The 4 P's of Effective Transformation: Revolutionize Your Business for Less

Save thousands on your business metamorphosis with these ERP secrets.

As industry analysts note, the most compelling reason to switch to cloud ERP is business transformation. But what, specifically, should businesses attempt to transform and improve upon? You could empty your pockets for a consulting firm's opinion, but spare yourself the financial grief — the four business pillars below tell you exactly where your focus should fall.

Profitability

Profit is the net effect of two factors: revenue and cost. A healthy business is a profitable business, and contemporary ERP solutions are often just the medicine needed to get companies on track. The *right* ERP solutions can simultaneously help increase revenues and reduce cost, thereby increasing profit. Aberdeen discovered in its *SaaS and Cloud ERP Trends and Observations* research that more businesses with cloud ERP managed to stay within budget; in contrast, organizations with on-premise solutions ended up 12% over budget. Furthermore, those that adopted cloud ERP systems reached ROI in 24 months instead of the 31 needed by their on-premise competitors. Other research groups have similar findings. Forrester Research's 2012 Software Survey, for example, revealed that 52% of business owners transitioned to cloud ERP for lower overall costs, while 41% adopted cloud ERP solutions to reduce spending on traditional applications. Clearly, cloud ERP software can profoundly impact an enterprise's financial return.

Cloud ERP with rich platform features and bundled ERP + CRM functionality can help your business sidestep the hefty fees usually associated with development and deployment. Flat rates for unlimited users also drastically cut implementation costs and allow your program to grow alongside your company. The following case study is a prime example of how cloud ERP can lead to these kinds of transformative savings.

> "I have found it easier to use the cloud for passing large amounts of data between business units."
>
> —*Laurence Rhode, Cost Analyst, Comprehensive Logistics Co.*

Case Study: Costs to Go

Jeffrey Lim, IT Manager of KFC Singapore, has seen cloud ERP work financial wonders first-hand. After implementing a new solution, he observed a sharp reduction in total operating cost. "We saved over $50,000 worth of IT man hours, hardware investments, and licensing costs while extending our accounting system to manage our workflow processes," Lim said. As KFC discovered, cloud ERP systems can result in considerable business savings when implemented properly.

Process

A process is the set of steps a business takes to accomplish its goals. Evaluating this involves looking at the entire development chain and determining which links need to be in place and which can be cut in the interest of efficiency. With a cloud ERP system integrated, businesses can view these processes holistically and ensure that the company's established procedures are the optimal ones.

Functions that Can Be Improved with Cloud Tech

Function	Percentage
Sales	62%
Supply Chain Management (procurement, logistics, demand planning)	51%
Marketing	34%
Corporate management and governance	28%
Financials	24%
Operations (plant, store, warehouse, etc.)	23%

Percentage of Respondents, n = 239

Source: Aberdeen Group, August 2013

The figure above, compiled from an Aberdeen Group study, depicts the job processes that industry insiders believe could be streamlined with cloud ERP solutions. Sales and supply-chain management show the most promise, but the data collection indicates widespread potential for process improvement. The connectivity that cloud ERP systems offer has far-reaching implications across a given organization, as improvements in one area often benefit adjacent departments. In fact, it is the integration of processes across the organization that is perhaps the real value of cloud ERP. Everyone—Sales, Inventory, Accounting, etc.—in an organization has access to the same information, eliminating "silos of information" or the need to interface data between disparate systems. More accurate, timely information available to all parties enables faster execution, and executing faster than competitors can provide a competitive advantage. Adopting this technology can empower your entire organization and rapidly accelerate your firm's growth.

Productivity

While process examines which things are done, productivity focuses on how well those things are done. Are your employees manufacturing as efficiently as possible? Would performing steps differently increase output? Cloud ERP gives business leaders the tools to analyze issues like these and implement solutions throughout their organization.

As Aberdeen analyst Nick Castellina notes in his research, "Since a cloud solution can be accessed anywhere internet access is available, employees can communicate more effectively and decision-makers can have visibility into real-time data." In a cloud ERP system, if you can get online — whether you're on-site or at a coffee shop down the road — you can access your data and deploy your applications. This accessibility can revolutionize business productivity. With everyone in the organization having access to real-time business information, the company can spend less time worrying about internal logistics and miscommunications and more time delivering value to customers. The case study below illustrates these principles in action.
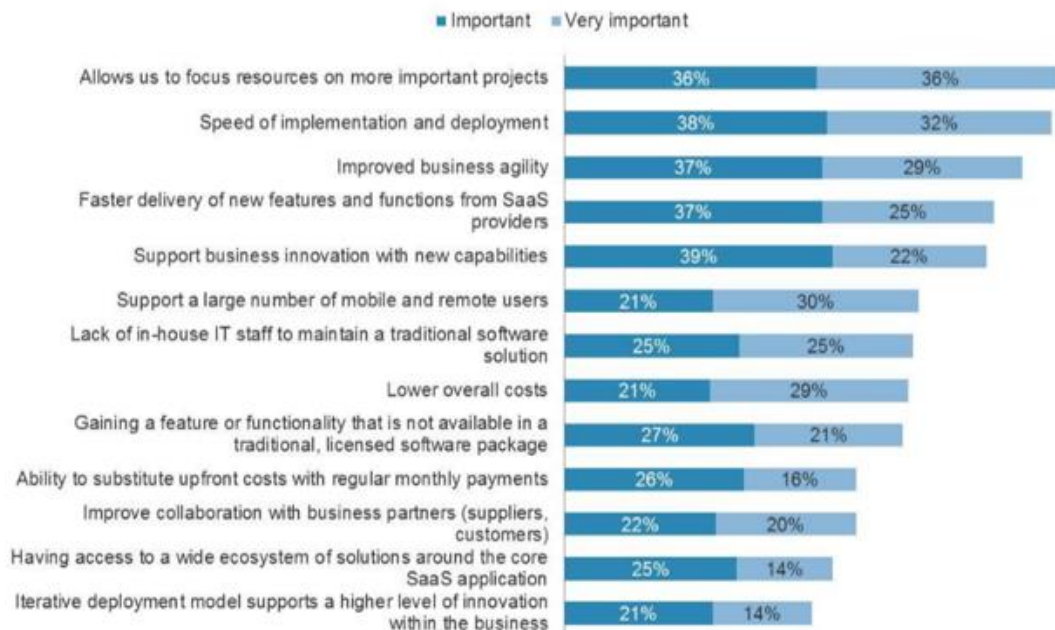
Case Study: Matching Tiles

Although Pat Mobilio, owner of New England Tile, had some initial reservations about integrating a cloud ERP solution into his existing business, he was swayed once he saw how seamlessly it came together.

"You can change your reports so they fit your company, which was a big thing for us," he said. "It wasn't like we had to change."

Cloud ERP solutions aid countless business owners like Mobilio each day by giving them exactly the information they need, exactly when they need it. Because of this accommodating technology, organizations can avoid wasting time and improve productivity across their other functions.

Employees can be confident in the accuracy of the data they are working with, while leaders can stay abreast of developments and arrive at decisions more quickly. The entire company benefits. How? Some of those benefits were identified in a Forrester study.

Importance of SaaS Benefits to Firms

■ Important ■ Very important

Benefit	Important	Very important
Allows us to focus resources on more important projects	36%	36%
Speed of implementation and deployment	38%	32%
Improved business agility	37%	29%
Faster delivery of new features and functions from SaaS providers	37%	25%
Support business innovation with new capabilities	39%	22%
Support a large number of mobile and remote users	21%	30%
Lack of in-house IT staff to maintain a traditional software solution	25%	25%
Lower overall costs	21%	29%
Gaining a feature or functionality that is not available in a traditional, licensed software package	27%	21%
Ability to substitute upfront costs with regular monthly payments	26%	16%
Improve collaboration with business partners (suppliers, customers)	22%	20%
Having access to a wide ecosystem of solutions around the core SaaS application	25%	14%
Iterative deployment model supports a higher level of innovation within the business	21%	14%

Base: 266 software decision-makers at North American SMBs with 20 to 500 employees
(multiple responses accepted)

Source: Forrsights Software Survey, Q4 2012, Forrester Research, Inc.

From this data, the most noteworthy benefit of cloud ERP is the time it saves: 72% of respondents ranked the newfound resource as "important" or higher. Significant productivity gains in implementation/deployment and business agility were also reported. These numbers don't lie — cloud ERP has the platform and the power to optimize your firm's performance. The resulting productivity frees up hands for other projects, allowing you to focus on fostering growth elsewhere in your firm.

Positioning

Once internal matters are in order, companies must position themselves and their products appropriately in the marketplace. This process takes many forms, but it almost always involves consciously projecting a cohesive image of the company to consumers and tailoring marketing campaigns to designated audiences. The right customers might have trouble finding your product if it's positioned poorly, so don't overlook this vital piece of the puzzle.

Cloud ERP facilitates such outreach and maintenance with CRM functionality and related features. Additionally, everything your company uses — ERP included — colors your company's image. Selecting a contemporary cloud ERP solution for your organization will result in a smoother business process, and a smoother business process will project competence to the public. If you want to create an informed and organized company culture, you'll need to pick programs that help instill those values. With its reliable data-parsing tools and widespread accessibility, cloud ERP is a great starting point.

Positioning also requires the capability to enter new markets. Cloud ERP delivers here. The 24/7 availability of cloud, together with features such as multi-language and multi-currency transaction processing, opens up new market possibilities by improving current sales and profits and providing new opportunity for growth.

With the four principles discussed above — profitability, process, productivity, and positioning — in place, your business will be primed for the most important P: Performance. Performing better and faster than your competitors is, after all, the goal of any business transformation effort. Cloud ERP software can improve each of these components for your firm, which makes it a valuable option to explore when looking to build a platform for future growth. Don't let this technology's payoff pass your firm by — look further into cloud ERP systems and start transforming your business today!