



Selecting an ERP System

9 Key Considerations for a Successful Search

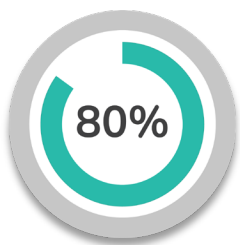
Selecting a New ERP? Let's Get Started.

Selecting a new Enterprise Resource Planning (ERP) solution can be a difficult decision. It is the core of your business operations, touching every aspect of the organization in some way, and it is a significant investment of both time and money.

There are several key factors to consider when going through the process and following an organized decision-making methodology can help you move forward with confidence. With these key considerations in your mind, you'll be on a solid path to making a smart decision for your organization.

Modern ERP is a Platform Approach

Today's modern ERP applications have a different technological approach than decades past. Systems aren't built as stand-alone applications, but instead are designed to be more integrative, accessible, mobile, and robust than ever before. They have the ability to manage and automate sales, accounting, financials, supply chain, and operations, as well as customers and employees.



80% of all enterprise IT will be on the cloud by 2025, according to Forbes.*

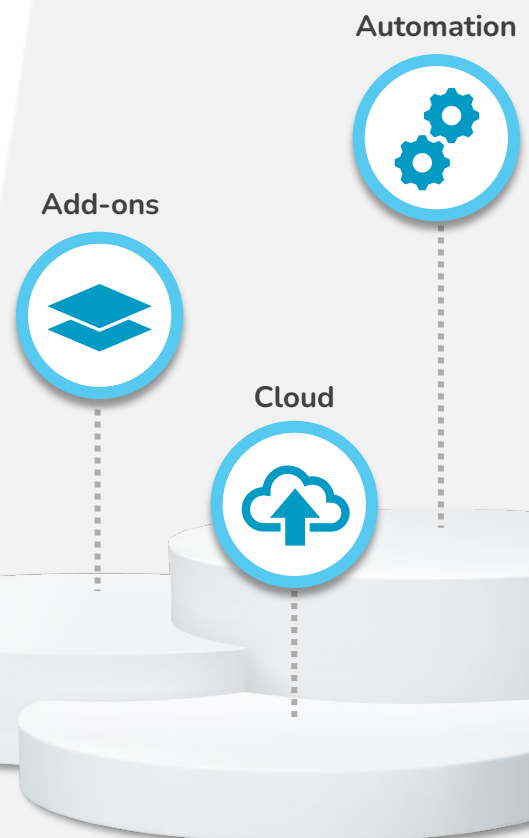
Advancements in cloud technology as well as other supporting technologies have empowered software manufacturers to develop systems that have fundamentally changed the role of ERP. These evolutions have changed the way you evaluate ERP systems, too.

Today's ERP solutions are no longer considered stand-alone software applications. The best ones tie into other key areas of your business and systems, like productivity tools (email, etc.), collaboration tools, reporting and analytics, and industry or function-specific add-on applications, allowing them to serve as comprehensive operational platforms.

So how should you move forward to make the best choice for your organization? Let's investigate the key considerations for a successful ERP selection process.



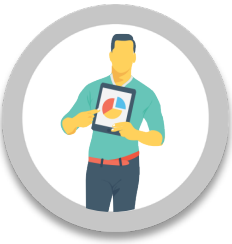
What is your ERP criteria?



Consideration 1: Longevity and Scalability

An ERP solution requires a big investment of time, resources, and money. It's the core of your finance and operations, so ideally, you want a solution that can serve your business long term.

With that in mind, look for a system that can grow and change with you. You don't expect your company to stay the same for the next 5 to 10 years, so, neither should your ERP software. It must meet your requirements now and have the flexibility to meet your future needs—including making it easy to add more functionality (going international, for example) and users as you grow (some systems limit the number of simultaneous users).



The average lifespan of an ERP is about 7-10 years before your business outgrows its capabilities.*

This applies not just to the software, but also the manufacturer of the software. You want a company with a proven track record that you can depend on for stability, investment in the software, and support for years to come. You may want to look at the company's history and status in the market. Reviewing reports like **Gartner's Magic Quadrant for ERP** can help you understand who the leading vendors are, and which ones might be the best fit for your business.

Likewise, the solution needs to be scalable. This applies to processing power. As your needs change and as your company grows, there will come a time that you require additional power in the form of memory, disk space, data usage, or transaction volume. With an on-premise deployment, you must anticipate these needs and purchase hardware systems that has the capacity to handle them.

The benefit of cloud and specifically SaaS deployment is that you can pick a partner that provides everything you need with the ability to scale quickly and easily. You also only pay for what you need, which means you can scale up or down, depending on changes in your business.

Not only can you potentially gain cost savings, but you gain agility and the ability to focus on strategic areas of your business instead of managing additional solutions, hardware, back-ups, and the infrastructure to maintain security.

SCALABILITY



On-premise

Plan for additional processing power



SaaS

Eliminate excess IT overhead and increase security and accessibility



Consideration #2: Ease of Customization and Integration

No ERP solution has every feature, function, or workflow capability to your company's exact specifications, so there's a good chance you'll require some degree of customization. Although most ERP solutions can be customized to some extent, the question is, how difficult is it and at what cost?

Look for a modern ERP solution that will let you easily customize the business logic at any level and ask the sales consultant for the software to show you what can be done by providing a use case. Don't be afraid to ask to see under the hood so you know what goes into a customization.

Remember, there are plenty of resources to help with customizations. If you don't want to deal with them internally, your implementation partner should have a solid team with the expertise required to tailor your solution to your specifications, while staying in line with best practices.



At least 50% of ERP implementations fail due to underestimating the resources required.*

Another closely related area to development is integrations. It's very likely that you have other systems that are critical to your business. It's imperative that the ERP solution you're considering can easily integrate with those systems. You can have excellent systems, but if they don't talk to one another, you'll find yourself with disparate data, inconsistent reporting, and frustration across the board.



ASK YOURSELF



Can I see how the integration works?



How accessible are the resources I need?



How easy is it to manage and grow the database?



Can the business logic be customized?

Consideration #3: Industry-Specific Capabilities

Most ERP solutions offer similar core accounting and financial features and functions, as well as inventory management, sales, and some level of HR or employee management. Some ERP solutions are known for being designed for a specific industry. You'll need to determine if an industry-specific solution is required or if you'll have more flexibility and scalability with a best-of-breed solution.

ERP designed for your industry can be very enticing if it comes with all the functionality you need, along with workflows and business processes that fit your business. When considering an industry-specific solution, you want to balance the software manufacturer's size, financial backing, ability to grow and scale, and responsiveness to market conditions. If you select a player that is too small or unable to grow, you may find that you become frustrated by a slow or delayed product roadmap.

The benefit of an industry-specific solution is it should fit like a glove.

It should come with functionality and business processes that make everyone's work easier and more efficient, and it should help you deploy best practices methodologies. Look for the same strong core structure as a best-of-breed solution with the ability to customize and integrate with other platforms.



Industry-specific software should make the job easier and more cost efficient.

If you're not finding that in an industry-specific solution, investigate how a horizontal, best-of-breed ERP can be customized for your industry. You can possibly save money on those costs by selecting an ERP that provides the core functionality required by your industry in their base product. You have another option, which is discussed in the next Consideration: Add-on Products.

Whether you select an industry-specific or best-of-breed solution, be sure to consider how the technology will integrate and function with your entire technology stack. Will your users have a seamless experience, or will you have silos of data and disconnected communications?

ASK YOURSELF



Will it support my business as we scale and grow?



Will it support my market needs?



Does the product roadmap support my business?



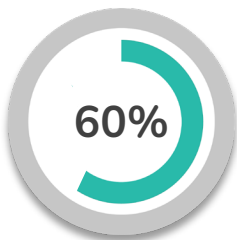
Consideration #4: Add-on Products

In addition to base features, most ERP software products are supported by a network of Independent Software Vendors (ISVs), which develop applications that extend the capabilities of the base software for specific needs, like EDI, credit card processing, shipping and warehousing, etc.

This is another way to build an ideal solution. If the ERP manufacturer has a solid network of ISVs and a large library of add-on applications, it's likely you will be able to get the functionality you need that is integrated and functions as one system.

Consideration #5: Data Handling

All ERP systems require a database for storing, accessing, and modifying the data they use. You might be surprised to hear that not all ERP vendors give you direct access to your data. That is why it's important to understand how and where your data will be stored and how easily you will be able to access it, back it up, or transfer it.



60% of enterprises have poor visibility of their data, as well as poor integration in their ERP.*

In fact, ask the company demonstrating the software to show you how you would create a backup of your data in their system and insist on knowing exactly where your customer data is stored. There are privacy standards that must be met to ensure privacy. If you decide on a cloud deployment, **make sure your hosting provider provides SOC 1 and SOC 2 reports** that show how they manage data privacy and security.



ASK THEM



Will I receive direct access to my data?



Will I be shown how to backup my data?



Will my data be safely secured?



Will my vendor give me my data if I change ERP systems?

*<https://www.billtrust.com/resources/blog/5-famous-erp-myths-shattered/>

Consideration: #6 Reporting

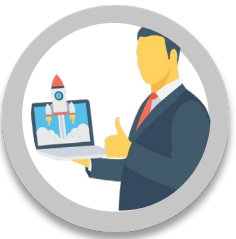
Today's ERP systems should give you the ability to access your data and run any report you can imagine. Because they strive to break down the siloes that keep data isolated, they should be able to provide you with complete visibility into and across the entire company.

All ERP systems provide standard financial reports out of the box, and most allow you to customize existing reports and create new ones. But don't assume. Modifying reports in some ERP systems is more difficult than you would think, so be sure to ask your sales rep to show you what it takes to create or modify a report in their system.

Consideration #7: Upgrades, Application Management, and Ongoing Support

If you are on a subscription plan, it includes upgrades, and your partner might offer a separate support plan, which will provide support for performing upgrades, application management, and restoring service as needed.

The details can vary widely, so be sure to **evaluate your business needs** and carefully check to make sure the support plan being offered fits those needs.



Your cloud partner should be able to successfully push feature improvements, security updates, and bug fixes.*

Pay particular attention to how upgrades and application management are handled! Upgrades and application management are a part of life for anyone who owns software, but today's ERP manufacturers strive to make the process as painless as possible. Be sure to talk this through carefully with the partner because it is a decision that can make your life much easier.

ASK THEM



What reports comes out of the box?



How do I customize my reports?



Can I see everything I need in my reports?

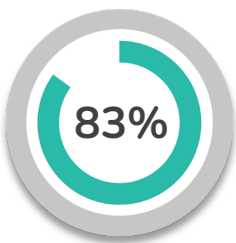


Consideration #8: Pricing & Pricing Models

ERP software can be either purchased or leased. It's important to understand how each pricing model works so you can make an informed decision and budget appropriately.

When you purchase ERP software licensing on-premises, you own it, but you will typically **pay a percentage of the purchase price**, usually between 15-20%, for maintenance and support, which includes new features, security patches, and bug fixes. Most ERP vendors charge by the number of users who will need to log into the software—either concurrent users or named users, and the per-user cost is different depending on the level of access required.

For cloud-based ERP solution, you lease the software, usually charged by user and some additional fees. The vendors charge a **monthly subscription fee** that might be billed monthly or annually and includes maintenance and software releases. If you stop paying the fees or don't renew your contract, you lose access to the software.

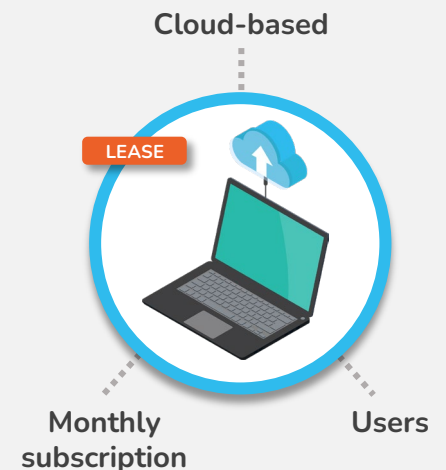
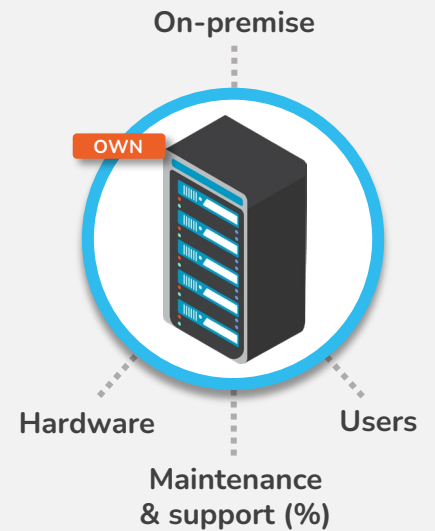


83% of enterprise workloads are in the cloud, and rising as remote workplaces and dispersed workforces grow.

Make sure you consider all the costs associated with either model, including:

- Any hardware and software requirements
- Addition licenses/fees for databases, web servers, etc.
- Number and types of user licenses you require
- Implementation costs
- Support plan costs
- Training costs
- Add-on (third-party) software and customization costs
- Annual maintenance fees

DEPLOYMENT COSTS



Consideration #9: Your Implementation Partner

With your short list in place, the next critical step is to find a partner for your implementation. Many companies don't do the same due diligence when it comes to finding a partner as they did with software selection, and that is a mistake.

No matter how modern it is, ERP software is complex, and you need a partner who understands how to make it work for your company. The success of your ERP deployment is only as good as the partner who implements it. Your partner needs to:

- Understand your industry
- Recommend the right-fit software
- Understand your business challenges, needs, and goals
- Hold the right credentials and certifications
- Provide references from your industry
- Provide a clear SOW, project plan, and documentation
- Serve as a trusted advisor, not just an order taker
- Show that they are committed to your success

Ease of Implementation

To ensure your implementation goes as smoothly as possible, it is critical that your implementation team work closely with your ERP partner to plan the implementation process.

As you evaluate ERP systems, you are also evaluating the partner who will be performing the implementation. Spend some time making sure you understand the implementation process, including the tasks your team will be required to perform and the timeframe they expect the project will take to complete.

LOOKING FOR A MICROSOFT ERP PARTNER?

[Talk to ArcherPoint today](#) to learn how we've helped hundreds of companies like yours deploy Microsoft ERP solutions with success.

While it's clear that we believe in Microsoft Dynamics solutions, we also understand there is no one solution that's right for everyone. When we sit down with you, we'll listen before making any recommendations—and our recommendations will be objective, focused on putting you on the right path.

ASK YOURSELF



Do they understand my industry and needs?



Do they provide a clear plan of action?



Are they committed to my success?



How ArcherPoint Can Help

Founded in 2002, ArcherPoint by Cherry Bekaert is a global Microsoft Dynamics ERP Solutions Partner, delivering modern workplace solutions including Microsoft Dynamics 365 Business Central, Dynamics NAV, Azure, Microsoft 365, and Power Platform across the US, Canada, Mexico, and Europe. Now backed by Cherry Bekaert, a leading CPA and advisory firm, ArcherPoint expands its capabilities beyond ERP to include strategic tax, audit, and advisory expertise. Our certified professionals design, implement, and support solutions for industries such as manufacturing, distribution, retail, logistics, and more—helping clients realize business value through comprehensive ERP, cloud, and advisory services that evolve with their needs.

Our Service Offerings

ArcherPoint provides full-service, customer-centric implementation methodology for every engagement. Our highly skilled consultants and professionals deliver high-touch experiences, whether performing business or functional analyses, accounting for current or future needs, or alongside or outside new ERP implementations. Hear what our customers have to say. [Learn more about ArcherPoint](#) and how we partner with you.

