Why do so many ERP systems fail to deliver?

In many cases ERP implementations miss the mark and instead of delivering promised cost reductions, business agility and performance improvements they create complexity and duplication of effort. In the worst cases they result in poor quality and customer service and a dangerous lack of visibility into the business.

Meanwhile, legacy ERP systems don’t keep pace with change. Organisations face continually changing business processes, data and requirements that make it nearly impossible for a typical, inflexible ERP system to keep pace with what the business really needs.

Will your ERP prohibit you from being deemed the best?

The Warning Signs

The top nine warning signs that will tell you if your ERP is killing your business are:

1. Your current ERP system can’t integrate mission-critical business data.
   Your data is “locked up” within your out-dated ERP system and is difficult to access. You can’t easily analyse it for decision making. Worse yet your core business information resides in “silos” of information that exist independently of each other.
   A silo environment increases complexity and ensures duplication of efforts with different versions of the truth, which compromises the quality, reliability and accessibility of vital information.

2. Changes to your ERP system are costly and time-consuming.
   Your software vendor provides releases every couple of years and rarely provides the new features you need on a timely basis. Any changes seem to cost you six figures and take many months to complete.
   You can’t find skilled resources to help with the updates at an affordable rate, so you are stuck using an out-dated system and have to accept the costs.
   Industry analysts see this as a bad sign because lagging significantly behind on an ERP implementation will leave functionality and technology improvements largely unused. Not taking advantage of new releases can mean losing a competitive advantage and wasting the money paid in maintenance fees.

3. Cumbersome PCs or “Fat Clients” are needed to run the system.
   Sure PCs are getting cheaper but running less memory and disk is always less expensive.
   Installing and maintaining fat clients (a networked computer with most resources installed locally, rather than distributed over a network) runs the risk of IT management issues, security risks and high maintenance and licensing costs.
   If your ERP isn’t web enabled you are behind the game.

4. Maintenance fees are high.
   With rising ERP maintenance fees, you’re not in control of IT expenditures. Some of the biggest ERP vendors consistently raise maintenance fees, which increases your total cost of ownership over time.
   Technical differences among a range of applications also require the hiring of experts to implement and maintain the various applications.

5. You can’t access the data easily if you are traveling.
   Business doesn’t stop when you are traveling. Smart phones help you stay in touch and ensure your workforce has access to all the information they need to keep doing business.
6. **Upgrades are disruptive to the business.**
Upgrades take time to plan and to execute. You’re in trouble if the business has to be ‘down’ for a period of time to do the conversion.

7. **Business partners can’t easily interact with the system.**
In today’s fast moving organisations, the value stream is increasingly interconnected.
Do the businesses you engage with need to load special software to connect to you to do business?
Can they quickly and easily get the information they need?

8. **New employees need time to learn the system.**
Many older ERP systems are difficult to learn and workers become frustrated with poor functionality.
If you have staff turnover, you are losing money while the new people learn the short cuts to get up and running.

9. **Globalisation is too difficult.**
Many legacy systems require you to run a different version to support China, Eastern Europe or other countries. Changes to the translation are difficult if possible at all. Rollups of localized, unique financial data are done via spreadsheets which is cumbersome.
This is not acceptable in today’s global marketplace.

(Panorama Consulting Solutions, White Paper, Ten Warning Signs that your ERP System is Killing your Business)

**The Next Step**
Chances are, some or all of the issues described above ring true for your business. So what’s your next step? Fortunately, a new breed of ERP delivered in your environment or as Software as a Service resolves these challenges so growing businesses can thrive by doing what they do best rather than writing and maintaining software.

Agresso Business World offers robust ERP functionality for business living in change. Web-hosted Agresso Online is always up to date, and available to customers via a monthly subscription fee. That means no hassle, business disruption or costs with version upgrades.
The bottom line is that instead of ERP slowly killing your operation, organisations can thrive with a superior breed of ERP designed to grow with their business. Agresso creates a single, unified management system.
It controls and streamlines operations. Agresso helps the business world increase productivity, improve quality, reduce cost and increase revenue.

In a time when businesses are beset by economic constraints, rising prices, and global competition, the Agresso system is a critical tool for growth and profitability.