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Meeting the Growth Challenge: Building SME Business Value with ERP

Authored by



The IT paradox confronting SMEs



If you work at a small to medium-sized enterprise (SME), you may find yourself caught between a rock and a hard place when it comes to putting the power of information technology to work for your business. Our more interconnected, digital and mobile world provides new opportunities for agile SMEs. But intense global competition, an increasingly tangled regulatory web and uncertain economic conditions can undermine your ability to capitalize on these opportunities.

Enterprise resource planning (ERP) and business intelligence (BI) software solutions are all about integrating, automating and streamlining operations—and providing the insights necessary to make the best business decisions. But if you're like most SMEs, your budget and staffing resources pale in comparison to those of larger enterprises.

Fortunately, growth-oriented SMEs can now tap the same business solutions and methods that have become large company mainstays—but are tailored to SME requirements and constraints.

“I was shocked when our consultant put SAP on the selection list...we’re a start-up, we haven’t got much money and we don’t have a lot of time. But I quickly found out that SAP was cost-effective, could be installed quickly, and that it could help launch a small business.... We were very pleased with how things turned out.”
— Earl Hughson, president and CEO, GreenBlue



“Doing more with less” — more than a cliché

As an SME decision-maker, you know how to juggle and get things done quickly and creatively—especially on the IT front. Yet you’re probably tired of being told to “do more with less,” and you know that at a certain point, all the juggling in the world won’t help.

You need an integrated and automated way to manage resources and make decisions across the business to take advantage of opportunities and move forward. The right solutions and streamlined processes could help you respond more nimbly to market demands and form closer relationships with your customers. It would be easier to adjust business work flows to take advantage of a new opportunity—or simply to operate more efficiently and profitably.

Fortunately, the enterprise-grade business software that can provide these benefits is no longer out of reach for SMEs. Software vendors that have built their businesses and their reputations by selling sophisticated solutions to large enterprises are now offering SMEs more affordable solutions that are faster to deploy and easier to use.

SMB Group research shows that small businesses (1 to 99 employees) have an average of 1.5 full-time IT staff members, and medium businesses (100 to 999 employees) have an average of 8 full-time IT staff members.

“When you’re growing at 20%, 30%, 50% a month, as we are, there are so many factors you need to stay on top of.... And the only way you can get that kind of reporting in real time is to have information technology that is robust across your entire company.”
— Guy Paproski, president, Nuestro Queso LLC



The upside to being small

SMEs have the potential to grow at rates that big enterprises can only dream about. But hanging on to spreadsheet-based financial tracking and forecasting, entry-level accounting software and other limited-function solutions will hinder the growth of your company. Likewise, trying to reconcile a jumble of disparate, incompatible business systems and homegrown, often idiosyncratic, business processes can override the agility advantages that you should have as an SME.

Finding the right solutions to help manage your business not only can support your company's growth, but also can catalyze it. These solutions can scale easily and flexibly with your needs, can be tuned to meet new demands and changing requirements, and can unify, rather than segregate, your operations.

As important, they can provide your business with the steady stream of cost savings, operational improvements and insights necessary to convert your growth strategy into increased revenues and profits.

“In our industry, margins are small and costs can easily spiral out of control. Costs need to be managed on a contract-by-contract basis and down to a very granular level.”
— Julia Kulinski, general manager, CIBS



The best technology can't make up for bad business processes

No software solution, no matter how sophisticated, can reach its full potential if the business processes it supports and automates are flawed or inconsistent. You may realize that there are better ways to do things, but may not have the in-house staff or expertise to fully critique and improve core work flows. And it's likely that your budget for outside expertise is limited too. As important, you can't afford to incur damaging business disruptions while you streamline business processes.

As it turns out, there is something of a “technical fix” to help ease the transition. Some business solution vendors have baked best-practice templates into their products. Although they may not eliminate the need for external consultants, best practice templates can make it easier to upgrade business processes when you upgrade your software. The templates provide guidance to improve horizontal, but critical, processes such as cash flow management, as well as vertical processes specific to your company's industry sector and operations.

“We had huge amounts of information that we could not integrate. As a result, we didn't have the flexibility or visibility we needed for the business to grow.”
— Alex Vörös, quality assurance manager, Ego Pharmaceuticals



Driving decisions with data instead of gut instinct

Unreliable, inconsistent or inaccessible data can thwart your company's growth. If data is untrustworthy or unavailable, you can't get the strategic insights you need for confident decision-making, and you may not spot trends or potential problems.

To make better business decisions and run your company more effectively, you need both:

- A unified, dependable data foundation that serves as an accurate, consistent and accessible data source for the company
- Affordable, easy-to-use BI tools that help you get the insights from this data to run your business more effectively and efficiently

Solutions that combine ERP and BI elements offer a powerful, yet pragmatic, approach for SMEs. A multifaceted ERP solution can consolidate and standardize existing data across your organization, and can continually generate new common data that is shared throughout your core applications. BI tools can then analyze and visualize this expanding pool of unified, dependable data to generate useful information and actionable insights.

“Mobile accessibility makes me feel safer and more at ease regarding control, processes, and remote decision making.”
— Darwin Diaz, IT, Panificadora Hawit S. de R.L.



Working from any location, at any time, on any device

One of the most significant shifts rippling across the business landscape is the growing demand to access corporate applications and data via mobile devices. Collaboration and personal productivity solutions such as email, calendars, contact management, web access and search have led the surge for businesses to “go mobile.” Like other SMEs, you may now want to provide mobile access to core business processes to improve employee productivity, reduce customer service times and automate work flows.

SMB Group research reveals that 76% of small businesses (1 to 99 employees) and 81% of medium businesses (100 to 999 employees) already rely on mobile and wireless devices to support key business functions.

If your company isn't among that group, you need to make up ground quickly. If you already support mobile access to some applications and data, your company could probably benefit by expanding mobile access across a growing and evolving array of mobile devices.

“Our SAP business consultant’s expertise and commitment made it possible for us to implement the solution that would realize our vision without impacting day-to-day business operations.”
— SteffenKloiber, chief information officer, hhp GmbH



Having a team to back you up

By definition, ERP solutions touch almost every aspect of your business. So no matter how capable the solution—even if it includes business-process guidance—you are likely to need more than software to get the most out of your investment.

You also need a vendor with a network of local advisors who can take the time to understand your business and help you get the most out of these solutions—from determining whether you should run an application on-premises or in the cloud, configuring the solution for your business, or responding to your service and support demands. An experienced partner can help you take complexity, risk, time and cost out of the evaluation and implementation process, and provide you with ongoing guidance as business requirements change.

Vendors that have a broad and deep ecosystem of third-party software partners can also help you to enhance and extend your core ERP and BI foundation to meet your company’s unique needs.

“SAP is an established brand in the marketplace, offers the scalability we needed to keep pace with changing requirements, and has a proven history of longevity. We felt confident betting our future on an SAP Business All-in-One solution.”
— Mark Anson, IT director, LDH



SAP and SMEs

Although more widely identified as a leader in the large enterprise business solutions space, SAP has been applying its deep knowledge of and expertise in ERP and BI solutions to the SME sector for several years. Today, SAP offers a choice of solutions tuned to the needs and budgets of SMEs. These solutions—which include SAP Business All-in-One, SAP Business One and SAP Business ByDesign solutions, along with SAP Business Objects Edge—incorporate the knowledge SAP has gained over decades of working with the world’s best-run companies.

In addition, SAP has a large ecosystem of partners to help you deploy, service and customize the core SAP software. In fact, more than 98,500 SMEs are already benefitting from SAP’s software solutions and partner guidance, and proving its ability to help these companies grow rapidly, operate efficiently and compete effectively every day.

For more information about SAP’s solutions for companies such as yours, please contact your SAP Channel Partner or visit www.sap.com/sme.

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