

What size ERP for me?

Business growing pains

As manufacturing businesses grow, they discover that what might have worked when they were in a small shop is suffering from growing pains. No longer are sales orders simple one liners. No longer does a single whiteboard list all the jobs to be done for the day. No longer is a rolodex sufficient to keep track of all the vendors.

Some manufactures cope by buying inexpensive small business applications such as QuickBooks for accounting and ACT for customer relationship management. These solutions work for a while, but with more growth keeping things consistent between them becomes quite a chore. A customer can call and tell a salesman that they are moving and their address and phone number has changed. Unless the salesman remembers to tell accounting no corresponding change is made in QuickBooks. The next invoice goes out to the old address. Even if some procedure flags that a change has been made, multiple entry of the same data is inefficient and introduces the possibility of inconsistent data.

If the growth is very rapid, these small changes can gum up the works, and things get out of control. Accounts receivables grow, returns increase, fulfillment cycles lengthen, and customer dissatisfaction grows. Paradoxically many small businesses fail because they did not properly manage becoming successful.

Very large companies faced with exactly these same problems purchase Enterprise Resource Planning (ERP) packages that contain module after module to cover all the bases -- accounting, inventory, sales order entry, work order generation, purchasing, and on and on. The vendors of these packages stuff them full with every function they can think of to be sure that the requirements of whatever business shows interest in their product can be handled. And the pitch is that all these modules are integrated. No longer does the buyer have to worry about updating an address in more than one place.

This global generality comes with a price, however. To recover the development cost of all of the modules, ERP packages in general are expensive. If the initial purchase price is not a jaw dropper then the annual maintenance fees year after year can add up to be one.

The small or medium business owner is left with a dilemma. The inexpensive packages do not have sufficient muscle. The large packages can be very expensive. With these as the only choices, many

small and medium businesses bite the bullet and buy the big system, knowing full well that they are paying for functions that clutter up the screen and probably never will be needed.

Even with the purchase decision made, there can still be dissatisfaction. Every business is different, large or small. It is unusual for any shrink wrapped product to fill exactly a particular business's needs. Usually there are those little annoying glitches or missing functions that have to have work-arounds so that the business can function the way it did before the ERP package was installed.

Some aspirin that can help

There is hope, however. The explosion of computer technologies in recent years means that surprisingly inexpensively custom ERP solutions can be designed and built to do exactly what the business owner wants for his business.

- Process flows that assist the way the business is run rather than throw up roadblocks that were not there before
- Clean and simple to understand screens that appear the way that is desired
- No extraneous functions to get in the way
- No expensive annual maintenance contracts

These things are possible because of foundation software that makes the construction of a custom ERP system easy and fast to build. This foundation software, tested and proven in thousands of installations around the world, provides for the storage of all the relevant data, a web server to present it to user browsers, and glue software that forms the framework for coupling data in a web page with that in the data base. Figure 1 illustrates what part of a custom ERP system is off-the-shelf and what part is custom tailored to a particular business's need. The number varies depending on the details of what the custom ERP package does, but typically from 98 to 99.5% of all the code necessary for a solution is available from day one of the design and development process.

Of course getting a custom prescription for your business growing pains does take a bit more shopping effort. Rather than just buying some generic aspirin from your drug store, you have to work first work with a pharmacist to get the right formulation.

Alodar Systems can be that pharmacist for you. Drawing on our experience of thirty years in working with the government to design and build custom one-of-a-kind software systems, we do the following:

- Using a combination of automated software and interviews with your key personnel we capture and document your business processes. Figure 2 show an example of one of the process flows we generate.

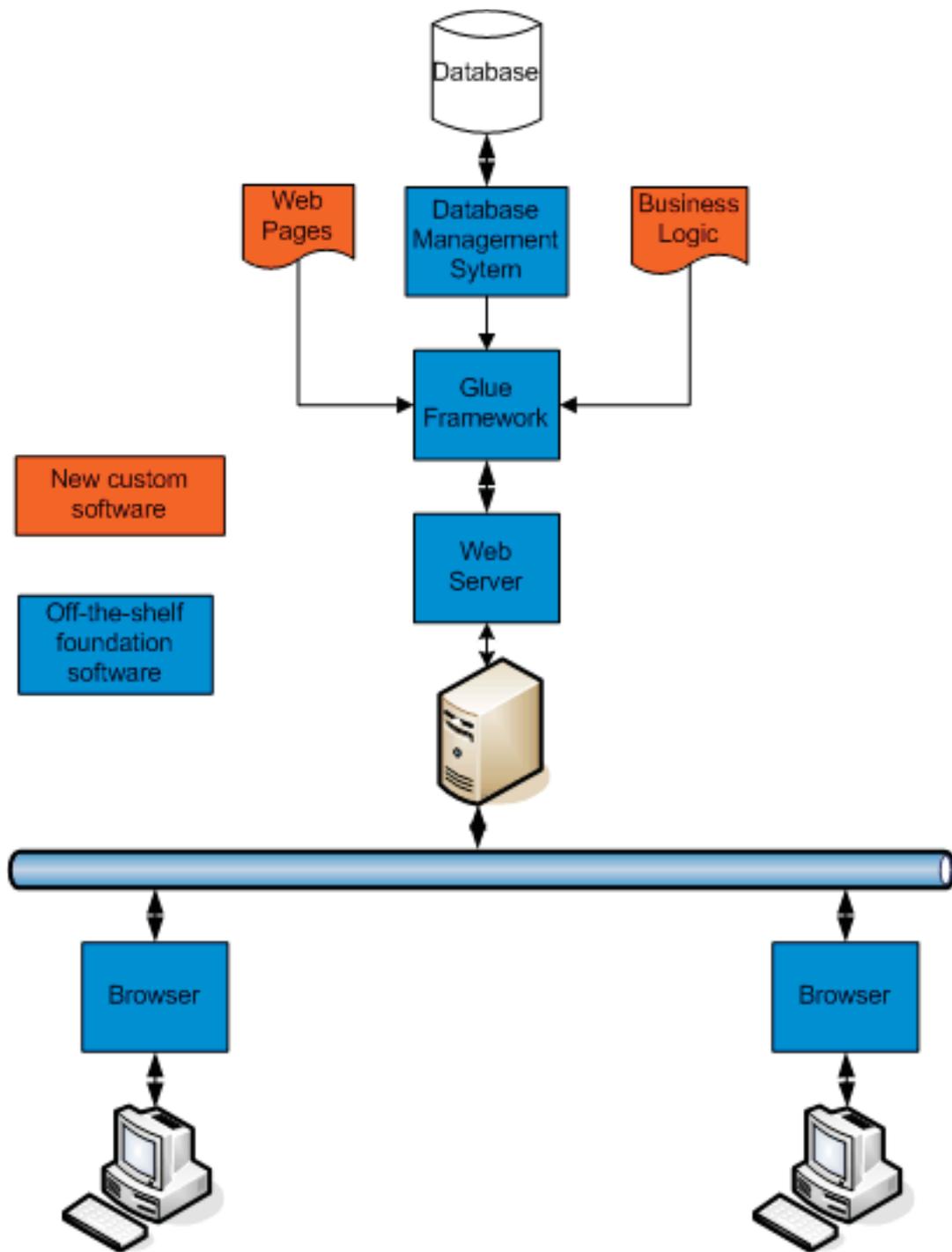


Figure 1 Custom ERP Architecture

- Based on the process flows and we design a website that will run on a server at your site and the web page screens that will be presented to your users. These mockups and an accompanying narrative show to you exactly what the final solution will look like and how it will behave. Figures 3 show what some example screens.
- We then take your review and comments and iterate the design making the changes that you desire, continuing until you are satisfied with what you will be getting.
- Finally we build your ERP solution, one that fits you now but allows for growth in the future. We help you migrate your existing data to it. You get the ERP that is the right size for you, and your growing pains fade away.

If your company is suffering from growing pains and you want to take care of them before they start to inhibit your growth, then please get in touch with us. Our initial consultation is absolutely free. We can provide the customized aspirin that make them vanish

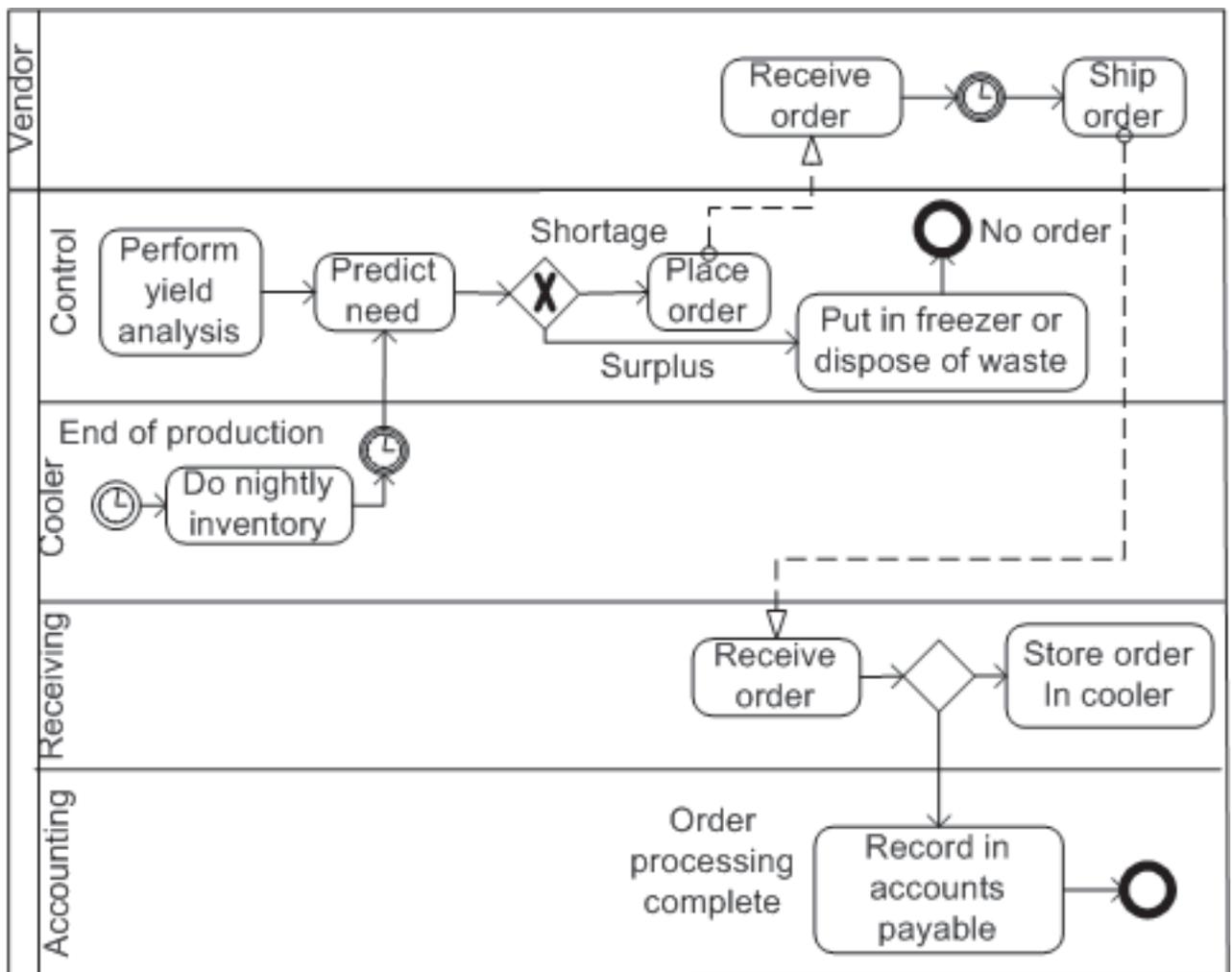


Figure 2 Example process flow

Product Configuration

Segments

Segment Name	Description	Code Length	Commands
Color	Cover color		Edit Delete
Cover	Fabric for finished good		Edit Delete
Finish	Frame finish		Edit Delete Add

Configurations

Configuration Name	Commands
Bar Stool	Edit Delete
Casino Chair	Edit Delete
Casino Back	Edit Delete Add

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Pricing

Price Lists

Price List Name	Commands
List	Edit Delete
Discount	Edit Delete
Promotional	Edit Delete Add

Customer Catalogs

Customer Catalog Name	Commands
Big Customer	Edit Delete
Little Customer	Edit Delete Add

Price Categories

Price Category Name	Commands
Bar Stools	Edit Delete
Casino Backs	Edit Delete
Casino Seats	Edit Delete Add

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Figure 3 Example Product Configuration and Pricing Screens