Driving growth with better decision making

By Johani Marais, Channel Manager Africa, Epicor Software Corporation, Epicor

Decision making is, and always has been, an important activity at the centre of every business. Whether it's deciding the volume of products that need to be manufactured, the countries to export to, or switching marketing strategy for the quarter, decisions drive business performance and growth.

However, the business landscape has changed dramatically over the past decade. Businesses now operate in a 24/7 global environment, employees work across organizational boundaries and time-zones, customers demand instant responses, and for the manufacturing industry in particular, a growing skills-gap can expose personnel in decision-making positions. In any environment, being able to respond decisively, quickly and correctly is vital.

Understanding the risks of ill-informed decisions

According to the PwC 2014 Big Decisions survey 'Gut & gigabytes', 44% of the executives surveyed make a big decision every three months. However, how many of these decisions are made with the correct information? Unfortunately, the reality is not many. Our recent research[1], conducted with ICM, reveals that over three quarters (79%) of office workers in the UK, Sweden, Germany and the UAE have had to make un-informed decisions at some point in their career, with a third (33%) doing so on a weekly basis, and perhaps more worryingly, 14% doing so on a daily basis.

However, what many businesses may not realise is that un-informed decisions can have serious business implications. For example, choosing to present a proposal without having reviewed the profitability of past orders could squeeze profit margins. Similarly, introducing engineering changes without assessing the impact on current works in progress or raw materials can affect orders and increase lead times. Poor decisions over production priorities can lead to wasted man-hours, late deliveries, inflated work-in-progress, increases in working capital and worse, poor customer satisfaction levels – all factors that could prove detrimental to the future performance and profitability of the company. In fact, when asked to predict the likely impact of their most important decision, respondents to the PwC survey gave estimates ranging from under US$1m to over US$10bn - a clear indication of the true impact an un-informed decision can have on the business.

It's not just the company that is at risk from blind decisions, but employees' health and wellbeing too. Our research indicated that 40% of European office workers suggest that making decisions without sufficient information leads to higher than necessary stress levels. Further consequences cited by respondents include; damage to an employee's personal reputation (36%), poor personal

---

[1] Link here to our news release

performance (29%), and 1 in 6 even fear that they may lose their job due to making the wrong decision (17%).

So with the consequences clear and time of the essence, how can businesses ensure that their staff are making the right decisions, when and where they're needed?

Removing complexity

A simple answer to the solution could lie in technology; more specifically – in the next generation of enterprise resource planning (ERP) solutions. Today's ERP systems enable the integration of data across the entire product lifecycle – from design, through engineering, manufacturing, delivery, and service — a digital model that allows immediate and actionable information to reach the necessary departments and functions with greater speed, accuracy, and efficiency than ever before. By encompassing all areas of the business, everyone from C-Level executives, to those on the manufacturing floor, can have access to the information they need, filtered and in real-time, ensuring that decisions are being made based on relevant, accurate and reliable data.

The benefits are plain to see. Looking in detail at research recently conducted amongst IT professionals across South Africa in 2015 and comparing these to a similar survey from 2014, it is possible to see the direct role an ERP system can play in bolstering customer service and satisfaction.

In the 2015 survey, the majority (56%) of organisations surveyed confirmed that their ERP system plays a role in achieving business goals and enhancing customer service and satisfaction. One fifth of respondents rated their ERP solution as vital for customer satisfaction, rating it with a figure of 75-100%.

The South African results also indicated that it is a challenge for organizations to get strong visibility of their current data and for them to make transactional or financial decisions in real time. This suggests that many business users are still struggling to get the right data at the right time from their current ERP systems.

There is often a disconnect between the data that business managers need and the data that they have access to, or are being presented with. Business managers may therefore be unable to make informed decisions and improve business performance in line with their goals. As data volumes continue to grow, we can expect this problem to increase.

Eliminating islands of data

Data is now accumulated from a wider variety of sources than ever before, so it's becoming increasingly difficult to manage a huge and tremendously growing wealth of information, whether that be financial transactions data, inventory data, production information, vendor data, employee

database or even emails. While deploying a data driven approach may seem to be the logical answer, for many businesses it's not that easy.

With such a vast amount of data to interpret and analyse, it can be hard to determine which data points are relevant and aid decision-making. To eliminate complexity, individuals need to access and contextualise data in a format that suits their own preferences and requirements. This could be via role-based dashboards, graphics or alerts, or even screen views that arrange the most critical information first. All data still needs to be stored in a central integrated repository, with users able to access it at a location and from whatever device suits them. By enabling users to consume information in a way that they are familiar with in their personal lives, such as via social and mobile technologies, it instantly becomes easier to digest and understand.

It's also important that businesses opt for an ERP system that can use analytics and process automation to speed up decision-making. By automating decisions where possible, businesses can eliminate human error and improve the speed of decision-making simultaneously.

Fostering a culture of high-performance
In high-pressured environments such as manufacturing and distribution, there's no margin for uncertainty. Businesses are under increasing pressure not just to make the right decision, but to do it quickly. Those that fail will be those that either made the wrong decisions, late decisions or no decisions – and they will be the ones that aren't providing their employees with real time, relevant information in the context they need using a technology they are comfortable with.

With the business landscape developing at such a rapid pace, it is essential that all businesses, irrespective of size, equip themselves with effective business management tools to facilitate effective decision-making at all levels. Most businesses understand the importance of an innovative, flexible and skilled workforce that's both supported and enabled by technology. By putting in place a modern and intuitive ERP system that integrates all areas of the business and utilises social, mobile, and analytic capabilities to provide contextual information, organisations can not only help employees feel more confident about making faster and better decisions, but also foster a culture of innovation and high-performance. Ultimately, this is what leads to business growth.

New Era Solutions, an Epicor value added reseller in South Africa for over 10 years, specializes in integrated and customizable IT solutions in partnership with global specialists in ERP, warehouse management systems (WMS), customer relationship management (CRM) and mobility, offering a single-source solution where customers benefit from one seamless working relationship that has all the right connections. www.newerasol.co.za