

## **ERP for Small / Medium Size Business**

The needs of Small/Medium Businesses (SMB) can be similar to those of a larger organization in many aspects. However, it is increasingly true that while they have various matching needs in some areas, the SMB has elements with much more basic needs. The concept of separation of duties may also be different. In larger organizations, there tends to be multiple people performing the same task, while in a SMB, there may be multiple tasks being handled by one person. For these reasons among others, an ERP system should be designed far differently for SMB than for larger organizations.

An ERP system that is designed for Small Business cannot ignore the fundamental needs that help drive the business. The system must be flexible and able to present complex business processes in a simple consistent format. Most likely, a SMB will not be able to expand man-power to overcome inefficiencies in an ERP system. The ERP system must adapt to the business functionality of the particular SMB in which it is being employed.

An example of the flexibility is best explained by example. A cabinet manufacturer has very complex and detailed order entry requirements. This regularly involves product configuration and results in very detailed BOM requirements specific to sales orders. Once the order has been entered and the BOM created, the process of manufacturing and shipping may be less complex. A manufacturer of highly engineered machinery may have simple order entry requirements but organizing engineering and controlling the shop floor may be of utmost importance.

For the cabinet manufacturer, a custom order entry screen may be required. This will enable the people entering orders to do so quickly in an organized and accurate manner. The volume of orders will be high and the accuracy of what is being ordered, including important dimensional measurements, is crucial. This can increase efficiencies in raw material purchasing and in the long-run reduce inventory carrying costs.

A company building expensive capital equipment may not make the same machine twice. Engineering is constantly changing the design specifications and the materials being used. Even while the machine is being built, the engineering department may still be working on the final design. In this case, it is imperative that the communication between Engineering and the Shop floor is maintained. In such an environment, very often project control is utilized; the Engineer may maintain the parts being used directly on a project. Part shortages and shop floor schedules are controlled on a micro level project basis rather than at a Macro level such as MRP.

A SMB will often have employees whose job descriptions span between traditional job functions. In some cases the person doing the purchasing will be doing the receiving functionality as well. The plant manager may be responsible for scheduling the shop. In such environments, workbenches are preferable over individual programs selected from a menu. Workbenches organize all or most of an individual's routine job functions onto a single screen instead of requiring the employee to open and navigate between multiple screens. Utilizing workbenches allows the user to save time and have pertinent information at once. For example a purchasing workbench will allow access to open purchase orders, vendors, and request for quotes on a single screen. Easy access to details such as buy card history is provided so that the information that they need to perform their job is easily accessible.

There are many other factors that an organization, regardless of size, must examine when determining which ERP system is right for its success. Yet, most importantly, the emphasis here is that it is essential to have a team working with the organization that fully understands that organization's most challenging AND basic needs in order to implement the most effective ERP package. The ERP supplier must provide an implementation support staff that recognizes the variety of requirements for a SMB.

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