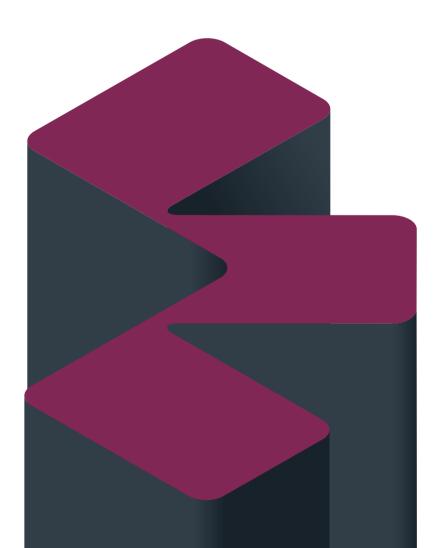# Thinking of Buying a New ERP System?

Can't see the wood for the trees? Here's our most FAQs.

ERP

Frequently Asked Questions

When you embark on the journey of buying a new ERP or business management software system, you may feel you are entering into a world that is confusing and hard to get to grips with.

We totally get this. Making the decision to buy ERP software generally only happens once every 10-15 years so it's not always easy to keep up to date on all the different applications available.

Given the number of ERP software options out there, choosing the right system for your business is no easy task. You are likely to have a myriad of questions; some of which we hope to clear up for you here in this FAQs guide.

And of course, the Intact team are always at the end of the phone if you have any further queries.

1

What is ERP software?

The acronym 'ERP' stands for 'Enterprise Resource Planning'. ERP software refers to an integrated business process management software system that is used to consolidate all the functions of an organisation into a unified system.

It helps automate and integrate your company's core business elements to increase efficiency and simplify operations. It also allows all collected data to be centralised and shared. This enables you to plan, manage and build a sustainable and scalable business in today's fast paced environment.

A comprehensive ERP system will cover all your basic business processes from financial accounting and supply chain management to inventory management and CRM (Customer Relationship Management). Some will also cover different levels of Material Requirement Planning (MRP), should you require it. Additionally, certain modern ERP systems, will allow you to seamlessly integrate any third party platforms you use now or may do so in the future.

Today's flexible, future-ready ERP systems therefore enable you to establish one source of truth to gain real-time insights into the health of your business. With all departments connected in real-time, it encourages more collaboration, more informed decision-making and increases efficiency at all levels.

Product Stock Detail

Stock Check

2

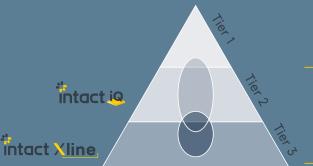# How much should I expect to spend on a new ERP system?

This is a bit like buying a vehicle, you can get a moped for €3k or you can spend €200k on a top of the range Porsche, with options at every price point in between. In general, there are 3 different levels of solution available in the ERP / Business Management Software market.

While it is not important to dwell too much on this tiered classification, it's good to be able to distinguish where various packages sit in the marketplace.

Tier 1 Solutions

'Tier 1' level packages like SAP Enterprise, Oracle and Infor are global multi-billion dollar operations designed to service the needs of the 'big guys' - large complex businesses that have many departments, a global presence and often complicated operational structures. Companies in this tier would expect to invest 7 figure sums into their business solutions. They tend to involve a consultant-led approach and can take between 2 and 3 years to roll out. Government agencies, banks, airlines and multi-national companies feature in this tier.

Tier 2 Solutions

The 'Tier 2' market is the largest of all the tiers in terms of the number of potential customers. Software in this tier are often less complex to implement and less costly than Tier 1 applications and can go from full ERP software packages to very industry specific solutions. Targeted at mid-size companies of a <1,000 users, the level of complexity can vary greatly here which is why you'll find so many vertical market players in this space. Packages in this tier would typically range from 30k to <€1m and include solutions such as Intact iQ, Sage 200 Cloud, MS Dynamics Nav, Sap Business One etc.

Tier 3 Solutions

'Tier 3' level packages such as Intact Xline, TAS Books, Quickbooks, Sage 50 are chosen by SMEs across a wide and varied spectrum of industries. Functionality tends to be reasonably standard and processes are adapted to meet the functionality of the software. They are designed for single site customers, tend to have less than 10 users and in general have less demanding needs. Companies who opt for this solution will work in conjunction with a local supplier and invest amounts in the region of €/£500 to €/£30K pending business requirements.

In summary, you are limited only by your imagination and money. You cannot expect a Tier 1 solution at a Tier 2 price. The level of services you require will be dependent on the skill set of your employees and the value you wish to extract from your solution.

3

Can existing data records be migrated to my new system?

A major stumbling block for many companies considering a change in their ERP software is the potential of no longer having their historical information readily available. Importing existing data into your new system should not be taken as a given. We recommend working with your consultants in advance to agree the scope of the data that is to be transferred.

There are several ways of approaching and addressing this step in your ERP implementation process.

At the very minimum, you will have access to your historical information in your old software which should be retained on premise. Typically, companies save this information on a server and provide limited access to the information to key users.

There may be some licensing controls which will limit access to the data and this differs from one product to the next. You will need to discuss this at some point with your previous supplier to ensure you have continued access to your data.

In most cases, it is possible to transfer historical stock movement information from one system to another. There are a couple of major challenges which need to be overcome to get this result:

1_

Your consultant will need the ability to access the information in the existing software package – there is obviously no standard set for storage of information in a database and as such, it may not always be possible to find the relevant information.

2_

Your consultant will need the ability to extract this information into excel/csv in a format that is useful to them. Not every software has tools to extract the information and this can take a serious level of analysis before it can be confirmed.

3_

Your consultant will then need to be able to map the extracted data into a format that is recognised by the new system. This can often take a significant level of human intervention to ensure that all the relevant fields and tables are correctly populated so that the new software can understand the information.

It is vital therefore to discuss your data migration options with your service provider from the outset. What level of data migration do they provide? How much work is involved by both parties to ensure you have access to the information you need to grow your business?

Intact iQ has data import facilities that ensure data is passed through the business logic layer as it enters the system. This offers a layer of validation that is not a standard in most other packages.

4

When is the best time to implement a new ERP solution?

There is no ideal time for undertaking a project like this but we would suggest taking the following into consideration when choosing the 'when' for your project:

1_

Most companies favour a financial year end as this makes a clear break, which is fully auditable with opening balances provided by the accountant.

2_

At the bare minimum, a month end should be chosen so that the audit trail is maintained by the common month end reports on Debtors, Creditors, Trial Balance etc.

3_

The availability of resources to do data cleansing, training, user acceptance testing etc. can play a major part in choosing when to go-live on a new system. Holiday periods, Christmas etc. must all be taken into consideration to ensure the key people involved are free to take part in the project.

4_

Companies should also take seasonal considerations into account when deciding on a go-live date. Most businesses have busy periods where they do not need the distraction of a system change on the agenda when they should be putting resources into sales.

5

How involved will my team be during the implementation phase?

From the outset, you will need to decide on what you expect from the new system. Is the new system going to drive a change in processes, achieve efficiencies or simply replace an out of date business software system?

Many companies avail of the opportunity to review their existing processes and consider their long-term strategies in conjunction with a change in system. This is best practice. Do it and do it right!

All of these tasks however, will add to your team's workload during the project.

A common mistake is where business owners make the assumption that signing the sales order for a new system is the extent of his / her responsibilities within the project.

To get true value from this project you need to approach it like a partnership versus thinking of yourself as the customer and the ERP vendor as the supplier.

There are **many areas** where **owners, senior management and key staff** have to get **involved** including:

Data Preparation

Form and Report verification

User Acceptance Testing

Train the Trainer

Project Meetings

Strategy Development

6

How easily will my staff adapt to the new system?

So much time can go into choosing the right software that some businesses often forget to consider the people who will be using the system on a daily basis.

In some cases, the end user's opinion and involvement in the decision are bypassed altogether. This can lead to the rejection of the new system in favour of outdated, but tried and tested options, such as the old reliable spreadsheet!

For this reason, the end user experience should be given priority and acknowledged from the outset. This will ensure acceptance of the software and the end users' needs will be catered for.

The level of planning that goes into the roll-out of a new system is also critical and directly proportional to its success.

Think of it like this. You've just got a new phone. You spend the first few days trying to do things the way the old phone did it. But, after a couple of weeks, you couldn't imagine going back to the old phone.

So, to help your staff easily adapt to the new system, ensure every user is able to execute their tasks effortlessly, and without a degree in business software. It is important to assess how easy the new system is to use and draft in key staff members to ensure their functions can be carried out as efficiently and effectively as possible.

Most modern systems are reasonably intuitive and this should be checked out in advance by visiting a few reference sites to gauge their experience.

By ensuring staff have the ability to easily carry out their roles, you will not only make them more efficient and productive but support a quicker uptake of your new system.

7

Do I need to change my PCs or server?

When considering a new ERP system, it is important to get professional assistance in evaluating the network, PC requirements and your entire infrastructure before starting on your ERP implementation journey.

The investment required will be dependent on the age and condition of the existing infrastructure and the specification of requirements for the new software.

Different software systems have different requirements when it comes to resource and licence requirements; all of which will have a cost implication on the overall project. As will your choice of deployment (on-premises or cloud) for your new system.

8

What is the difference between on-premise and cloud-based ERP?

On-premise ERP is the traditional licensing model where the user acquires the license per user or per company installed in the user's office site or premises. It is a CAPEX payment structure with the full cost of the software and implementation fees paid in year 1.

Post-implementation, an ongoing annual payment is required to cover the software support agreement. It provides for ongoing upgrades and support for questions or issues that will arise when the user is live on the system.

Additionally, optimisation services will need to be included in your cost projections. This service begins after go-live and offers a highly personalised range of services and deliverables over a 6 or 12 month period to proactively empower your team to fully embrace the functionality of your new system

Cloud-based ERP is a subscription-based or SAAS (subscription as a service) model where the user pays for the service annually, quarterly or even monthly per user in perpetuity. This recurring payment usually also includes optimisation services, account management, support and maintenance agreement.

9

Do I need a cloud or on-premise solution?

From a cloud perspective, you need to understand what parts of your business makes sense to be in the cloud and what doesn't.

If the problem you are trying to solve is deployment or server related then yes, the cloud is probably the right solution. However, in 95% of cases, you'll probably find a hybrid of both solutions in place; certain data will be in the cloud and certain things on premise.

Cloud solutions can offer more flexibility as customers can often pick and choose which functionality they want; instead of paying for modules they don't intend to use. There are, however, still some issues to figure out before the cloud is right for everyone.

Security issues may arise when company data – especially sensitive financial data – is put into the cloud, as it is more exposed to potential hackers or viruses than it may be within an on-premise system.

There's also the question of connectivity. If the hosted servers go down, customers are at the mercy of someone else's IT department to fix it in a timely manner. It's up to each company to decide whether the benefits of cloud outweigh the risks.

The Intact Difference

At Intact, we've always respected our customers' right to run their business the way they want to. Our intuitive, scalable and highly customisable ERP platform, Intact iQ, has been designed to provide you with more autonomy and control so that your business can always operate at its best.

Built on a modern platform, Intact iQ is constantly evolving and provides in-depth, proven enterprise-wide functionality and features. It brings together all parts of your business and aspires to deliver the best version of your business. To future-proof it.

Our agile technology, industry expert consultants & local support team will work with you to ensure your people, your customers and your technology are seamlessly connected to your commercial goals so you can elevate your business.

Get Started at **intactsoftware.com**

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