White Paper

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Software Corporation
Think Ahead. Stay Ahead.

11 Criteria For Selecting The Best ERP System Replacement

An ERP system is your information backbone and reaches into all areas of your business and value-chain. Replacing it can open unlimited business opportunities. The cornerstone of this effort is finding the right partner and specialist.

Your long-term business strategy will form the basis of the criteria for your selection of an ERP system replacement.

Your ERP provider must be part of your vision.

It is the duty of a software provider to help you get there by doing their part to make sure your next system will be your last ERP system replacement. Here are the 11 criteria that allow you to identify and select the solution that will meet these expectations.

System Replacement Starts With A Vision

It's no light matter to replace your Enterprise Resource Planning (ERP) system. By definition, the ERP system is your information backbone and reaches into all areas of your business and value-chain. Replacing it appears to be a difficult and painful process, but done right, it can open unlimited business opportunities. The cornerstone of this effort is finding the partner that can show you how to make this hard transition easy, and a specialist with the confidence to walk side-by-side with you until your goals are achieved.

Manufacturers decide to replace their ERP systems for a variety of reasons. At the most fundamental level, the question is whether your current system supports or constrains your ability to execute business strategies that will make your company successful and establish it as an industry leader.

After the decision to change is made, you must imagine what your company will look like in 10 years or more. What new developments in your industry will reshape your company? How will your company lead or respond to those changes? More importantly, how will you get there, what technologies will you have adopted and how will they have helped you succeed? This vision will form the basis of the criteria for your selection of an ERP system replacement.

Your ERP provider must be part of your vision. They must have faced these challenges many times in their history and learned how to help manufacturers adopt new technologies. The future of your business depends on whether they have successfully made the leap from one technology curve to the next and continue to innovate and deliver technologies, which help companies like yours lead that change.

At this stage in the evolution of enterprise software, it is the duty of software providers to help you get there by doing their part to make sure your next system *will* be your last ERP system replacement. Here are the 11 criteria that allow you to identify and select the solution that will meet these expectations:

1. A Future Proof Decision
2. Rock-Solid Solutions
3. Replacement Know-How
4. Elimination Of Implementation Guesswork
5. Tailor-Made Business Fit
6. Manufacturing & Distribution Mastery
7. Stacking The Technology Odds In Your Favor
8. A Testament To Scalability
9. Community Collaboration: Maximizing Customer Moments Of Truth
10. Integrity And Dedication
11. Delivering Return On Investment

Which of these points is most important and relevant to your selection of a new ERP system? Most likely, more than one applies. You need to get these answers before choosing a solution. The remainder of this document gives you the answers you need, a more detailed explanation of the 11 criteria to use when selecting the best solution, and their importance in making the ERP replacement decision.

1. A FUTURE PROOF DECISION

To understand what the next ten years will bring for manufacturing, and what impact it will have, look at the last ten years and double that rate of change. Technology will provide information to the knowledge worker at any time on any device. Information will be personalized and will anticipate the needs and activities of every organizational role. It will focus on providing data to make decisions on exceptions and automating routine daily processes. And it will have to adapt to new business and technology strategies that few of us can accurately predict today.

Evidence of dedication to providing strategic, enterprise-wide, mission-critical applications to support your manufacturing business models and size -- today and tomorrow – is important. To that end, look for a reputation for agility in accommodating new market needs. History is the best predictor of the future and vendors involved two decades ago in the early development of "computerized" manufacturing systems based on sound manufacturing principles will provide a more solid choice. That philosophy must also continue today, delivering new solutions such as Quick Response Manufacturing (QRM), Workflow and E-Business that streamline and automate business operations and processes.

An ERP system needs to grow with your company and business plans, according to industry executives. One of the greatest proofs of this assertion is from customers that have grown by acquisition. It is not possible to predict the dynamics of future company acquisitions. Even so, a future-proof system grows and accommodates multiple facilities and companies with different processes. For example at one medical supplies manufacturer, ERP plays a vital role in their acquisition strategy. Its complete integration facilitates enterprise-wide visibility and decision making, while its flexibility enables easy adjustments to suit unique business requirements, rules and practices of acquired companies.

A manufacturing software system's history of evolving to changing business and technology trends is not accidental. From the beginning, this agility would have to have been designed into the system. Clearly, this points to its ability to support your vision of manufacturing - known and unknown - both today and in the future.

2. ROCK-SOLID SOLUTIONS

Somewhere between concept and delivery, many good software ideas lose focus on the most important principle of providing value as perceived by the customer. Are technologies are evaluated and employed based on their relevance to the needs of manufacturers and distributors? Delivering relevant technology-driven solutions that provide demonstrated and sustained business advantages for customers, is a rock-solid approach.

Leaders in the ERP industry place a higher emphasis on providing critical functionality needed by their customers. Theirs is not a "vanilla" system that is a commodity that merely has the same functionality as every other system on the market. The best systems, as their customers will attest, include capabilities that are essential for manufacturers looking for new ways to be more competitive.

The origin of a system is an important distinction. For manufacturers, the right system is one that, from its beginning, has been based on a strong manufacturing and process engineering foundation. It all starts with good bill of material (BOM) management and practices as the central element tying together many of the systems functions. Inventory management, purchasing, material requirements planning, costing and sales are just a few examples of functions that are tightly controlled by the systems' BOM Management application. The engineering origins of the strongest ERP solution makes it a reliable and accurate replacement for less rigorously designed systems.

Another dimension of the rock-solid category is the extension of the system to a vast degree through self-authored content and adherence to a commitment to a high level of system-wide integration. This enables you to implement the latest techniques because the system can be more easily maintained and upgraded with additional functionality to accommodate new manufacturing techniques. Today, systems must support a wide spectrum of capabilities including supply chain management, supplier relationship management, customer relationship management, manufacturing, finance and accounting, and human resources.

Rock-solid solutions generate rock-solid results. Companies that use functionally superior ERP report measurable improvements that are orders of magnitude greater than they had expected:

- 90% reduction of order-to-ship time
- 86% reduction of order entry steps
- Increased inventory turns from 7-8 to 30
- 40%-50% reduction of lead times

- Reduction of time to "configure" orders from hours to minutes
- Lot size reductions from 50 to 10
- 99% next day shipping of service parts
- $120,000 reduction in finished goods inventory in four months
- 99% on-time off-the-shelf fulfillment and delivery rate
- Over $400,000 total inventory savings
- 50% reduction of labor and overhead
- 1/3 reduction in manufacturing lead times for complex engineer-to-order products
- 80% reduction in labor to create bills of materials

Bottom line, select a solution that is proven – it works and adds value – while supporting business growth, new operating methods, market expansion and strategies of the future. With that as your ERP replacement, you will have a solution that will help you achieve world-class success and industry leadership.

3. REPLACEMENT KNOW-HOW

This is one of the most important decisions you will make for your company and you will want to select a vendor that has been down this path more than a few times. To be sure, when ERP is practically all a vendor does, it is a better choice than one with divided, unfocused interests and business units vying for resources. In the last five years system replacements have reportedly been over 80% of ERP implementations. When a vendor's business is 80%-90% system replacements, they have learned what it takes to make a smooth and flawless transition. They will also have become experts at how to review and replace ineffective processes that an old system has forced you to use.

Your data is an asset. That's why it is important to find a provider with a strong emphasis on being able to automatically migrate the data you currently maintain about your suppliers, customers, production resources and employees. The goal is to help you through this process by minimizing the costs and disruption of conversion, while maximizing your knowledge of the new system. Utilities in the system should aid in moving data from "legacy" systems to the new database. The methodology should be easy to use, reduce the amount of knowledge of database and programming techniques needed, and provide auditing of the converted data to ensure its integrity before going live on the new system.

Replacement know-how means having experience replacing almost every tier one and tier two system for discrete manufacturing and light distribution, as well as homegrown systems. From systems for the largest fortune 500 companies, to systems for mid-sized and the small manufacturers, look for the vendor that has replaced them all, for businesses with both single and multiple packages. If your current system is no longer accommodating your business requirements or if you are

growing beyond the abilities of small business accounting packages, spreadsheets or database applications, they can help. There are very few transition situations, concerns and questions they haven't faced and solved. Each replacement came with its own set of issues, coordinating multiple databases, changing organizational models, implementing new part numbering schemes, converting manual process and data, and both large and small database conversions, to name a few. In the final analysis, you will need to hear testimonials from their users such as a construction equipment manufacturer who said, "in the weeks following implementation, our system was tested and didn't even blink."

4. ELIMINATION OF IMPLEMENTATION GUESSWORK

The success of your new system depends on two dimensions: the length of time it takes and the amount of business change and value delivered. Quick advantage occurs when the implementation is fast and results in high strategic value. This type of implementation is the greatest strength of the software vendor you are looking for. According to the dictionary, to install is to fix in position for use, but to implement is to carry into use. A proven implementation methodology removes uncertainty and addresses your expectations for a rapid, effective and worry-free system replacement process. That methodology starts at your very first meeting with our sales representative and carries on through measurement of your results and return on investment.

On the speed of implementation dimension, the best systems can now be typically implemented within six months and many inside of four months. For example, one manufacturer of fastening equipment such as nail guns, simultaneously brought up 14 sites in just six months. Do not, however, be misled by speed alone. Along the strategic value dimension, effectiveness and a worry-free process round out the three implementation critical success factors.

To reinforce the right choice, the one you can get implemented on time, and will get you the return on investment anticipated, there must be a comprehensive methodology. At a high level the following seven elements are required:

- Discovery: Based on information gathered in a discovery session, a preliminary project plan and statement of work (defining the scope, schedule and resources) are developed.
- Strategy: A project manager helps you determine the impact of change on various areas in your organization and develop a strategy for managing the changes.
- Business Analysis: In this phase, roles and responsibilities are defined, goals and objectives are revisited and the project plan is finalized.

- Education: Thorough training takes place, with methods based on your culture, size and objectives.
- Application Configuration: This phase provides for reviewing the deployment strategy, developing functional specifications and preparing test scripts to be used for conversion testing. Menus, screens, user-defined fields and workflows can be tailored to your specifications and tested.
- Readiness Assessment: Requirements, procedures and the data conversion process are finalized at this point. A final integrated systems test is performed and end-user and overall readiness are assessed.
- Deployment: The data conversion is finalized and the system is rolled out to the entire company with close monitoring by the vendor's consultants.

A good implementation approach removes the worry about a hard system cutover. It removes uncertainty and ensures a faster and more effective transition. It delivers a faster learning curve and shorter time to return on investment. It is evidence of the know-how of replacing ERP systems.

5. TAILOR-MADE BUSINESS FIT

You are not looking for a "cookie cutter" approach to setting up your system because you recognize that no two businesses are alike. Whether you are modeling currently effective processes or reengineering and improving ineffective processes to support new strategies, five key elements of the solution's design give it the ability to create a tailor-made solution for your company. These five elements are execution of the implementation roadmaps, system settings, tools to customize your system, advanced technologies and portals.

The Roadmap

The implementation roadmap is the knowledge-based plan that sets the course for your system replacement. It is a carefully constructed and tested map, jointly developed by your company and your ERP software provider that focuses on achieving the goals identified by your company during the purchasing cycle. This detailed roadmap guides you through the processes of:

- Conducting a thorough survey of end users to clearly define needs and expectations,
- Developing a profile of the project scope, goals, implementation schedule, security and data conversion planning,
- Identifying top management leadership who can act as visionaries,
- Assembling a task force of key players to serve as guides and motivators,
- Defining the scope of the project,
- Tailoring and executing a milestone plan and detailed tasks, and
- Ongoing progress evaluation.

Effective execution of the total process ensures that your ERP system replacement will be successful.

System Settings
Documented client feedback attests to the flexibility and functionality of a solution that is needed to satisfy the unique business and technology requirements of each implementation. Within this second major element of tailorability are the systems' parameters and default settings.

Defaults are the system-wide settings that allow you to define how the system supports your unique business policies and procedures. Each application has a set of parameters that are set up before any processing is done. Some settings, while they are set up in one module, govern processing in other modules as well. These combinations provide an almost limitless range of ways to set up how the system operates. To get the most of these powerful, system-wide settings, select a vendor with knowledge-experts to guide you in considering and planning your settings in order to model your operating methods and get the most of your new system.

Tools to Customize Your System
The system needs to include a unique set of tools you can use to further maximize your investment. A variety of utilities in the base system allow you to customize your system. Custom screens, menus and prompts can be set up to mirror the way you operate. Standard online business forms (e.g., invoices) can be merged with data from your system when printed. Make sure there is an extensive set of standard, multipurpose forms, and an easy to use forms builder tool is also included to modify or create forms if needed. You will without doubt need custom reports that can be developed in addition to the wide range of standard system reports. Rounding out this sample of the tools provided with the base system should be a data access and reporting tool that provides you with unparalleled flexibility in reporting and the use of data without the need for programming knowledge or technical orientation. It gives you access to your data and its uses are only limited by your creativity, not your computer expertise. With the report writer and table writer features, custom reports using data from multiple files can be produced. A connectivity feature allows you to download data to a file on your PC to analyze and chart, generate forecasts, and perform decision support analysis without fear of corrupting the integrity of "live" data. Finally, the latest development of hyper-query tools will enable you to rapidly develop Web-ready queries and applications complete with hyperlinks to additional details or applications.

Advanced Tools
Check to determine if technologically advanced tools are employed to leverage the vast amounts of information stored in your system, derive value from that information and use it to improve productivity. Software object

technology expands your desktop. With objects you can concurrently work with interactive windows, data and graphic views. It can give you multiple, simultaneous views into the database. Through the use of software objects, a library of which should be built into your system, you can bring information into focus at the very moment you need it. Customer information, system functions, and Microsoft® applications are but a few examples of the many self-contained "applets"(mini applications) that will need to be called from anywhere in your ERP system to streamline any area of your business.

Workflow technologies put data into the hands of those who need it when they need it with automated messaging, reminders, monitoring and company-wide interactive communication systems. The key workflow components required are: 1) an event-driven system to manage and coordinate manufacturing processes and associated information, 2) on-line communication and prompting for required actions, and 3) tracking and monitoring activities. Each workflow component provides powerful tools to improve communications and efficiency throughout the company. Together, they can be pivotal in achieving corporate and system replacement goals. They can be used to improve quality and reduce rework and costs by automating engineering change order management, reduce lead times through better supply chain collaboration and visibility, and improve customer satisfaction through faster and more accurate communication with customers.

These advanced technologies capitalize on an organization's ERP investment by transforming data into information that users are able to put into action. It's like turning on a business model that speeds processes, yet reduces errors and delays. They improve collaboration and communication while overcoming both organizational and time barriers. In this way, it's the realization of the promise of the ERP solution's capability to integrate the complete spectrum of business processes and functions.

Portals
The latest technological advance to be incorporated into many systems is Enterprise Knowledge Portals (EKP). Similar to portals Web users access every day, such as msn.com or cnn.com, they aggregate information and provide links to related functions and capabilities via your Intranet. They give the user more power because the information links are organized for the user's specific knowledge needs. State-of-the-art technologies such as this make business-critical information accessible through tailorable, unifying gateways to your enterprise. That is a major reason systems with this capability will continue to be the ERP system replacement of choice.

6. MANUFACTURING & DISTRIBUTION MASTERY
With extensive manufacturing and distribution experience and expertise, a vendor will be equipped to

offer you the kinds of support services and tools that allow you to successfully solve your most difficult business challenges, rapidly deploy applications and maximize your return on investment. The number one weakest link in IT implementations has been reported to be consulting expertise, so make sure a vendor's staff of design professionals, systems analysts, technical, manufacturing and distribution consultants, and financial experts understand manufacturing and distribution inside and out. In addition, they need to know how to provide you with the most cost-effective software solutions.

It seems obvious, but the right vendor must understand discrete manufacturers and their production modes. Test their knowledge in their largest concentration of customers. This might be in electronics, medical products, and industrial and commercial machinery, or other industries they serve such as fabricated metals, transportation products, sporting goods, consumer packaged good, furniture, household appliances, heating and air conditioning, plastics, fasteners and fastening equipment, construction machinery, musical instruments, telecommunications equipment, and many others. While understanding there are common challenges among these groups, make sure they are also knowledgeable in the different modes of production that they employ, such as make-to-order, make-to-stock, assemble-to-order, engineer-to-order, configure-to-order, and repetitive/flow manufacturing. To complete the picture, be certain their team will help you integrate the system's distribution and logistics capabilities so you can not only make, but also deliver, the right product at the right time and place to the right customer.

Look closer to verify that the software provider maintains a highly skilled work force and industry experienced owner-managers that assure their long-term ability to serve your company into the future. On the front line, the team consists of a consulting project lead, a financial specialist, and a manufacturing/distribution specialist. The consulting project lead is responsible for coordinating the entire transition process. The financial specialist knows how to make financial functions work toward your investment objectives. And the manufacturing/distribution specialist makes sure the system meets the requirements of your manufacturing and distribution environments. Highly skilled and experienced consultants must be assigned to each phase of your project. Look for seasoned experts, who have real-world experience and an extraordinary number of consultants certified by APICS (American Production and Inventory Control Society) at the CPIM (Certified Production and Inventory Management) or Fellow levels.

Do all levels of people at your vendor understand manufacturing, from programmers to executives? Do you have complete access to technical service groups, the National Helpline, Software Consulting Services and the Installation and

Upgrade Support Group? With that depth, you can have confidence that the system will fit your needs both now and in the future and that they know how to help you move from an old system and processes to an extensible enterprise software infrastructure.

7. STACKING THE TECHNOLOGY ODDS IN YOUR FAVOR

As a manufacturer, you need technologies that can grow with you, help you compete successfully and effectively run your operations now and in the future. The technology principle in support of that need is that information technologies are evaluated and employed based on their relevancy and ability to provide sustained business advantages to manufacturers like you. Reliable and proven technologies are then seamlessly integrated into the total suite to ensure the utmost return is derived.

Historically, the systems' architecture must have made it possible to build systems that could rapidly evolve through information technology generations. How does it embrace knowledge management principles and developed processes and systems for creating, managing, using and reusing organizational and personal knowledge? Building and growing a system based on a strong engineered-for-rapid changes foundation means careful selection of industrial strength technologies for the database, user interface, development tools and hardware platforms that will survive multiple cycles of technological changes. The greatest achievement of the right vendor is that their ERP product is still current today, and they continue to move forward. Demand a foundation that will transition your company through technology curves.

Today, ERP systems support a broad range of collaborative applications to improve the flow of information across the supply chain. These technologies support:

- E-commerce
- Web storefronts
- XML-based EDI
- Fast, interactive electronic communications
- Browser-based viewers
- Web publishing
- Dynamic XML-based menus and "how-to" help documentation
- Secure Internet access
- Automated workflow
- Roles-based Enterprise Knowledge Portals

In the long run, information technology (IT) will not keep you in business. It is what is happening on the manufacturing floor, in customer service, and out in sales that pays the bills and turns the profits. That makes the technology factor a strategic rather than a strictly IT decision. Although technology is clearly an important influencing factor in any ERP selection

process, history continues to show that some of the best ERP results occur when technology specifications are determined by what is required to support critical business needs. That is the essence of a resilient approach to technology.

8.   A TESTAMENT TO SCALABILITY

If this is to be your last ERP system replacement, investment protection should be the cornerstone of your software provider's product development strategy. Have they maintained a continuous history of growth while providing upgrade paths to their customers? Emphatically embrace this philosophy and make sure your vendor pledges to continue it into the future.

As a testament to a vendor's ability to keep up with the needs of their customers, the percent of customers on current releases of their software should be high. The uncommonly good vendors are as high as 98%, and the percent of customers on maintenance may be as high as 99%. Furthermore, in an industry where the average life expectancy of an ERP installation is 5-7 years, inquire how many clients systems have been in use longer than 5-7 years, and how many have had their systems 10 to 20 years or more. A vendor with a majority of clients over the 7 year mark is doing things right. These are unprecedented numbers in our industry and are proof of the ease of upgrading, the low need for custom programming, and the high relevance of capabilities delivered in each new release. It means you can continue to expand the system's functionality as needs arise or as new features become available.

A major element that allows the system to grow in concert with the scale of our customers is in its design approach. To create more flexibility in how the package is used, it is designed to require few customizations, if any. This means that you can easily upgrade to future releases of the system without having to worry about the impact of custom programming done to meet unique requirements. And for those times custom programming becomes an inevitable option many jointly developed functions for specific customers and industries are often incorporated into the standard product, making the next upgrade easier.

Check to be sure there are no limitations on the software's ability to accommodate small and mid-sized high growth companies or large (fortune 500) corporations with multiple divisions. Take the example of a maker of archery equipment that has been using the same ERP system for 17 years. When they first started they had twenty employees, two computers in accounting and about 5 product part numbers. Since that time they have expanded to 10 types of compound bows, 5 recurve bows, various options, as well as a full line of bow hunting accessories - far beyond the 5 original part numbers - and are nearly doubling that number every year. Their system has established a

history of keeping up with all aspects of their growth including their product line, number of employees, and number of customers to allow them to adapt to new business requirements.

At a manufacturer of air conditioning equipment and user of their system since 1984, they believe the flexibility of their system has been the critical factor in their ability to deal with industry change. Interestingly, they came from a mainframe environment that required large amounts of resources to support the system. Since installing the system, they have quadrupled in size from $60 million in sales to over $200 million and the software has kept pace with that change without any problems. Whether you increase the number of users, expand the number of facilities, or implement new business models, be absolutely convinced your new system will continue to remain and become more integral to your business.

9.   COMMUNITY COLLABORATION: MAXIMIZING CUSTOMER MOMENTS OF TRUTH

To use a term coined in the book of the same name by Jan Carlzon, president of Scandinavian Airlines, every encounter between our customers and our frontline people is a "moment of truth" that sets the tone of the entire company in the minds of our customers. Quite often, manufacturers do not get to know the people and culture of their ERP supplier before making the selection decision, though it is frequently a major reason for making the replacement decision. You must know how customer-oriented your supplier is and how much information they provide to those on the front line. According to Carlzon, "An individual without information cannot take responsibility." When people at your choice of vendors, who provide support to customers are given immediate access to all the information they need, they cannot help but take responsibility.

Central to any vendor's mission is the commitment to your long-term success. This commitment is the motivation for the quality technical support services offered to clients. To address a wide range of technical support needs and system skill levels, look for a comprehensive support program. This total support package is designed to provide you with the in-depth product knowledge and skills you need to learn how to use the system most effectively in your unique manufacturing environment. Most importantly, the support program includes access to valuable resources, services and information that will make the most of your every encounter with your vendor.

In addition to standard offerings such as Field Consulting, National Helpline, Installation and Upgrade Support, Software Consulting Services (i.e., custom programming), and Training, the vendors that stand behind their commitment to customers offers exclusive services that have a powerful impact on the success of your ERP implementation:

Remote Consulting - A cost-effective method of access to consulting expertise for special, usually short duration, projects available via telephone and the web.

Client List Server and Data Access - 24X7X365 access to an online client bulletin board system where you can pose questions and get answers from other experienced users, and Internet access to information on the status of your organizations' projects or cases.

On-Call Web Conferencing User Support - For those times when a phone conversation isn't sufficient to understanding and resolving an issue, web conference sessions where the system can be viewed by you and your support person.

Web-Based Training and Solution Webinars - Online training right from your desk or from a conference room with other attendees. Web-based courses are an easier and more affordable training option delivered by experienced instructors with comprehensive curriculum. Training webinars provide a presentation of each training topic along with software demonstrations. Client solution webinars provide you with valuable, in-depth information about enhanced application solutions for managing your core business operations as well as your extended enterprise and value-chain.

Is customer satisfaction the primary goal? Performance speaks for itself. As for response times, these figures, measured in minutes, should show continuous improvement, should be improved yearly, and show dramatic improvements such as being cut in half or more across the various types of requests coming into the service center. Response time to requests of critical importance should have been cut to minutes. Look for evidence that support personnel relentlessly strive to achieve this goal while maintaining the highest standards of professionalism. Whether you deal with a classroom instructor, receptionist, custom programming specialists or with their CEO, you need to know in advance that all employees are dedicated to providing the highest quality products and finest service and support in the industry. The job is not complete until you are delighted with every encounter with your vendor.

The partnership with your vendor makes the critical difference. Do they collaborate with customers? Do they professionally and personally care and are they involved? Satisfying customers is necessary but not sufficient. Find a software provider that is driven to create delighted business partnerships, not only satisfied customers. You'll be able to hear it in customers that comment that...

'I can't imagine working on new initiatives without [this] system in place."

"I feel comfortable knowing that I am working with a company that really knows our business."

"At each stage of our growth, [our ERP vendor] has had a support mechanism in place to facilitate our next step."

"We've had a long-standing relationship with [our ERP vendor]. We plan to continue that partnership into the future."

"We chose [our ERP provider] because we felt we could work with them."

"Just as no man is an island, neither is any business that is using our system. There's plenty of help and experience to draw on. Don't be afraid to ask for it."

What makes them believe in their partnership stems from the belief that their ERP vendor's future success is based on the strength of their relationships with current customers. They put that belief into practice in a number of ways:

- Sponsoring Regional User Groups meeting regularly to network, share experiences, exchange ideas and look for innovative ways to manage change using their system

- International users group meetings meeting on an annual basis to help customers learn about the latest industry trends, system capabilities and contribute to future product development. It's an information exchange where users gather and share ideas

Reasonable people, given reasonable facts, make reasonable decisions. That is the evidence of a vendor with strong partnerships with its customers. It is a way of removing risk from your ERP implementation. In many cases, hard work is the only answer to a problem. Providing a high level of support and delivering on customer-driven business needs enables ERP providers to maintain a highly enthusiastic customer base. Make sure they're willing to work as hard as needed to get you answers and help when you need it.

10. INTEGRITY AND DEDICATION
Determine the longevity of your vendor. Not many can claim to have been a leader in providing manufacturing solutions for over two decades. In that time, the few that have, have found that nothing speaks more to their level of integrity than their promise that they don't recommend a solution until they understand enough

about your business to know it is a good fit. They make sure it will work in your environment. Your selection of a system is just part of a continual process leading to achieving rapid return on investment. Honesty is the cornerstone of ERP industry leaders.

Many ERP software providers have come and gone, and their customers have suffered. To avoid being in that position, look for consistent growth and strong financial stability, adherence to sound corporate and fiscal management practices. Understand their business objectives! It is these strengths that will enable the right partner to be a dominant force in the industry for years to come. Consistent growth and profitability maintains and improves the ability to provide exceptional support and technology advancements in step with your developing needs and the needs of the market.

This is one more way to take the worry and guesswork out of your decision to select your best, and last, ERP system replacement.

11. DELIVERING RETURN ON INVESTMENT

In a 2001 survey by Information Technology Toolbox, 59% of 1124 respondents, by a margin of 3 to 1, saw their highest return on investment (ROI) coming from ERP. That has been the case for over two decades due to strategic, enterprise resource planning solutions that streamline, integrate, automate and improve manufacturing operations in companies like yours around the globe. An extended ERP solution manages processes across your value chain. Some of the results of this coordinated effort that help you achieve the maximum return on investment with the shortest payback period include:

- Reducing your lead-times and cycle-times
- Increasing the accuracy of your costing
- Protecting your profit margins
- Increasing your market share
- Reducing your inventories
- Shortening your product lifecycles
- Increasing loyalty of your customers by responding faster and more effectively
- Streamlining communications

On the investment side of the equation, the ability to provide a lower cost of ownership solution is a result of three factors. First, is the system as functionally rich as tier one solutions that are targeted for fortune 500 companies, but with an initial investment that is a small fraction of the cost? An intense focus on programming development for the needs of mid-sized manufacturers and also efficiency of implementation results in providing the same level of functionality at a lower cost. Second, as a corollary to the low initial cost of ownership, the reduced maintenance cost alone, based on the lower software cost, can heavily minimize, if not entirely pay

for, the cost of replacing an existing system. Third, the system architecture and underlying technologies, such as the imbedded database, require minimal support, people and resources to maintain - far lower than most other tier one and even more comparable tier two systems.

Replacement Expertise Delivers True Return on Investment

Replacing your ERP system involves a certain amount of innovation. Innovation creates market leaders, and market leaders are the first to achieve a return on their investment - usually a significant return. Look for an ERP partner that is passionate about inspiring that innovation in their customers, and know how to manage the risk associated with it. You must be convinced that the solution will help you achieve your important business objectives to keep your plant lean and competitive. Can they promise results and, more importantly, do they have a history of getting results?

An excellent track record of client retention is proof that the unique needs of an extremely diverse set of manufacturers are being satisfied. Skills and methodology must be applied to implement quickly and successfully. Resources, financial strength, advanced technological infrastructure, experienced and stable work force, and hands-on management guarantees a long-term ability to serve your company into the future.

Epicor's manufacturing group is a global provider of real-time collaborative manufacturing solutions that meet the needs of small to mid sized discrete mixed-mode manufacturing companies.

Epicor offers a suite of solutions specifically targeted to the manufacturing industry. Years of industry experience enable us to design highly tuned software solutions that offer ease of use, smooth integration and long-term scalability. Whether it is back office automation or the addition of front-end customer, vendor and employee communications via the Internet, Epicor delivers scalable software solutions that can grow with the success of your firm.

Epicor's MANAGE 2000 extended enterprise resource planning (ERP) internet-enabled software suite has strong functionality with over 45 integrated applications that facilitate supply chain management, supplier relationship management, customer relationship management, manufacturing, finance and accounting, and human resources. The software runs on Microsoft® Windows Server® and UNIX platforms.

MANAGE 2000 is a suite of tools to deliver tightly integrated, easy to use, business performance management capabilities. Integrated, easy to use business intelligence tools provide high performance and flexibility for extracting performance data with the ability to drill down and slice-and-dice the data for more detailed analysis. Workflow management technologies enable performance management by putting data into the hands of those who need it when they need it by monitoring conditional events and generating alerts when action is required – delivering significant ERP value.

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