Acumatica
The Cloud ERP

When is it time to replace your ERP system?

Your ERP system is at the heart of your business and nobody looks forward to a heart transplant. Yet, if the system is not supporting the needs of the business, limits your flexibility or inhibits customer service, a replacement is called for.

ERP system replacement is a major business decision, and a major commitment of time and resources, so there has to be good reason to even consider it. So, how do you know when it's the right time to change to a new ERP system?

Your current system may be past its expiration date if:

- It does not support the needs of the business (lacks functionality, is hard to use, response time is too slow)
- It inhibits your efforts to adapt to changing customer requirements or market demands
- Operating costs are too high
- There's no path to where you want to take your business – collaboration, new technologies (Internet of Things), analytics, etc.
- You should consider changing to a new ERP system if any of the following is true:
- You rely on spreadsheets to get things done
- You are unable to meet or exceed competitors' customer service benchmarks because of system limitations or inflexibility
- Competitors routinely outperform on cost/price, quality, lead time, and/or service – they simply manage their business better
- Your system is unable to support the growth and change required by your business – you need better visibility and control
- Executives get little useful insight from the system (lack of dashboards, self-service BI – or they are difficult to use)
- You have difficulty complying with requirements from regulators, creditors or board members

Today's ERP can be impressively comprehensive while designed to be flexible, scalable and adaptable as business needs change. The best of them include integrated Business Intelligence along with a full suite of applications designed for your specific industry. Today's ERP is also familiar and easy to use. It is accessible anytime, anywhere, through any device with a browser.

A properly selected and implemented ERP system helps:

- Increase sales and improve customer service
- Improve cash management and reduce outstanding receivables
- Reduce purchasing and production costs; increase efficiency
- Improve inventory turnover
- Better utilize people, equipment and materials

If your existing system doesn't deliver the information you need to effectively run your business, start by gathering a team of your best people to identify what you need and research information about solutions and providers.

After you have identified problems you want to solve and benefits you plan to receive, you must determine the correct time to make the switch. Unfortunately, too many projects fail or fall short of their goals because the organization was not ready for the work required to implement a new system. To ensure success, be sure to:

Get agreement across all affected areas of the company on the project goals and benefits

Establish an accurate budget (see "*The hidden costs of ERP*")

Complete a cost justification analysis (return on investment or ROI study; see "*ERP project justification*")

Identify the executive sponsor and assemble the project team (see "*Building an ERP project team for success*")

Once you've identified a "short list" of potential ERP system suppliers or implementation partners, they may be able to help you with some of the above including costs and benefits, and implementation requirements. A knowledgeable professional can tell you about companies similar to yours and what their experience has been.