

Customer Service: A Big Slice Of The ERP Pie



FAB: Features, Advantages, Benefits

By Thomas R. Cutler

Lists of reasons for purchasing ERP (Enterprise Resources Planning) manufacturing software systems are common. Suggestions of Lean Manufacturing continued process improvements are rampant by the nearly 500 ERP vendors throughout North America.

Despite the efficacy and validity of this copious ERP rationale, customer service with the ERP vendor is the paramount distinction for purchasing decisions according to Steve Larkey, CFO for Home Run Inn Pizza, in Woodridge, IL.

ERP investments are significant: usually more than \$1 million by the time the licensing, installation, training, and ongoing maintenance costs are tallied.

There is a strong perception that the ERP vendor is a strategic partner. Indeed, ERP systems touch every area of the manufacturers' operations from sales order processing to purchasing to work order processing to financials. If the system lacks those much touted features, advantages and benefits, it may spell disaster.



PRONTO's ERP System was a big hit with Home Run Inn Pizza.

There are numerous stories about ERP failures. From not being on time and being way over budget to the simple fact that what was sold is not what is being delivered, ERP has not always brought the desired results. More often than not, there are core benefits realized from an ERP installation including:

- Increased efficiency,
- Real time availability of data
- Visual awareness of manufacturing operations, and
- Reduction in duplicative data entry.

As ERP vendors spend millions of dollars in print advertising, web sites, brochures, tradeshows, and direct selling efforts, listening to the potential ERP customer's need appears to be the factor that tips the scale and wins or loses the sale.

While on the backburner for more than three years, Home Run Inn Pizza made due with their existing ERP system, which Larkey referred to as "a suit for your 11-year-old son...you knew it would have to be replaced. The old system was missing features, had several minor shortcomings, and clearly the product was not intended to evolve."

Larkey knew a new ERP system had to perform cost-accounting functions at least as well as the old system and allow the finance department to work with data in an unencumbered, flexible way. The old system did not permit easy exporting to Excel and Larkey had no time nor desire to learn a new subroutine to "make it work."

Because the fast growing pizza company was dealing with other important corporate issues, ERP replacement was investigated on a time-permitted basis. Larkey quipped, "Selecting a new ERP system is like choosing a second spouse...you want to make sure this time it's going to last." There was a broken engagement before Home Run Inn Pizza went with PRONTO North America (www.prontoerp.com). "We were all set to go with another system yet discovered some serious limitations at the last minute and then discovered PRONTO. They were willing to work with us, develop specific solutions to our needs, and make it clear that we were in this together as partners," insisted Larkey.

According to Mike Ligudzinski, CEO with PRONTO North America, "The small and mid-size manufacturer cannot afford anything less than a full-fledged strategic partner from their ERP vendor. It represents a huge part of their technology commitment financially as well as culturally."

It's about the people...

Just as some prefer to have the anchovies left off the pizza, Larkey made it clear that some of PRONTO's "cute" customized features were not of direct benefit to his operation and that some broader appeal applications would be nice and make the product even easier to use. Despite these minor product criticisms, like anchovies on the pizza, Larkey concluded, "People in PRONTO could not be better...PRONTO gets that this is a partnership, sort of like a second marriage."



"...customer service with the ERP vendor / the paramount distinction for purchasing decisions." Steve Larkey, CFO, Home Run Inn Pizza

It's about the selection process...

The selection of the ERP system at Home Run Inn Pizza was textbook perfect. Everyone who had to perform a function on the system spent time and put hands on the product and offered an opinion on the product selection. Buy-in by committee is a key element to an effective evaluation and decision-making process. According to Larkey, "If someone had thrown up a red-flag, we would have stopped the process." By gaining early cultural acceptance of the new system, the ERP users are content with a new methodology, rather than resistant.

It's about customer service...

There is a great shift needed by ERP vendors who keep attempting to point out why their product is better than the competition. At this time in ERP generational development, the distinctions are less and similarities greater. The bugs and challenges of most ERP systems have been resolved. Now it is about people and customer service. It is about listening to the present and future objectives of a manufacturer. It is about learning what is not working with the current system and where the company wants to grow. It is about long-term committed relationships between an ERP vendor and client. ERP: it's about customer service.

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