

Gainá

10 TOP TIPS ON CHOOSING AN ERP FOR YOUR DRINKS BUSINESS



WHAT CAN DRINKS BUSINESSES DO TO GUARANTEE THE SUCCESS OF THEIR IT PROJECTS?

Of course, picking the right project manager is important and, yes, determining the scope of the project and assigning resources is fundamental. But according to figures quoted by Deloitte, as many as 55% to 75% of ERP projects fail to meet their objectives.

Perhaps the single biggest mistake that companies make when selecting an ERP is choosing software that doesn't have the functionality to deal with the product mix or other specifics of their industry.

One of the first steps to successfully implementing the right ERP for your drinks distribution is choosing a system designed to meet the demands of your market vertical.

WHAT'S UP WITH THE MARKET VERTICAL?

When we talk about choosing an ERP for your market vertical (or micro-vertical) what we really mean is choosing one that is designed for your specific industry. A wine distributor, for example, will have very different needs to the distributor of meat products, even though they both deal in consumables.

A system that requires as little customisation as possible reduces the need for expensive add ons

As an ERP end-user, it's in your interests to use an application that reflects, and can react to, your industry's business practices. In addition, choosing a system that requires little customisation reduces the need for expensive add-ons and the time spent on implementation. It's also important to choose a strategic business partner that can identify the most efficient solution to a problem -particularly one who has solved comparable problems for industry peers.

Successful ERP implementation requires the system to fit organisational business processes





ARE YOU ERP READY?

According to the 2016 Panorama Consulting Solutions ERP Report, 57% of projects exceeded their initial budget and estimated delivery timelines. The average duration of project delivery was 21 months, an almost 50% increase on 2015 project times.

Businesses are wasting time and money putting unsuitable ERP systems in place. But how can they avoid these pitfalls?

The answer is better understanding of the value that ERP systems can bring to the business. More time and planning needs to be spent selecting the right strategic direction.

When organisations clearly define their business processes before selecting an ERP, they can build customisation into their budget and encounter fewer unforeseen costs. Fewer customisations also means a reduction in the amount of time wasted during implementation.

WHY NOT...

look at case studies of drinks distribution companies who have successfully implemented a new ERP and learn from their experience

BEFORE ISSUING REQUESTS FOR TENDER

- Leave the ERP provider with no room to guess how your business operates. Put together a complete understanding of your own business
- Understand your business objectives and take time to explore how your ERP will help you achieve these
- Poor management of the implementation process will hinder the success of your IT project. Is the internal management strong and committed to the project? Ensure your expectations are realistic and executable
- Your ERP is a tool that time must be taken to understand and fully utilise. Are your staff fully aware of the importance of the ERP to business operations and achieving objectives? Make sure everyone knows their role in the process and what success looks like for them
- Are your external stakeholders onboard with the new approach you will take when you roll out your ERP?
- Be realistic about what you can get with your budget. If you are too price-focused or concerned with getting the cheapest deal, be mindful that you may lose functions designed specifically for drinks distribution





BEFORE YOU SIGN THE DOTTED LINE OF YOUR ERP CONTRACT, READ OUR TOP 10 TIPS ON CHOOSING THE RIGHT PROVIDER

1 PURPOSE BUILT, NOT OUT-OF-THE-BOX

If your ERP provider lacks a thorough understanding of how the drinks industry works, you could find yourself requesting expensive customisations and add-ons to the basic platform after implementation. From complex pricing, discounts and promotions, through to stock picking, bonded warehousing, and invoicing and reports, you need to be confident that your ERP partner can do it all.

DID YOU KNOW...

you need to be confident that your ERP system can handle complex pricing, discounts and promotions



2 SCALABLE, NOT JUST SERVICEABLE

While the need for scalability isn't unique to the drinks industry, the complexities associated with growth are. With the hugely complex pricing and promotions structure of the industry, anything which limits data is a red flag. As the business acquires more customers, as per its growth plans, you need to be sure your software can grow with it to meet those demands. Introducing a new method or process shouldn't be held back by your software's inflexibility or limits on data creation and storage.

DID YOU KNOW...

Some ERPs limit the number of promotions that can be held on the system, or the types of pricing that can be used, which hinders scalability

3 BONDED WAREHOUSING EXPERTISE

Given their high tax markup, there's a lot of red tape surrounding the movement of alcoholic beverages. These goods have to be stored and tracked in a particular way to ensure that duty is paid before they move out of the bonded area. Without specific bonded warehousing software managing this aspect of drinks distribution, it is difficult and time-consuming to meet the required standards of reporting. In fact, customs could even close a warehouse down if the standards of reporting are not being met. Your drinks distribution business needs the peace of mind offered by an ERP solution with inbuilt bonded warehousing expertise.

DID YOU KNOW...

simplifying and automating customs and excise reporting keeps you and your business in the clear when it comes to tax compliance



4

PRODUCT CODES AND RF TECHNOLOGY

It's useful for each individual pallet or batch of product to have its own Product Code. This is especially important when products are hard to distinguish between when sitting on warehouse shelves. Radio frequency (RF) technology is often the solution. This works when Product Codes are associated to barcodes on products - RF technology reduces margins of error since it will not let your pickers pick the wrong product from the wrong location. A system that allows you to use the same Product Codes, from bonded warehouse down through the supply chain, also reduces the amount of data held on your ERP system. Data maintenance efforts are halved since time isn't wasted linking 2 or 3 codes together if you have to report on a batch's journey to the consumer.

DID YOU KNOW...

maintaining two or more Product Codes for the same product is not a necessary evil in drinks distribution



5

INTELLIGENT STOCK SELECTION FOR BETTER CASH FLOW

Stock that is automatically transferred from bond to duty paid only when it is part of an order improves cash flow throughout your drinks business. Duty is only paid when the distributor is paid by the customer, meaning cash isn't tied up in stock before it is needed. This same principle is used widely in business, where the just-in-time production methodology hastens flow times within a production system. Transplanting this idea into the supply chain has the same effect on cash flow. Your ERP system should be capable of managing stock in this way.

DID YOU KNOW...

ERP systems designed for drinks should be able to select and pay duty on stock only when it is required to fulfil an order

6 BUILDING INTERFACES FOR ALL SCENARIOS AND POSSIBILITIES

When choosing an ERP system, it's important to be supported by a team of developers that can build interfaces which enable the flow of information to and from other softwares. Out-of-the-box solutions often aren't flexible enough - and doing 'exactly what it says on the tin' isn't always good enough for drinks distribution. Customisations typically mean more time and more money. Not only should your ERP developers be innately familiar with their system and its potential, they should also have demonstrable expertise and experience in the drinks industry. Their ability to talk about implementing similar solutions for other businesses like yours will be invaluable to the success of your IT project.

7 HANDLING RETURNABLE PRODUCT

Returnable product is something specific to the drinks industry and many ERP systems tend to overlook it. Retailers usually pay distributors a deposit on distribution inventory such as crates and bottles. In order to claim the deposit back, a built-in process to account for returns is better than creating a papertrail to deal with them. Why opt for an inefficient manual workaround where an industry-specific solution exists in its place? When choosing an ERP for your drinks business you need to select one that has been developed with all the idiosyncrasies of the industry in mind.



8 AUTOMATION AND MINIMISING ERRORS

Working with business architecture that understands the value of automating processes is invaluable to your drinks business. Human error will always be an unfortunate reality, but errors in order-capturing can be greatly reduced with the use of order-capturing apps. Automatically checking an order against stock-levels via a smartphone or tablet means that sales reps won't make promises to customers that can't be kept. Providing product at the correct price is also important. Reps need to know the price and margin on a product for each customer to understand how they can achieve the best sale for the business.

DID YOU KNOW...

helping reps understand the scope for price negotiation can help them achieve better sales



9

REPORTING AND SALES ANALYSIS

Anything that helps your reps leverage more sales can only be a good thing for your drinks business. Retailers often depend on reps for analyses and advice on industry trends. In these cases, having historical and product information at their fingertips not only builds relationships and makes sales, but also enables reps to see how close they are to achieving their targets. Assessing whether figures are up or down on the previous year, and identifying opportunities to upsell or cross-sell - all while in conversation with the customer - offers a clear competitive advantage, and turns order takers into order makers.

DID YOU KNOW...

The right ERP means your sales reps have easy access to all the information they need to become order makers rather than simply order takers





10 CUSTOMER-CENTRIC APPROACH – A SOFTWARE PROVIDER THAN LISTENS

The relationship between client and ERP provider sales managers is important to customer success. Therefore an account management structure that guarantees continuous strategic alignment throughout the implementation process is crucial. When the lines of communication are open, the ERP provider should be able to make recommendations based on problems the client is experiencing.

CHOOSING YOUR ERP: CHECKLIST QUESTIONS YOU SHOULD ASK A PROSPECTIVE ERP PROVIDER



HOW CAN YOUR SOFTWARE SUPPORT THE SCALABILITY AND GROWTH OF MY BUSINESS?

DO YOU PROVIDE ERP FOR CLIENTS SIMILAR TO US? WHO ARE THEY?

HOW MUCH CUSTOMISATION OF THE CORE ERP DO YOU REGULARLY RECOMMEND TO CLIENTS?

ARE THERE LIMITS OF THE AMOUNT OF DATA THAT CAN BE HELD AND PROCESSED ON YOUR SYSTEM?

IN THE EVENTUALITY THAT WE REQUIRE NEW INTERFACING FILES, DO I HAVE ACCESS TO A TEAM OF DEVELOPERS TO BUILD THESE WITH RELATIVELY QUICK TURNAROUND?

HOW WOULD YOU CHARACTERISE YOUR BONDED WAREHOUSING SOFTWARE PROVISION?

DO YOU USE THE SAME PRODUCT CODES THROUGHOUT THE SUPPLY CHAIN?
WHY?

DOES YOUR SALES-CAPTURING APP GIVE REPS THE INFORMATION THEY NEED TO
BECOME ORDER MAKERS? HOW?



CHOOSE A STRATEGIC PARTNER, NOT JUST A SOFTWARE SUPPLIER

*“As many as 55% to 75% of all ERP projects fail to meet their objectives” -
Deloitte, Your Guide to a Successful ERP Journey*

Reasons for less-than-perfect ERP implementation range across picking the wrong project manager, failure to educate employees on the importance of the IT project, or costs running over budget.

All of these have the potential to cause major disruption, delays and ultimately poor results.

No-one wants to hear that their IT project is statistically doomed to failure. Luckily there are steps that you can take to ensure it is a success.

With over 30 years experience building software for your industry, we're confident that Gaina's ERP system and purpose-built modules are the best choice for your drinks distribution business. To find out how we can help you top your market vertical, give us a call and speak with one of our experienced sales team.



Head Office

91 Wellington Park

Belfast BT9 6DP

Tel: +44 (0)28 9068 1531

Info@Gainasoftware.com

www.gainasoftware.com