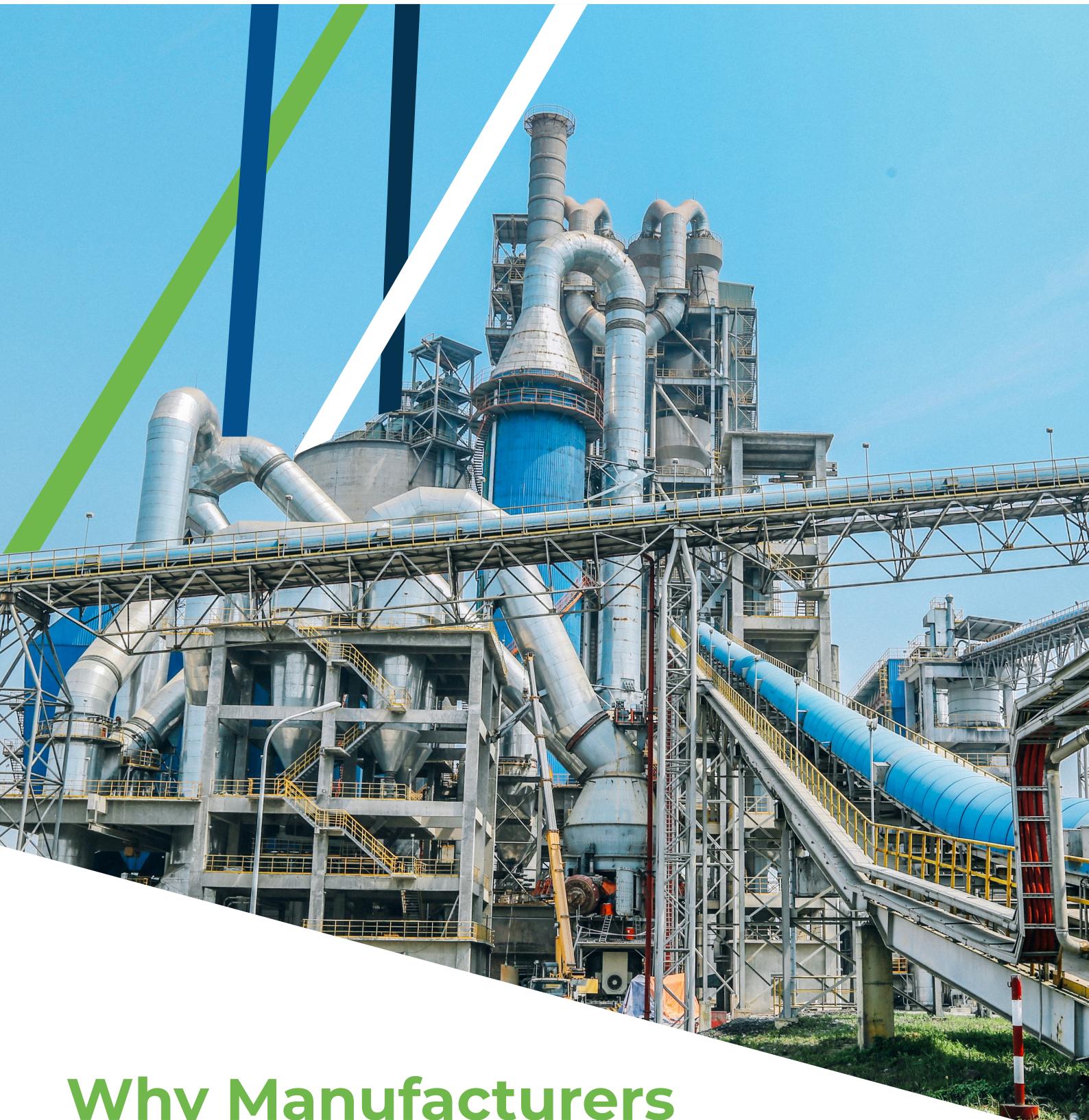


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Why Manufacturers Need ERP Software

sage X3

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The Evolution of Manufacturing

Over the last 50 years we have certainly seen the manufacturing industry go through an evolution. Whilst a good thing for the industry, this evolution presented challenges for manufacturers in increasing efficiency, improving productivity, and reducing costs.

These challenges have mainly been influenced by the increasing demands from customers and a growing competitor market that is continually evolving. To overcome these challenges manufacturers have had to reconsider how their business competes.

The Problem

Today's customers still maintain a demand for high quality products, but now they want them faster. If your business struggles to match this demand with accurate, on-time delivery you can bet your competitors can. Therefore, to remain competitive the modern manufacturer needs to be backed by a supply chain that is flexible and precise to cope with increasingly demanding customers. Many don't realise this problem until it's too late.

Manufacturers often fail to identify early enough the warning signs that change needs to happen. This is often apparent when senior management lack visibility of performance and accurate data right across the entire business. This is likely to be the fact for those manufacturing businesses who are running inadequate software, have disparate systems, and lots of manual processes. This makes running a business arduous and induces 'change fatigue'.

PWC's Manufacturing 2020 report identified that 87% of UK manufacturers agree they need to adopt digital technologies to prosper, whilst 94% are adjusting their business to find new ways to achieve growth. For a manufacturing business to successfully change and grow, they need to be using business software, which is scalable, adaptable and provides real-time information to make faster, more informed decisions. Many manufacturers have made the move to companywide ERP software to help with increasing productivity, improving efficiency, enabling growth, adopting digital technologies, and moving to the cloud.

So, What is ERP?

Put simply, ERP (Enterprise Resource Planning) is a term that refers to a suite of software applications that allow businesses to manage all their core business functions in an integrated manner.

ERP software is now used by companies that are looking to centralise their business operations in a single data source. ERP is widely used within the manufacturing industry as it allows them to take full control of the moving parts of their company including supply chain management and financial management, production, reporting and customer fulfilment.

At Acuity Solutions our experience of working with manufacturers to implement ERP has helped us to understand many of the challenges you come up against. We thought it might be helpful to highlight some of those challenges manufacturers like you face and how investing in ERP software can reap significant rewards.

Challenge 1: Managing Customer Demands

With new competitors emerging constantly, the need to be on top of customer satisfaction has never been so important. Happy customers are the key to a successful business, whether new or returning customers. Companies need to provide customers with quick, accurate, and error-free service to keep them coming back. Businesses need to make sure that orders are correctly processed and their customer demands can be met in the timeframe they require. This is key to maintaining high customer satisfaction levels.

Problems without ERP:

- Inaccurate stock levels to fulfil orders,
- Order inaccuracies and delays,
- Increased complaints & returned orders,
- Loss of customers and market share,
- Incorrect orders, size, shape, and quantity,
- Inefficiencies and manual processes directly impact the bottom line.

ERP can help!

Your customers can very quickly reap the benefits of an ERP solution. With Sage X3 you can deliver products more quickly, have more accurate real-time stock data to enable quick turnaround of sales, accurate orders through cross-departmental collaboration and accessible customer information such as billing, order history and shipping.

ERP systems also support most CRM and sales platforms which allow businesses to have a seamless view of their customers and evolve with them.

Challenge 2: Accurate Sales Forecasting

There is nothing worse than not being able to fulfil orders due to a shortage of materials, resource, and capacity. Accuracy of sales pipeline and visibility of sales forecasting are key insights to understanding what is required, when and how much, and whether you have sufficient resource to meet customer needs.

Problems without ERP:

- Capacity planning oversights,
- Lack of appropriate resource to complete work,
- Incorrect forecasting puts a stop to production if understocked,
- Insufficient levels of materials to complete orders,
- Inaccurate reporting and budgeting result in bad cashflow.

ERP can help!

Accurate forecasting through ERP solutions such as Sage X3 will help businesses plan more effectively. It will help increase order accuracy, have tighter control over the supply chain and plan in real-time for a more profitable manufacturing process. This leads to better management of resources, lead time accuracy and higher customer satisfaction.





Challenge 3: Minimising Stock/Maximising Profit

Whether you have issues with too much stock or not enough stock they both cause significant problems for manufacturing businesses. Accuracy in forecasting and having proper sales projections enables you to hold the correct amount of stock needed to meet the demands of customers. Holding too much stock could result in unwanted material and financial waste, where too little stock could result in late orders, increased lead time and unsatisfied customers.

Problems without ERP:

- Over stocked warehouse,
- Increased raw material and stock waste,
- High risk of running out of stock,
- Delayed orders, unhappy customers,
- Overpaying for last minute stock orders.

ERP can help!

Inventory management functionality in ERP solutions like Sage X3 help to provide real-time data on stock levels within the business, and what requires ordering against your sales forecast. Having this insight supports your business by maximising the space in your warehouse, lowering the amount of stock you buy and reducing the levels of waste caused by poor stock management. The right supply to meet the demand equals right inventory level.

Challenge 4:

Reducing and Managing Costs

How to manage and reduce costs is critical for any business but especially so for a manufacturing one. No matter your industry or size all businesses are looking to reduce costs whilst retaining and increasing productivity and quality. Achieving this operational efficiency provides a massive boost to the overall profitability and stability of the business. Businesses aim to streamline processes for more efficiency, manage suppliers to drive down costs, and better utilise resources to maximise production times.

Problems without ERP:

- Increased operational expenses,
- Longer more costly production processes,
- Higher cost of materials meaning lower profit margins,
- Increased sale costs, less competitive.

ERP can help!

A major benefit to using ERP within a business is the efficiency that it breeds through streamlining of complex processes. Its integrated nature enables the almost instant share of information across all departments that supports collaborative working and employee engagement. The bonus is the time saving in administrative and manufacturing processes, meaning that the man(woman)hours released into the business can be reinvested to deliver other essential processes, helping to further increase production, productivity, and profit.

BUDGET





Challenge 5: Inaccuracies in Planning and Scheduling

Key to any manufacturing business is having a well-defined, efficient planning and accurate scheduling process. This can only happen if there is accurate data. Without it you will not be able to plan your operations, production schedules and deliveries effectively. A lack of planning and access to data can lead to lost time, manually preparing schedules for the shop floor costing the business vital revenue. Additionally, changes could happen to scheduling, with new orders, cancellations, or simple delivery date changes. You need to be sure that you can react fast to maintain customer satisfaction.

Problems without ERP:

- Data inaccuracies from manual input,
- Manual preparation of work schedules,
- Order delays,
- Over resourced and under stocked,
- Order inaccuracies.

ERP can help!

Most ERP solutions offer a production planning module that helps manufacturers plan their production around the organisation and the customer. An effective production plan can streamline production workflow and create a solid base for success. Using Sage X3 can ensure you are able to organise your resources effectively, forecast product demands, manage material requirements, produce a bill of material (BOM) for all products, issue and manage works orders for production, and accurately plan inventory levels. Overall, an ERP system allows businesses to plan for all aspects of company operations and select the most effective option.

Challenge 6:

Growth Limitations due to Legacy

Business growth is essential for the long-term existence of a company. Business growth enables companies to target new customers, expand product lines and reach a wider market. Continued progression also boosts employee morale, increases supplier partnerships, and improves customer satisfaction. What holds back growth for many companies is the use of rigid legacy, outdated solutions that inhibit business scalability. Legacy inflexibility not only hinders growth but means you need to bolt on additional solutions to cover the missing functionality. Furthermore, it can be frustrating, and often prevent you hiring the next generation of staff as they don't want to learn old technology.

Problems without ERP:

- Inability to grow into new markets,
- Cannot attract new generation of workforce due to old technology,
- Unable to adapt system to new requirements,
- Fitting business around functionality rather than vice versa,
- Limited growth options,
- Missing out on additional revenue streams.

ERP can help!

Adopting an ERP such as Sage X3 will empower your team to make better decisions with access to the right tools to do their jobs effectively. ERP provides a single source of data to everyone to see how the business is performing and where improvements can be made. Modern ERP provides flexibility to adapt to your changing business as it begins to scale and takes advantage of latest technologies to help digitally transform your business.





Challenge 7: Siloed Data

Many organisations, no matter their size, may run their operations from multiple sites/locations either in the UK or internationally. Additionally, those same businesses may have multiple software solutions across the organisation which don't integrate or consolidate information. Operations using disparate, standalone systems can make business processes unnecessarily complicated and time-consuming. The lack of integration also results in lower collaboration between departments, decreased efficiency and an increased chance of error due to manual input.

Problems without ERP:

- Risk of error due to manual transfer and input of data,
- Slower order and production process,
- Interrupted workflows and delays,
- Multiple data entry points and higher chance of mistakes.

ERP can help!

Integration through ERP software like Sage X3 is a way of connecting different operations and departments into one single source of data. It supports a consistent workflow enabling businesses to plan, execute and report on several projects and departments at the same time. This helps improve communication & collaboration throughout the business leading to happier staff and more effective customer interaction. ERP also helps reduce the manual time spent on tasks and lessens the risk of human error.

Challenge 8:

Reporting Accuracy

Understanding how your business is performing at any given moment means you can react faster and predict customer trends. Having up-to-date, single view access to data from multiple sources can empower you to make more effective, business critical decisions in real time. Ineffective or inefficient reporting in manufacturing businesses can lead to incorrect or inaccurate decisions being made about stock, projections, and production processes. Detailed insight gathered from all departments and displayed in easy-to-read dashboards can enable a more efficient, profitable business.

Problems without ERP:

- Manual process to compile data,
- Time consuming process to monthly reports,
- Slower reaction time to making decisions,
- Inaccurate stock information,
- Bad decision due to bad data.

ERP can help!

An ERP solution offers a range of enhanced reports and reporting tools. Firstly, it offers a real time dashboard so that data is as accurate and as up to date as possible. Secondly, an ERP will clean your data and minimize errors and duplications. Finally, the advanced customisation an ERP solution offers enables businesses to find and analyse data efficiently. Having a solution that compiles data across all sections within your manufacturing business will improve workflow, increase business profitability, save time and improve decisions throughout the company.





INDUSTRY 4.0

Challenge 9: Being Industry 4.0 Ready

Industry 4.0 is the fourth industrial revolution and is the ongoing improvement and development of manufacturing and industrial practices. It focusses on connecting the whole system required in a manufacturing business such as, smart digital technology, supply chain management, automation, machine learning and shop-floor data. The goal is to improve the way manufacturing businesses operate through digital technology and connectivity.

Problems without ERP:

- Could make a business less competitive,
- Decreased efficiency,
- Lack of cost optimisation,
- Lack of cloud capabilities/functionality,
- Unable to work remotely,
- Too many manual processes and intervention.

ERP can help!

Modern ERP software is not only designed to streamline and centralise your business operations, but they support users looking to access information using the cloud and Internet of Things (IOT). Implementing an ERP solution that leverages IOT can enable manufacturing processes, sourcing, and replenishment to be managed seamlessly and without human intervention. It also allows business leaders to access real-time data to optimise their supply chain, anticipate problems before they become real issues and make faster, better decisions. This increased connectivity and collaboration between departments will further increase the overall efficiency of a business.

Why Sage X3 is the Right Solution for Manufacturers

In conclusion, implementing an ERP solution can take your manufacturing business to the next level. It will help boost productivity, promote efficiency, streamline operations, standardise processes, and overall improve the way a business is managed and controlled.

Sage X3 is an industry leading ERP solution that medium and large businesses can use to deliver those comprehensive business management capabilities that enables them to grow. Put simply, Sage X3 is a better way for business owners to manage and take control of their entire business. Its advanced functionality is perfect for businesses looking to operate faster, more efficiently, and productively.

Sage X3 supports business anywhere with deployment options in the cloud or on-premises.

Why Acuity Solutions is the Right Partner

We are Acuity Solutions, a leading UK based Sage partner with our headquarters in London. What makes us a leading partner is our knowledge of Sage X3 and the manufacturing industry and our unrivalled experience in delivering projects internationally. Knowing the industry allows us to develop, configure, customise, and implement to each customer's individual needs. We work with customers here in the UK though we also specialise in rapid international deployments for medium and large businesses. Additionally, we are the only UK partner to offer fixed priced implementations as standard, resulting in a quicker time to value for our customers and higher return on investment.



If you are looking to transform and futureproof your manufacturing business, we would love to hear from you.

Give us a call to discuss your needs, and book a demo.

BOOK YOUR DEMO BY:

Calling us: +44 (0)1932 237110

Emailing us: marketing@acuitysolutions.co.uk

Visiting our website: www.acuitysolutions.co.uk