

# IMPROVING OPERATIONAL EFFICIENCY

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**T**here are many considerations when looking at business information management systems, or Enterprise Resource Planning (ERP) software. The most important consideration is how it fits the needs and processes of your organisation. For that reason, many companies looking for new systems tend to explore industry specific solutions, where the out-of-the-box functionality has been designed to fit the specific processes of a packaging organisation, such as a folding carton producer.

On average, companies keep new enterprise systems for 7-10 years, yet many companies spend only days and sometimes only hours evaluating and looking at how an ERP system will fit the processes of its organisation. Despite how great a new software system can look, it's crucial to do a thorough analysis of the underlying processes in the system, based around sample jobs representing all major areas of operations. This will help organisations quickly recognise any modifications that would be required to make the software work. And as a rule, the more modifications needed, the less likely the implementation will succeed.

Other important considerations are around the area of vendor selection. It is important to find a vendor that will be a strategic partner. It will be especially helpful if that vendor has your industry as its focus, so that the software will continue to be developed for packaging and new releases will offer additional functionality that will keep your organisation running on current technology — without the need to develop it internally.

**“In today’s economic climate, most companies are looking for ways to improve their operational efficiency while managing their internal costs — recognising the need for updating their software systems. Not only can new enterprise software help organisations improve efficiencies, but implementing this technology can help provide a competitive advantage.”**



## **SUCCESSFUL IMPLEMENTATION**

Another reason industry focus is important, is to increase the chances for a successful implementation. Vendors whose consultants have deep domain expertise in packaging will greatly increase the chance of a successful implementation outcome, as they will understand the processes and best practices for your industry and how the software package addresses those areas.

Many organisations look only at industry specific vendors, others look at a mix of generic providers and niche providers. The vetting process usually involves short listing and should involve many in-depth demonstrations of how each software package's functionality will address the specific needs of an organisation. Usually vendors will offer a detailed needs analysis to help companies identify how their processes will match up with the software package, and what kind of return on investment can be achieved with the new system.

Once a vendor finalist is selected, it is important to check references closely. Most companies will look for reference clients with a similar profile to their own, for example, a multi-plant folding carton organisation, operating in several geographies, will generally want to speak to similar organisations running the prospective software package.

Implementing a new ERP system is a large undertaking, and requires focus, hard work and commitment. Every good software vendor will have a proven, structured implementation process that should be followed closely during an implementation. It is a good idea when evaluating vendors to ask for a copy of the implementation methodology used. A successful approach will always have five key elements: Project Initiation, System Configuration, Skills Transfer, System Implementation and Project

