



Part I: When the Process Began: Finding Our Way to An Enterprise Resource Planning (ERP) Software

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It started with the realization our company outgrew the current accounting system. Are you there or close to being there? It is not a comforting feeling at first, the thought of change after years of training and getting the entire team use to a system. The years of reinforcing how wonderful the current system was and defending it, even when you knew some of its faults and limitations. Now I had to admit to the same team members that there was a better way, a more advanced system available which could eliminate our pain points and carry our company into the future. Was there any possible way I could save face?

This organization grew from the basic version to the ‘bells and whistles’ version of the accounting software package quickly due to the amount of inventory grow. A few years ago, it added a plug-in for Customer Relationship Management (CRM) software. The CRM software assisted the sales team in tracking new prospects and with the quoting process.

The company continued to face several inventory issues. For example, some sales reps would even enter the warehouse to count product before completing a sales transaction only to find out the items were already sold. There was low trust and confidence in the current system.

To meet sales forecasts and to improve operations, perhaps even a chance to improve morale, a new system would need to be researched and implemented. The most direct and simplistic way would be to research more plug-ins to our current accounting software. However, simple is not always the best solution.

Online research resulted in additional inventory and marketing plug-ins to add to the CRM plug-in to the accounting system. This approach seemed straightforward and price affordable at first glance. Each plug-in states their software communicates with the accounting system. Each plug-in seems reasonably priced, generally each has a large first year fee, but offers lower renewing fees, which then increase 3-5% annually, automatically.

The challenges start to mount: instead of one or two software platforms the company now has four. The plug-ins communicate with the accounting system, but you find out they do not necessarily communicate with one another. A developer or multiple developers will have to be hired to have the plug-ins communicate with one another. On new releases or upgrades you may have to re-engage the developers to re-write the communication codes. Who owns the communication codes the developers wrote for the company: the developer or the company?



When you are dealing with all of the plug-ins and the accounting system will you have the results you are expecting? If not, what other software will you need to purchase and incorporate into this matrix? The inventory plug-in stated the database will no longer reside in the accounting software, but in the inventory plug-in software. Are you comfortable with this? Can you see the matrix of challenges beginning to form?

As the research continued, it made sense to find out more about Enterprise Resource Planning (ERP) software as an alternative solution. An ERP software provides an accounting, inventory, operations, marketing, CRM, support, e-mail marketing, order management solutions and so much more in one software platform.

I mentioned my initial findings regarding the additional plug-ins to the ownership and management. They were not ready to move forward with the current accounting system with the additional plug-in model as they had concerns if this approach would support future growth. I anticipated this response, was prepared and advanced the presentation to the ERP portion. I mentioned I believed the organization should research ERP systems to support the anticipated future growth.

To learn more about ERPs, the challenges of the sales process and selection process, the lessons learned from the implementation and the “go live” process continue reading the next few articles.

The ERP has rekindled an entrepreneur spirit which I have been seeking since I sold my CPA firm in November 2013. This passion revolves around 20 years of small business experience combined with the a growing appreciate of the power of technology; and with an ERP the powerful data streams a company has access to which can provide it with an competitive advantage.