



ERP System Improves Manufacturing Supply Chain

Stand for Enterprise Resource Planning, ERP systems are being used worldwide for an effective and efficient management of workflow and information flow in organizations. Encircling accounting, sales, customer relationship, etc, ERP improves productivity and eases management with the help of integrated software. While ERP offers many benefits, one of its advantages includes systemizing and improving manufacturing supply chain.

What manufacturers want is proper and effective use of manufacturing assets while streamlining supply chain inventories, production, and scheduling. ERP system offers all these to manufacturers helping them gain quick insight of supply chain system and improves supply chain management. Investing in ERP system is a wise decision instead of bearing with low margins. Here are a few benefits of implementing ERP system for bringing an improvement in supply chain.



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SPECIAL POINTS OF INTEREST

- Enterprise Resource Planning (ERP)
- Functional Areas of ERP



Enterprise Resource Planning (ERP)

Enterprise resource planning (ERP) systems integrate internal and external management information across an entire organization, embracing finance/accounting, manufacturing, sales and service, customer relationship management, etc. ERP systems automate this activity with an integrated software application. The purpose of ERP is to facilitate the flow of information between all business functions inside the boundaries of the organization and manage the connections to outside stakeholders.

ERP systems can run on a variety of computer hardware and network configurations, typically employing a database as a repository for information.

Source: http://en.wikipedia.org/wiki/Enterprise_resource_planning

SETTING UP CUSTOMER INTERACTION

Nowadays, competition is increasing in every field; hence, businesses need to establish long-term customer relationship with a thorough inside and interaction with customers. And to build such a long-term relationship, inclusion of customer views is a must in every business. Organization's supply chain system, customer feedback service, survey systems, and sales & marketing could be used as a better medium to include customer views.

ERP system helps manufacturers think out of the box from just delivering order. It helps them think on what customers want and what they should manufacture to increase sales and profit margin. Integrating supply chain system, sales & marketing, customer feedback service, etc. helps getting insight of how more orders could be brought to the organization and what can make customers satisfied for a long-term relationship.

SETTING UP SUPPLY CHAIN TO COPE UP WITH DEMAND

Supply chain system must work according to the current demand i.e. it must be updated on real-time needs. Gone are the days when gathering and incorporating customers demand was a tedious and lengthy process. ERP systems today, provide quick and effective information and integration of customer demands with proper planning and management. Inventory is made fast and easy with ERP system and hence, deciding on production plan and supply of products on what is required basis has become systematic. With this, organizations are now able to manage long-term customer relationships while managing effectively the cost driven production system. ERP system does real-time inventory and provides information on which product is available for shipping in how much quantity and how much is exactly required for shipping. All these make companies make required decision to cope up with demand-driven market where customer relationship is the trump card of winning game.

ORDER MANAGEMENT

Creating and managing sales order is the demand of today's highly competitive business market. For cost-effective order management, you need to be real-time and fast. You need a system that gives you quick and exact insight of how many orders are in hand, what is the production status, when orders should be delivered, what taxes should be applied to orders, etc. ERP system simplifies creating order, processing order, managing commissions, implementing discounts, and tracking orders.

SETTING UP SUPPLIER INTERACTION

Today, businesses are at competitive edge and they require real-time integration of suppliers and manufacturers. Real-time integration of suppliers and manufacturers opens new door to opportunities of sales. In addition, it saves cost in finding new suppliers, bringing them on board, and implementing their demands and strategies. An effective ERP system helps manufacturers find suppliers and integrating them on board. Connecting with suppliers worldwide in real-time is what makes ERP system special for manufacturers. It saves time and cost to collect demand of suppliers and production data and sending the production data to suppliers in real-time.



PERFORMANCE

For an effective performance measurement, you need to go through metric reports, key performance indicators (KPIs), and analyze them. ERP system helps generating metric reports quickly making them easy-to-read. You can get graphical structure for at-a-glance analysis like supplier analysis, status tracking, and so on. Gone are the days when many days were required to create and analyze performance reports. Now, there are no more advance warnings about developing supply chain reports. ERP system gives you these reports quickly while allowing you to choose the medium you feel easy to analyze the report.

CASE STUDY: SERADEx ERP

This case study revolves around Seradex ERP – ERP system for manufacturing industry with ten to 500 employees. Wide range of manufacturing companies' use Seradex ERP for purposes like cost reduction and management, productivity improvement and management, better customer integration and performance measurements. Seradex ERP helps centralizing all information; hence, improves core areas of better productivity, customer management, on-time shipment, etc. Keeping track on material you have for production, orders you have in hand, date of shipment, etc. is must to cope up with today's challenging business environment. Seradex ERP gives you real-time updates on all these to help you make quick decision on what you have in hand, what you need, and how to proceed ahead. It is an easy-to-implement and easy-to-use ERP system that works in Microsoft SQL environment opening all doors of growth with effective customer management and supply chain management. It offers quick-to-analyze reports for better productivity and cost management.

Source: http://www.seradex.com/support/erp_case_studies.php



SUMMARY

With effective customer integration, on-demand supply management, supplier integration, order management, and performance analysis. ERP system creates a path to reduce cost, simplify production, and streamline shipment. It brings transparency between different departments by giving a crystal clear view of what is where in the organization, when material is sent for production, which material is used in production, which product is sent for shipment, when shipment is done, billing of material, billing of orders, and so on. Today, ERP systems are becoming the trump card to create a win-win situation in this highly competitive world.

Functional Areas of ERP

The following are common functional areas covered in an ERP System. In many ERP Systems these are called and grouped together as ERP Modules:

Financial Accounting

- General Ledger
- Fixed Asset
- Payables
- Receivables
- Cash Management
- Financial Consolidation

Management Accounting

- Budgeting
- Costing
- Cost Management
- Activity Based Costing

Human Resources

- Recruiting
- Training
- Payroll
- Benefits
- 401K
- Diversity Management
- Retirement
- Separation

Manufacturing

- Engineering
- Bill of Materials
- Work Orders
- Scheduling
- Capacity
- Workflow Management
- Quality Control
- Manufacturing Process
- Manufacturing Projects
- Manufacturing Flow
- Product Life Cycle Management

Supply Chain Management

- Supply Chain Planning
- Supplier Scheduling
- Order to Cash
- Purchasing

Project Management

- Project Planning
- Resource Planning
- Project Costing

Customer Relationship Management

- Sales and Marketing
- Customer Contact

Source: http://en.wikipedia.org/wiki/Enterprise_resource_planning

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