



Mastering ERP Selection

A Strategic Roadmap

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MASTERING ERP SELECTION

A Strategic Roadmap for Distribution Companies

In today's business world, with so many solutions to consider across Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), inventory management, and ecommerce—the task of choosing one or more may seem daunting. Although choosing the right solution and provider for your organization may be a long, taxing process, the rewards can be substantial. The right ERP system, implemented efficiently and built to enable the business's strategy, can:

- Create a happier working environment.
- Improve your profit margins.
- Increase revenue.

The ERP experts at NetSuite have built this guide to help you and your team make a decision about the solution that works best for you and to help set you up for a successful implementation. The process

outlined in this guide is a widely-accepted evaluation process and is a valuable exercise for any major technology implementation project.

How will this guide help you to successfully select a software solution for your distribution business? First, it will help guide you toward the reason and value for making a change; second, it will align your organization on the specific benefits of a new software solution across all of your operations and supply chain.

Thank you for taking the time to meet with me and review the Executive ERP Evaluation and Investment Guide—we hope to be given the opportunity to work through this process with you.

Why are we beginning this journey?

Should our organization be looking at purchasing new software?	Yes	No
Do you have general or industry-specific requirements beyond the ability of your current system?		
Are you unable to use the data or is it taking up too many resources and too much time to analyze data?		
Does your current system architecture require duplicative and/or redundant data entry?		
Are your employees, partners and vendors able to access company data over the web and via mobile devices? Is this something you could benefit from?		
Does lack of flexibility hurt your company's ability to keep up with new and more complex business processes?		
Can you use your system to automate COGS, sales orders, supply chain management and/or other industry-specific requirements?		
Is key information and business intelligence unavailable throughout your company?		
Does your current Accounting/ERP system timeout or under-perform?		
Does your company rely on manual processes, double entry and/or spreadsheets?		
Is the production of financial statements time-consuming and error-prone? Can you easily perform inter-company transactions?		

What is your organization's long term vision in 100 words?

Strategy

Building and executing a strategy is essential in achieving your organizations long term vision. Use the section below to establish key strategic points in various areas of your organization to help align your internal priorities. This will not only help identify day to day priorities, it will also help identify priorities in a digital solution.

Organic Growth and Product Development	Vendor Management
External Growth, Expansion, Mergers and Acquisitions	Inventory Management
Technology and Data	Ecommerce
HCM/Payroll	

Your Organization at a Glance

High Level Overview	\$ USD	% of Revenue
Revenue		
Cash		
# of Employees		
Inventory on Hand		

Key Financial Metrics	\$ USD	% of Revenue
COGS		
SG&A		
AR		
AP		
DSO		
Days to Close		

Item	
# of Invoices	
Average Invoice in \$	
# of Retailers	
# of Supply Vendors	
# of SKUs	
# of Stock-Outs	
# of Unique Customers	
# of Return Customers	
Average Customer in \$	
Fill Rate	
Inventory Turns	

Your Organization at a Glance – Continued

Spend Item	Name	Spend
Accounting System		\$
CRM System		\$
Warehouse Management System		\$
# of Excel Reports		
Ecommerce Store		\$
IT Labor	#	\$
EDI Connections	#	\$

Functionality Requirements and Vendor Comparison

Area of Business	Functionality Requirements	Priority (High, Medium, Low)
Ecommerce		
Sales/Marketing		
Order Management		
Supply Chain		
Procurement		
Inventory Management		
Customer Support		
Financials		
HCM/Payroll		

Functionality Requirements and Vendor Comparison – Continued

Area of Business	Priority (High, Medium, Low)	Priority – Explanation
Charge Backs/Bill Backs		
Go Live Date		
Price/Budget		
Reporting		
Time in System		
Redundancies		
Unified Data		
Cloud-Based		
Updates		
Uptime		

ERP Extensions	Functionality Requirements	Current Provider
EDI		
Transportation Management		
Integration Partner		
Tax		

Joint Execution Plan

The evaluation process for a new digital solution and partner can be challenging and time consuming. The Joint Execution Plan (JEP) can be used to track key milestones and deliverables throughout your selection process. It will also be a valuable tool to help hold the various vendor's accountable to your timeline.

Milestone	Due By Date	Status	Actions To Green
Introductory Meeting			
Business Discussion and VCA			
Online Pre-Recorded Demo			
Demo Review and Feedback			
Alignment and Discovery			
Scenario Demo			
High Level Pricing Delivery			
Review of SSA and SOW			
Legal SSA Review			
Professional Services Alignment			
Decision Meeting			
Solution Review and Cost Proposal			
Final Q&A			
Vendor Selection			
Contract Execution			
Implementation Kick-Off Meeting			
Industry Fundamentals Training			
End User Training			
Data and System Migration			
Go-Live			

Engage

Ask your employees for the best and worst thing about the current system.

Employees are your best resource to better understand your day to day issues. Taking some time to listen to what they have to say does a few things.

1. It helps you get a better understanding of what impacts their moral and ability to get the job done.
2. It will build engagement and buy in for a new digital strategy and solution.
3. It will help leadership discuss the change that is coming, prepare the employees for change and reduce any surprises.

#	The Bad	The Good
1		
2		
3		
4		
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Align

The alignment section of this document can be used to review each major process throughout your organization. The suggested use of this section is to:

1. Speak to the process owners and have them describe the process.
2. Draw the process.
3. Identify the process gaps, breakdowns and shortfalls.
4. Complete time studies on the processes to quantify the process gaps. Once you know the details and opportunities within each process, you can better understand the monetary opportunity by streamlining each process.

Sales and Marketing Process – Describe and Draw

Owner

Description

Draw



Process Breakdowns and Shortfalls

Current Process Cycle Time:

Procurement Process – Describe and Draw

Owner

Description

Draw



Process Breakdowns and Shortfalls

Current Process Cycle Time:

Order Management and Fulfillment Process – Describe and Draw

Owner

Description

Draw



Process Breakdowns and Shortfalls

Current Process Cycle Time:

Production Process (In-House or Outsourced) – Describe and Draw

Owner

Description

Draw



Process Breakdowns and Shortfalls

Current Process Cycle Time:

Inventory Management Process – Describe and Draw

Owner

Description

Draw



Process Breakdowns and Shortfalls

Current Process Cycle Time:

Accounts Payable Process – Describe and Draw

Owner

Description

Draw

Process Breakdowns and Shortfalls

Current Process Cycle Time:

Accounts Receivable Process – Describe and Draw

Owner

Description

Draw

Process Breakdowns and Shortfalls

Current Process Cycle Time:

Financial Close Process – Describe and Draw

Owner

Description

Draw

Process Breakdowns and Shortfalls

Current Process Cycle Time:

Online Presence – Describe and Draw

Owner

Description

Draw

Process Breakdowns and Shortfalls

Current Process Cycle Time: