

ERP INDISPENSABLE

The importance of enterprise resource planning (ERP) systems to today's business leaders is hard to overstate, says Anglia Business Solutions

NOT ONLY do ERP applications automate and streamline core businesses – from distribution and logistics to finance and HR – they are a vital source of understanding of operational performance. However, the technology behind some legacy applications lacks the agility to provide users with real-time access to the information required to efficiently carry out their daily duties.

In the past, it was acceptable to have a fair degree of latency built into information systems. Directors were content to wait until month-end, or even the end of a quarter, to assess financial progress. However, in a fast-moving, low-margin business such as fresh produce, failure to provide dynamic access to events as they happen can seriously damage the prospects of an organisation.

The pace of change has never been greater. Product life cycles are fleeting and competitive advantage short-lived. In the supply chain scenario across all industries, inventory turnover needs to be fluid and the chain frictionless. To facilitate this, what senior managers want – and need – is something that gives them a true understanding of what is happening within their business operations as it happens.

This is increasingly true in fresh produce, where what happened yesterday is irrelevant. What matters is what is happening with customers and products now and in the future. Here, access to real-time information can be the difference between making and losing money on a consignment, meeting customer expectations or disappointing them. Like it or not, we are now in the information age, where outdated information is about as useful as the proverbial chocolate fireguard. Explaining to the latest graduate bright spark from the supermarkets that your system has let you down and you screwed up must be about as much fun as a kidney infection.

Companies in the financial services market have long realised the value of having access to dynamic information, and invested billions of pounds in IT systems to provide them with instant access to relevant data. In the retail trade, one only has to look at Tesco's substantial investments in means to gain access to accurate up-to-date information. Each week, 12 million purchases generate five billion data items. Apart from using this vast data store to

keep shelves stacked, Tesco also makes it attractive for Clubcard users to provide personal information on their buying patterns. This is used to detect lapsed customers and to target them with relevant special offers. Little wonder that Tesco's 30 per cent market share is double that of its nearest rival.

The lessons on the commercial value of accurate dynamic data are not lost on business leaders. Increasingly, companies are bringing their business management applications into focus as the need for responsiveness, efficiency and agility increases. However, the main complaint against older technology business management solutions is the inability to quickly and easily produce timely and relevant information. "We spend an inordinate amount of time pumping information into the system, but can rarely get it out on time in the format we want," has been the refrain of many a chief executive.

Operating in today's commercial environment without the benefit of an up-to-date source of information can seriously restrict the growth potential of a business. The replacement opportunity for older legacy ERP systems has not been lost on global IT suppliers. The top three in the world – SAP, Oracle and Microsoft – are pouring billions into investing in both the development of improved applications for this sector and acquiring other players with market share and complimentary products. These moves are likely to hasten the consolidation of the IT market.

Solutions are designed to resolve many of the issues of the older legacy applications. The major challenges will be bridging the gap between structured and unstructured data. The structured data resides in the back-end ERP system, the unstructured is in spreadsheets, word processors and myriad other systems.

This is no easy task and will require significant investment to achieve. Industry pundits tip Microsoft as the winner in the mid-range space as it already controls 92 per cent of global desktops with the Office suite.

Microsoft is in the box seat when it comes to the integration of applications across the total stack. Once this level of integration is achieved, cost-effective dynamic access to events as they unfold becomes a reality. ○