

## 5 Must-Know Benefits of ERP Systems for a CIO

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**It is an overwhelming decision to opt for ERP software, especially if a business is implementing this major software for the first time. How is it going to impact companies?**

**FREMONT, CA:** Enterprise resource planning (ERP) system is key to manage a multitude of enterprise applications across an organization effectively. The

significance of ERP revolves around what it can do to the business. The software makes a leaner and accurate operation, which gives a total 360 view of the intricate details of the business. It manages all the aspects of an enterprise, such as aligning financial management, supply chain management, human resources, and manufacturing accounting's core function. Enterprises make use of ERP systems to bring transparency in their business processes by keeping a check on all the aspects of production, materials, and financials.

With ERP systems, businesses can improvise both user efficiency and productivity, that in turn, improves customer service.

Below are some of the primary ERP advantages that CIOs need to know before implementing a robust ERP system.

### **1. Complete visibility**

ERP allows complete access to every essential process in the enterprise by making the data easily available to senior management. For example, the company can supervise levels on day to day basis, including future consignments that have not been received and inventory that is currently in transit. The ERP system enables the enterprises to be aware of their inventory levels and then control their working capital at a more specific level.

Besides, the availability of the company's information in a centralized area leads to increased collaboration and smooth completion of work. This complete visibility helps in easy tracking of inter-departmental processes with maximum efficiency. It also offers more coherent workflows. This enables enterprises to make quick decisions with confidence.

### **2. Entire Customization**

One of the most significant benefits of the ERP system is its modular makeup. In the present day, multiple applications are offered by most ERP vendors that can be implemented together as per the need of the businesses. Barring a few exceptions, every application has the capability of standing alone or integrating with the larger suite. This way, the company gets the privilege of picking and choosing components that will work best for it.

Another aspect of the customization involves the way in which the software is implemented. The two major deployments are through the cloud and on-premise. With an on-premise system, it becomes vital to purchase physical software and install it on all the computers and servers of the company. In the case of a cloud-based system, the ERP provider handles the complete software bundle off-site.

### **3. Improved customer service**

ERP systems usually come with all kinds of Customer Relationship Management (CRM) applications, along with financials, sales, and other front-office functions. The CRM function of the ERP system is the primary way an enterprise remains competitive in the market and can obtain returning customers. For

example, employees of customer service and sales departments can interact with the customers in a better way and build strong relationships with them. They can have access to more accurate information about the customer and his history, which is provided by ERP systems.

#### 4. Improved Planning and Reporting

Along with improved visibility, the ERP system also provides better insight. By implementing an ERP system across the departments, the enterprises can have a single and unified reporting system for each process. This single-source enables the ERP system to quickly generate reports and analytics at any given point of time. This software empowers the organizations to compare and analyze functions across the departments, saving them from the hassle of various spreadsheets and emails.

In addition, many ERP system vendors provide business intelligent (BI) services along with their software. The functions of BI enables businesses to obtain a deeper level of analytical insight into their operations. The enterprises get support in corporate planning as these insights identify both problem areas as well as operational strengths that require improvement.

This kind of detailed view of the businesses' data helps ERP users in making better-informed decisions based on metrics and trends.

#### 5. Improved partnerships and workflows

Partnerships are a vital part of an evolving business. Since collaborations need more time and hard work, companies found most of their teams working in silos. However, the ERP system has streamlined the collaboration process by providing the workers with access to the data whenever they want. ERP platforms offer an interdepartmental database, where the data from each department is directed towards one centralized location.

This provides the companies the privilege of having real-time project updates and better interaction across the entire organization. The ERP system enables every employee to have on-demand access to the data of the entire company, which allows them to see a clear picture. It provides the employees with the tools that help them in making proactive decisions. Ultimately, it results in increased efficiency and reduced operational costs, which are associated with manual data tracking and higher employee engagement.

The above is only a sneak peek into the huge picture containing the ERP system's benefits. However, businesses should be careful while choosing the right software vendors for deploying ERP systems.

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