

# How to Choose Between Generic and Industry-Specific ERP Systems



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## Introduction

To run a successful operation, every manufacturing organization needs a modern enterprise resource planning (ERP) system to boost efficiencies and drive down costs. However, with so many options available, it can be difficult to make the right choice. If you're wondering whether a generic or industry-specific solution is the best fit for your business—or if you're wondering how to even start the ERP selection process—you're not alone.

In this white paper, you'll discover ways to simplify your ERP selection process, and you'll learn the differences between industry-specific and generic ERP solutions.

## The ERP System Selection Process

To help simplify the ERP software selection process, follow these eight steps:

### 1. Evaluate

Form an evaluation committee that includes top management, functional experts, and end-users from each department throughout your organization. During the selection process, end each step with a consensus of all members to gain enterprise-wide acceptance of the final ERP system.

### 2. Assess

Assess your existing business processes and the scale of your operation so you can determine what's being done well and where you need to improve. Identify gaps or key challenges that can be solved with the help of an ERP system.

### 3. Establish criteria

Develop selection criteria to evaluate available solutions. Consider features, price, platform, ease of use, and other criteria important to the committee. Criteria can include manufacturing features such as traceability, integrated EDI, recipe or formulation management, bar code capabilities, integrated production scheduling, and anything else that's important to your manufacturing business. Then, rank your criteria based on importance.

### 4. Schedule consultations

Schedule phone consultations with sales representatives and product experts from as many different ERP vendors as possible. These

"discovery calls" will provide you with better insight about each vendor and their solution beyond what you researched on their website or through other sources. Be sure they address cloud and on-premises deployment options.

### 5. Create a shortlist

Short-list a few ERP solutions that best meet your business needs. Your discovery calls should have helped you eliminate solutions that are poor fits.

### 6. Make contact

Arrange for each shortlisted vendor to deliver a live presentation and product demonstration.

### 7. Prepare questions

Prepare questions to address your most important requirements, needs, and concerns. How each vendor responds to your unique business challenges will help you determine the best fit for your company.

### 8. Check references

Check vendor references by visiting and consulting with companies that have implemented the ERP system. Ask if the system is working as expected, what the company likes or dislikes, and what value has been realized since implementing the solution. If there were issues, explore how the vendor resolved them.

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## Generic and Industry-Specific ERP Systems

While most generic ERP solutions have modules to handle the non-manufacturing areas of your business, these systems often lack key functionality to handle manufacturing-specific processes. You can customize a generic ERP application to fill the gaps, but this can be time consuming and costly to implement and maintain.

When an ERP application has been developed specifically for your industry, it is better equipped to handle your manufacturing processes with minimal or no customization. This means faster, more affordable implementation and maintenance.

Furthermore, an industry-specific ERP module typically offers greater functionality for your specific business and operational needs than a generic ERP package. For example, an integrated whiteboard-style production scheduling application allows production planners to do their job within the ERP system instead of using manual, offline spreadsheets.

## Manufacturing Industries Top Challenges

Some manufacturing segments that benefit from an ERP system built specifically for their industry include:

### ▶ **Industrial machinery**

An ERP system made for industrial machinery manufacturing improves the ability to control and manage the

complete end-to-end process involving engineering design, procurement, production, and assembly of the finished product. Manufacturers can gain greater visibility into engineering changes that impact the quality and cost of their products. Delivery, installation, and maintenance of the machines at the customer site is supported by integrating key aspects—such as configuration control, change management, and project management—that improve the overall quality, speed, and productivity while reducing delivery risks and costs.

### ▶ **Fabricated metals**

In order to meet just-in-time inventory needs, metal fabricators are investing in machinery to minimize manufacturing lead times. Shorter manufacturing times can improve cash flow by reducing finished goods inventories. Metals fabricators can cut lead times by investing in advanced setup and quick changeover technologies, as well as industry-specific ERP software.

### ▶ **Electronics and high-tech**

For manufacturers of high-tech products, coordination of information across the extended supply chain is critical in effectively meeting changing customer demand cycles. Successful supply chains require good communication across all participants and throughout all supply chain processes. Early indicators and communication of changes in demand, sourcing, and manufacturing capacities enable supply chain partners to coordinate and address the changes in a cost-effective manner. ERP technologies built for high-tech manufacturers help improve

collaboration and reduce disruptions to delivery with real-time information and impact analysis.

### ▶ **Medical devices**

Manufacturers who focus on medical devices see additional challenges in regulatory compliance and the high cost of product development. As a result, supply chain visibility and validation—alongside traceability in production—are critical. Furthermore, this industry has software validation requirements. An ERP solution with features and processes to address the unique challenges of medical device manufacturing is key.

## Generic ERP Systems With Vertical Extensions

While generic ERP systems may have partners that provide front-end packages that target various industry verticals, consider how well the front-end package integrates with the generic ERP and your existing systems. Multiple systems require synchronization and ongoing maintenance.

Consider the industry expertise and experience of the partner that provides the front-end packages. How well this type of vendor understands your industry, the existence of a strong user base, and the vendor's ability to develop and maintain the applications are all vitally important.

Dealing with multiple software vendors can be a headache, so make sure it's clear who is responsible for resolving software issues when they arise. Lastly, identifying who is responsible for support if the vendors end their partnership is extremely important.

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## Conclusion

Implementing a new ERP solution is a big task. Make sure you have the right people involved from your organization, and spend some time developing relevant selection criteria to meet your business objectives. While you can choose between a generic or industry-specific ERP system for your business, an integrated ERP system specific to your industry will be better equipped to handle your manufacturing requirements. Industry-specific solutions are implemented faster and are less expensive to install and maintain. Although generic ERP system vendors may have software partners who offer front-end packages that target industry verticals, you should consider the issues of dealing with multiple vendors. Finally, you can increase your chances of a successful project by selecting a vendor that can partner with you long term, understands the unique requirements of your industry, and can provide a variety of cloud or on-premises deployment options to fit your needs.

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## About Epicor

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