

# Anglia Business Solutions

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## WARNING SIGNS: SYSTEMS COULD DAMAGE BUSINESS

In the current world of financial austerity, the tendency is to make do and mend. However, this may not always be the wisest of policies in the longer term. When it comes to IT investment, using modern technology correctly is now recognised as a superb aid to efficiency. It is therefore worth exploring the impact of continuing to operate with systems that may no longer meet the requirements of the business.

The fresh produce sector has always posed particularly difficult challenges for the IT industry. This is due to the high volume of low-cost items processed at high velocity through the supply chain. Furthermore, the quality and delivery demands of the major retailers, increased traceability regulations and ever changing commercial conditions make it difficult to keep core systems aligned with the needs of the business. This inevitably leads to the creation of disparate sub systems on spreadsheets to try to track what's going on. This results in the classic "islands of data" scenario where various versions of the truth exist.

A classic warning sign is that your critical business data is locked up within your business management system and is difficult to access. This means that you are reliant on information from external non-integrated systems to provide critical business information. While ensuring a significant duplication of effort, this situation is also subject to transcription errors that compromise the quality and reliability of vital information. Put it another way, you could be working with the wrong net margin assumptions. In the low-margin fresh produce business, this cannot be a comfortable commercial environment for the management team.

Further warning signs are that the core system cannot easily be changed to reflect new client demands. As an example, rebate scheme changes introduced at short notice by a retailer may take weeks to accommodate. In the meantime, the invoicing is backed up with the subsequent knock-on effect on cash flow. The banks may help out with the liquidity blip, but it is hardly ideal. Something else to take into consideration is the ease of integration with your customers' and growers' systems. Supermarkets are notorious for making system changes at short notice. If your legacy system struggles within this environment, it could lead to customer satisfaction issues.

Other signs include the inability to gain access to core business information by your mobile workforce. In a fast-moving business where most of the workforce is mobile, this can be an extremely limiting commercial disadvantage. Another factor worth taking into consideration is the ability of your core system to cope with multicurrency operations.

In the past, business management systems have been seen as a cost to the company. Increasingly, they will become a key differentiator in the battle for market share. As such, making do with an outdated system may not be the wisest strategy. ■