them ahead of their competition. These businesses are generally also working with a legacy ERP and find it hard to bolt social collaboration capabilities onto their existing system. The businesses in emerging economies are sometimes adopting ERP for the first time and therefore have seemingly more choice and a greater ability to measure ROI from recent technology developments. In this sense, mature markets need to catch up with the emerging ones.

Responding to data growth

As we become more connected, we generate more data. The data is also becoming more dynamic, more immediate and more instant. As the amount of data grows, a business needs new and faster ways to drive insight and actions from that data. A key trend any business needs to address therefore, is how to respond to this data increase.

Manufacturers rely on ERP systems to convert an overwhelming volume of data into actionable intelligence. Therefore, the value of an ERP system is to bring information to those who need it, at the moment they need it, in a form that they can use, and in a way that they can action immediately from anywhere. The value comes from increasing the reach of ERP, to every part of an organisation, making it as usable on the shop floor as it is in the boardroom.

Making things simple

Information needs to be easy to comprehend. With more data than ever before, a management team needs to be able to quickly access the information they need and interpret it correctly and then respond to change. Data needs to be displayed in ways that can be quickly digested. Dashboards have always been popular for ERP analytics and we can expect to see this trend to continue for management teams to quickly access snapshots of productivity and operational efficiency. It's about simplicity of use even as ERP deals with an increasing amount of complex data.

If he had studied ERP, we believe Darwin would have pointed out that being adaptable and responsive was key. We're seeing enormous change happening faster than we ever imagined. By addressing the key areas of mobility, social collaboration, responsiveness, choice and simplicity, manufacturers have a much better chance of adapting quickly and responding to the changes around them.

ⁱ Redshift Research; Global ERP Survey 2014: Redshift Research interviewed over 1500 professionals from companies of varying size, in a variety of industries, across the globe.

ⁱⁱ Redshift Research; Global ERP Survey 2014

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