



5 BENEFITS OF ERP FOR WAREHOUSING & DISTRIBUTION

FUTURE LOGISTICS

WHAT IS ERP?



Enterprise Resource Planning (ERP) is used to manage and integrate your main business processes using one single business management software system.

ERP systems can integrate finance, planning, purchasing inventory, sales, marketing, human resources and more, to streamline processes across your whole organisation.



Most small and mid-sized logistics companies already use ERP systems in some form, whether they know it or not. This can range from using operational software that produces information that is imported or re-keyed into accounting software or an integrated single system that supports daily operations and also feeds into accounts.

In recent years, the relentless march of innovative IT and the associated increase in customer expectations have led to many logistics organisations stretching and supplementing their systems with manual operations and acres of spreadsheets. Here we will examine some of those changes and how they could be better addressed.



1. INTEGRATION

“ERP” was a term coined in the 1990s to describe the vision of software that included all aspects of a business in a single product. This meant Material and Resource Planning operations systems and Accounts all working together.

The practical benefits of such a system were profound – doing away with re-keying or importing information from one system to another with the associated risks of error, together with the opportunity provided by a single pool of data to report on the entire operation of the business – in real-time as business occurred and without the conflicting information so often seen when there are “different versions of the truth” depending on which software was being interrogated.

The goal of having a seamless end-to-end computer system with every transaction being entered once, and only once, has been the holy grail of logistics IT ever since it was proposed, but it is only in the 21st century that this has been realised with modestly-costed systems like the mid-market Sage 200cloud Professional, offering a sound financial base onto which an impressive number of modules can be added to address all facets of the company’s needs.

An integrated ERP to connect your processes is now a realisable goal.

KEY BENEFITS OF ERP

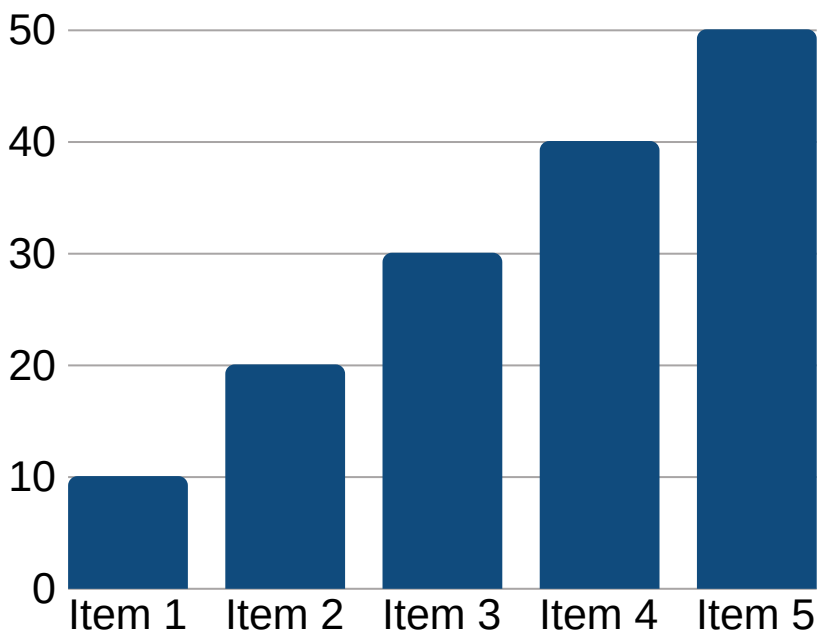
- Increased Productivity & Mobility
- Improved Order and Inventory Management
- Reduction of Errors and Duplication

IMPROVED REPORTING & PLANNING

A key advantage of ERP is improved visibility, which brings better insight. Inter-departmental reporting can be unified, creating a single accurate view of your whole organisation.

It is clear that IT for logistics has changed a great deal over the past few years, especially with additional benefits such as the increased stability, reliability and availability of cloud-based software and the vastly improved opportunities for management reporting.

Imagine instantly being able to schedule anticipated resource, based on historic data as well as detailed and accurate cost and profitability analysis by company, contract, vehicle and operator.





2. HANDHELD TECHNOLOGY

Historically, hand-held technologies have been expensive to purchase and maintain. For a long time, the benefits of swapping sheaves of paperwork for a single small electronic device were only limited to corporate operators. But in recent years the lower cost of IT and the rise of internet connectivity have opened up this section of the market.

The older systems were based on the Windows Mobile platform, an expensive and now-outdated technology with handsets costing around £1,000 each and having expensive and complex head-office applications to drive them.

Now, the same (or better) results can be achieved using low-cost standard Android devices running on simple software, such as Draycir's excellent Spindle Self Serve Proof of Delivery module, which not only provides real-time capture of delivery signatures to replace traditional paper delivery notes, but also offers functionality to capture photographs to prove condition at time of delivery and track delivery vehicles on a real-time map display.

In the past, implementing systems like this could take months and cost tens of thousands of pounds, but are now realisable for a tiny fraction of that cost, and can be implemented in just one or two days.

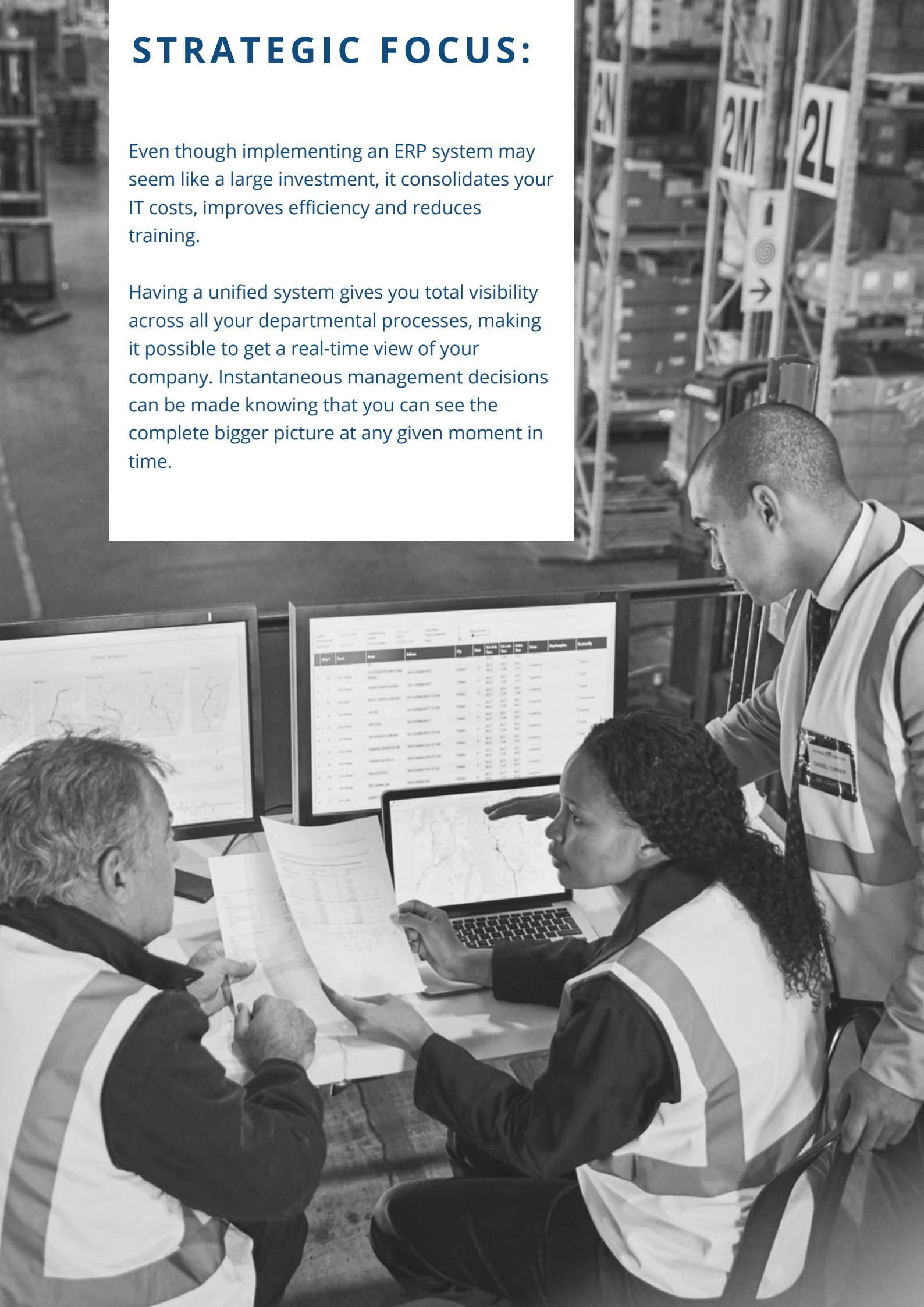
POINTS OF INTEREST

- Rolling out handheld tech to delivery drivers is now a practical option
- Moving away from manual processes will modernise your warehouse, save time and money, and enable you to offer a better customer service

STRATEGIC FOCUS:

Even though implementing an ERP system may seem like a large investment, it consolidates your IT costs, improves efficiency and reduces training.

Having a unified system gives you total visibility across all your departmental processes, making it possible to get a real-time view of your company. Instantaneous management decisions can be made knowing that you can see the complete bigger picture at any given moment in time.





3. BARCODING AND AUTOMATED WAREHOUSING

The 1990s saw the widespread introduction of standard barcodes to many products, and the early 2000s saw big steps forward in the development of systems that could barcode at goods-receipt, but this is still an aspect of logistics that is beset with challenges. These challenges include:

- The culture shift to change working practices to handle bar-coded goods
- Goods arriving without codes and needing labelling on receipt
- Stacking of goods to make barcodes visible
- Damaged labels rendering codes unreadable
- Manufacturers changing their codes without notice
- Goods stripped of their outers, leading to different multi-pack / individual barcodes being read

All these factors, amongst others, make the successful implementation of full warehouse management a significant project to deliver successfully, but the rewards are also substantial, including faster pick and despatch times, more accurate inventory, less despatch errors and greater partner and customer satisfaction.

It also introduces new tools to the logistics company, such as automated shelf-life identification and batch-matching capability. This is in addition to the typical benefits of a full warehouse management solution (WMS) such as automated pick-face management, optimised pick-routing and put-away and real-time warehouse dashboards on screen, all features of standard modern software such as Sicon's Barcoding and Warehousing module.

The practical challenges of a full WMS may have seemed complex in the past, but it is now more achievable than ever, and at a lower price point.



TOTAL VISIBILITY

**ACCESS YOUR DATA FROM
ANYWHERE, AT ANYTIME**



4. PARTNER COMMUNICATIONS

Electronic Data Interchange (EDI) has been around since the 1970s and is the standard shorthand for data being exchanged between trading partners. EDI can be just instructions to deliver and receipts for deliveries, but can be expanded to involve pre-advices of incoming goods, reports of stock loss, stock take results and a long list of additional functions.

Historically, such systems were tricky and expensive, often limited to archaic standard formats with strange names like EDIFACT and Tradercomms9 and requiring specialised 'mailboxes' to act as communications middlemen between the parties. Now, it's a lot easier.

Most organisations can accept EDI on a range of formats, including the old EDI favourites, modern IT formats like XML and JSON, as well as the ubiquitous CSV text file. With the standardisation of the internet, communications themselves are also much simpler, typically being just a shared folder on a server known as an FTP site, to which files can be read or written without the need for any specialised software.

Although some companies still sell the whole EDI package as it was, and dress the system up to justify the high investment, the same end can now be achieved by adding basic inputs and outputs to a standard ERP.

POINTS OF INTEREST

- EDI is no longer an expensive and complex commitment
- Driving a simple EDI from Sage 200 to a specific warehouse could be in budget for under £5k, with no ongoing running or licence costs

**"RUN A SMARTER, FASTER, MORE
CONNECTED BUSINESS."**



POINTS TO CONSIDER

DIGITAL ADVANCES ARE CHANGING THE MODERN WORKPLACE. ANY COMPANY NOT PAYING CLOSE ATTENTION TO THE BENEFITS OF MOVING TO AN AGILE ERP SOLUTION WILL INEVITABLY BE LEFT BEHIND.

We have used Sage 200cloud Professional as a yardstick because it demonstrates the ease in which the topics discussed can be implemented. If Sage 200 is deployed on a cloud platform, integrated with a powerful and flexible management reporting system, it guarantees the ability to deliver on all the above, and yet at a cost of less than 10% of legacy systems just 15 years ago.



5. CUSTOMER EXPERIENCE

One of the biggest changes driving the industry is probably customer expectations. Whether delivering to consumers across the country or providing complex time-critical deliveries to a valued customer, the need to communicate rapidly and comprehensively with the pick-up and delivery points has never been so important. This is now more achievable with modern ERP, which tends to approach the issue using two basic tools.

- The first is to have event-driven communications: these are typically emails or texts (or both) that are auto-generated when specific things happen. For example, if an order is placed, an acknowledgement can be sent to the consumer. This has been around for years, but now can be followed up by subsequent notifications that their order is being picked, then despatched, potentially with an expected delivery time and finally with a confirmation of delivery, and even with a link to the proof of delivery. Far from complex, such mechanisms can be achieved with ease and the main challenge becomes focused on capturing email addresses and mobile numbers.
- The second level to providing accurate up-to-date information is to have a website where customers can track their order progress and view expected delivery information. Typically, the same website can display a history of previous orders and the proof-of-delivery information. This self-service functionality reduces calls to admin staff and allows the customer 24/7 data access. This is probably the newest of the ERP technologies being implemented now, but that does not make it an expensive option. For example, the clean and simple Draycir Spindle Self Serve addon for Sage 200 provides this user experience for only £114 per month, including any number of customers.

WHAT CUSTOMERS WANT

- 84% say that the experience a company provides is as important as its products and services
- 75% say they expect companies to use technology to create better experiences
- 68% would rather use self-service channels, like customer portals, to find information



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If you are ready to start exploring your ERP upgrade options, please call **Jonathon Berg or Alex Hamp on 01604 655900**, who will be pleased to help you with your strategy.



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1 PEDIGREE FARM, ALTHORP ESTATE, NORTHAMPTON NN7 4HE