What Exactly is ERP?

Those travelling the increasingly sophisticated world of business management might have encountered the acronym ERP. But unfortunately, this term is rarely accompanied by an explanation – just what do these letters stand for, and what might they mean for your business? In this article, we'll see if we can shed some light onto the mystery.

ERP stands for Enterprise Resource Planning. It allows a business to use software to automate the back-office functions, and to thereby free labour up to focus on other tasks – like furthering the business by putting your time into sales and marketing. The software allows for enterprise data to be recorded and managed, and that resources to be used more effectively through better planning.

In many businesses, employees devote much of their time to mundane, unskilled tasks like taking orders, making schedules, and keeping track of stock and financial transactions. These are the routine tasks which allow a business to operate – and improvements to the ways in which these tasks are performed can yield huge return in terms of the results a business is able to achieve.
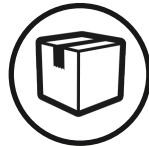
How Does ERP Help?

Essentially, an ERP system can handle as many or as few of the following as your business requires:
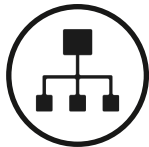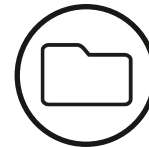
Accounting	Ecommerce	Inventory	CRM
Multi-channel	Purchasing	Suppliers	Orders
EPoS	Mobile	Shipping	Payment

An ERP system can help a business in a number of different ways. Let's take a look at some of them.

How can ERP Work for You?

Once your ERP system has been put into place, it will provide you with reams of data. You'll be able to find out about every transaction and you'll be able to do so quickly and without having to root through different pieces of software or an offline archive of paperwork.

Not only that, but it will help you to put that data to good use, and make better decisions about the future direction your company should take. You'll be able to more accurately forecast the orders that are likely to arrive in the future, and more efficiently plan your workload.

Efficiency

If the more mundane aspects of your business can be automated, they'll become not only cheaper to perform – but also faster, and more efficient. Your staff are valuable resources – and can probably be put to better use than data entry and balancing. An ERP system will allow these processes to go the way of the carrier pigeon.

A good ERP will also help to safeguard the data that's crucial for your business. opportunity for a well-designed system to become compromised. An ERP allows for strictly-defined levels of access to a system – and a means of tracking just who has been accessing the data and at what time.

Integration

A modern business – even small ones – are often a very complex beast, consisting of many different departments with their own idiosyncrasies and foibles. An ERP system will allow the disparate components of your business to sing from the same hymn sheet. Every component of a business will become integrated – from marketing to public relations to production to distribution. This will help avoid the friction and stress that can sometimes come with that.

Moreover, an ERP system will allow your business to avoid working at crossed purposes with itself. Members of one department will understand the ways in which others operate. This in turn will lead to a culture of trust and cooperation, which is only good for the business, its staff and its customers. That said, inter-department competition can be encouraged, as everyone will be able to see just the effect everyone else has on the entire customer journey.

Evaluation

Another key advantage of the ERP – performance analysis. Of course, from the top, you'll have access to the most detailed and exhaustive information on just how your business is performing. You'll have the tools to prepare exhaustive reports, to identify problem areas, and to make the changes that will yield results.

As well as helping your business to work better with itself, an ERP system will also allow you to integrate with other organisations. The connections between you, your suppliers and your customers will become smoother, problems more infrequent, and trust and access to information more plentiful. If you're looking to improve transparency and efficiency across your entire supply chain, then an ERP system is among the best ways of doing it.

Customisation

Another cardinal virtue of the ERP system is its flexibility. You'll be able to customise your system according to your business's processes, and thereby be sure that your procedures have been adhered to at every point along the supply chain. This in turn will give you exactly the tools you need to provide your customers with the service that they demand.