While building your business is your primary focus - the fact that your company has actually outgrown it’s current way of operating often comes as a surprise. What was once a small group of people who simply “got things done” has become a team of specialised staff, departments, offices and enormous amounts of information: invoices; sales receipts; payroll information etc.

Key to transitioning a business from a small to mid-sized or even large operation is having the right Enterprise Resource Planning. ERP is effectively a software system that enables companies to break down their traditional organisational groupings, replacing them with a tightly integrated horizontal structure which aligns:

- Strategy
- Organisational structure
- Process
- Technology.

Steven Honkoop is the IT Manager for the Adelaide Crows Football Club, the AFL team with the highest club membership at over 50,000 and a turnover in excess of $25 million a year. Mr Honkoop was brought into the Club in 2007 with a mandate to review all the Club’s IT systems. Prior to 2007, the Club had managed with IT consultants, however with growth – in both revenue and staff – the Club needed to become more strategic in the way it managed its business. “Increasing business complexity requires you to have a better and smarter backend,” he said. “And that’s what we needed.”

Honkoop was determined to get the right ERP for the Crows from the start. Getting the best and “best suited” ERP for your company’s needs allows you to “create for your organisation a real and measurable efficiency that adds value and competitive advantage to your business,” he said.

MYOB recently held a series of webinars aimed at assisting companies who are transitioning from a small business to a medium to large operation. The IT webinar was hosted by Gary Katzeff, National Manager, MYOB Enterprise Division. Guest speakers included Mr Honkoop as well as Brendan Shepperd, Director Commercial IT Solutions.

The webinars were targeted at helping participants work out what ERP system suits not only your existing business needs, but will adapt to where the business is going. The MYOB EXO Business, is built on Microsoft SQL Server® and is designed to be secure, stable and more importantly - flexible - with real-time reporting and real-time transactions allowing you to keep track of business processes as well as identifying and responding to new business opportunities.
Mr Honkoop described the Adelaide Football Club as a classic example of a business that was looking to replace its outdated financial platform that could both better service the company’s needs as well as help drive revenue. It also had to be flexible enough to deal with future growth of the business.

The Club was looking for an ERP solution which had a value proposition that included a high return on investment. The system also had to include a good price point in relation to investment value. “We investigated various products but decided to implement the MYOB EXO Business solution. It provides better value and greater flexibility in the guise of an out-of-the-box, simple-to-implement solution. The system is based on the industry standard Microsoft SQL Server® and is easier to integrate with other IT solutions,” he said.

Mr Honkoop stresses that taking time to do your research in the beginning will pay off substantially when you install the system that suits both your business and your staff.

The questions you should ask should include:

- What sort of company will be supplying the ERP – seek references from other users
- What modules will be installed – and when
- Who is the implementer
- What database will be available
- What number of users will it cater to
- What software suits you best now – and in the future
- Is the software easy to use
- What modifications are available
- Can the system be installed on time and within budget
- What is the performance/response time
- What level of support is offered
- Ask other users whether they are satisfied, would they do it again with this supplier, what would they do differently.

Adelaide Football Club’s Honkoop did his homework and found that MYOB was exactly what the Club needed. “I have worked on many change management processes before and swapping to MYOB EXO Business has been one of the smoothest projects to manage. Staff have found the solution very easy to use, which minimizes the doubling up of tasks and improves productivity,” he said.

“MYOB’s communication with us during the selection and integration period of our new solution has been fantastic and I fully intend to consider other MYOB solutions in the future.”

He described an example of just how having an ERP has improved the way the Adelaide Football Club runs. The Club’s retail store sells a significant amount of merchandise after a home game. Under the old system it would take half a day to reconcile the banking after a home match. After the introduction of the MYOB EXO Business, “it takes just 20 minutes. This is a real and measurable efficiency gain. And it’s just what you should look for in a ERP,” he said.

The Webinar attracted a broad range of participants. From the managing directors of small business investigating ERPs to deal with their company’s growth to IT managers of large complex business wanting to find out about ERP modifications. One of the key messages was that choosing an ERP system is a unique opportunity to improve the way your business operates. Don’t just choose to re-implement your existing processes. This may offer cost savings in the short term, but is unlikely to achieve major benefits moving into the future.
As your business has grown in size – and complexity – it is likely you have experienced what is called “growth pressure points”. These include:

- Increased staff
- Increased transaction volumes
- A growth in business operations – from a small number to operations closer to new markets and customers
- New products and services.

The growth of a business can have a domino effect: increased volume in transactions leads to larger numbers of interactions with customers and vendors, the business has moved from filling orders to one where there is the added importance of maintaining customer relations, keeping detailed records, developing a reputation for reliability. As these interactions, and transactions, increase – the workload on your staff increase as well. Staff need to move from being able to “pitch in and help when needed” to having often highly specialised roles within the organisation.

It is a very difficult phase of the growth cycle.

This is where the “higher end” business management systems such as MYOB EXO Business can help and add value. Investing in a flexible and configurable system provides the business with the opportunity to implement more structured processes and to actively improve the efficiency of operational tasks and activity throughout.

Mr Honkoop also stressed the importance of involving the company’s staff in the incorporation of the ERP. Adding that, in many ways it’s the staff and their acceptance of the new system that should be a priority. “Being an IT manager is not just about the technical and business side. You need to be across the organization and it’s people” he said. There will be problems, he said, “no matter how fancy a system is – if it’s not used, if there’s ‘push back’ amongst the staff when the system is introduced.”

But if you give them a system that improves their every day working life then the staff are motivated to use the new system and to embrace it, he said.

Participants in the webinar learned that the selection process of an ERP provider is crucial. Understand what it is you need from the provider to make your company more successful – ie Critical Success factors and, also, define your measurements of success. These will provide the baseline by which you can judge, down the track, whether your ERP is helping you achieve the success you envisaged.

Other key messages from the webinar included:

- Recognition that you are buying an entire process that requires implementation and support
- You must consider your IT integration needs
- Training is key (both at implementation and in the future as the business, and the systems, move forward)
- Understand what support will be available from your provider – and the costs
- Ask – will the software be flexible enough to grow with the business
- How will the vendor provide this flexibility – and at what cost.
Given that you are considering an ERP because your business is growing – the expectation is that it will continue to prosper and grow in size. It is also very important - right from the start - to consider how you will upgrade your system in the future. Participants in the webinar were urged to ask the following questions of your vendor:

- What are the expected costs of upgrading
- Does the Annual License Fee include updates (fixes) and full version releases
- What is the vendor’s typical software release cycle
- Understand what support will be available from your provider – and the costs
- Is product support provided for older versions
- Will your existing customizations be affected by upgrading

You must also confirm the total cost of ownership of the ERP system. What are the current and future costs; are there any hidden costs and how will you evaluate the costs, and benefits, of your chosen ERP

And then there is the inevitable question of how are you going to pay for the system. Have you decided on financing options?

These were all questions faced by Mr Honkoop when he joined the Adelaide Crows Football Club. The Club was operating with an outdated financial platform, with too many manual processes, real visibility issues and the existing system simply did not reflect current or planned business processes, Mr Honkoop told the webinar audience. In addition, there was little granularity in GL for report building and there were additional compliance and security problems with the existing system, with changes able to be made without an audit trail as well as the fact that users “with ODBC knowledge could compromise the data.”

After doing their research, Mr Honkoop and his team concluded that the MYOB system will provide future efficiencies for the football club. The new system will be used to enable remote selling, increasing the number of Adelaide Crows merchandise shops in the community, be flexible enough for joint ventures and, more importantly, has been an easy system for the Club’s staff to adopt “affording the staff daily productivity benefits across the board which has had a positive effect on company overheads,” Mr Honkoop said.

Mr Honkoop advised those looking at adopting an ERP system should:

- Do your research – look at the wide variety of solutions available and identify ERP specialists. “Don’t be a test case,” he warned.
- Evaluate the vendor – have they experience in your industry? Will they be around long term? Seek out other companies that have used them
- Remember – you aren’t just buying a product – you are purchasing an entire process. By getting it right from the beginning you will achieve the growth you want in the way that you want it.

“MYOB EXO Business is a mature, easy to use system that provides a welcoming IT environment. Have complete confidence in the new system,” Mr Honkoop said.

To attend for the next FREE webinar register online now.