

# 4 ERP Problems and Solutions

A guide for distribution, manufacturing, and wholesale professionals



# Introduction

Shopping for the right ERP system for your business can be intimidating. There are lots of factors to consider, and each software solution has its own set of particular strengths and weaknesses.

To help make your decision just a little bit easier, we've put together this guide to four problems that we at SalesPad regularly see with ERP systems on the market today. By addressing these common issues, we hope to point you in the right direction as you start your journey toward a better ERP system for you and your company.



## PROBLEM 1

# Lack of a Deep Financial Integration

A lot of what we see in the marketplace right now is software that will only give its customers a very high-level overview of financial information, such as software that will only display a summary of the general ledger (or GL). This software tends to be more B2C focused. On the other hand, a B2B focused ERP solution provides line-by-line, transaction-by-transaction data points.

The reports available to users can either make or break an ERP software. Customizable reports allow you to slice and dice the data any way you see fit, and access to pre-built reports that are actually useful is vital when evaluating software. Remember that even if a software touts having 20 different pre-built reports, it doesn't mean that those reports are of any use to you.

When financial software isn't fully integrated into ERP software, it tends to result in gaps in how information flows between the different softwares. This flow of information is not typically something that happens automatically — it usually requires someone to manually move the data between systems, which takes time and money, plus opens the door for human error to occur. And because your different systems are not integrated, you never get a truly live view of the financial status of the company. Using software that fully integrates into your financial platform will eliminate these gaps, giving you peace of mind knowing that the data you see is accurate and up-to-date.



## PROBLEM 2

# Mismanaged Sales Channels

There are two big factors to consider when managing sales channels. The first is how your sales team is being managed. Can you see what your sales reps have been up to? How many transactions have they posted during a specific period? How long has a quote of theirs been sitting with no action, what is the dollar amount brought in during a given period, or who are their new and current customers? Having access to this information is crucial to managing a sales team efficiently and effectively.

Second, consider your digital sales channels. Keeping them up to date can pose a huge challenge. Do you have to manually update your stores one by one, or do you have a method in place to manage them all at once? Most ERP software on the market forces you to manage each store individually. This is extremely time-consuming, as each piece of information — pricing, inventory levels, product descriptions, product images, etc. — has to be updated manually. Such manual methods run the risk of mismatching data due to human error. Using a software that allows you to update all of your different ecommerce stores at the same time, however, saves you all the trouble that comes with updating them manually.

Besides keeping your storefronts and marketplaces updated, you also need to be able to see how all of your stores are doing collectively, and to be able to drill down into each store individually to get at those juicy performance stats. You want to be able to see which items are selling the fastest, which are selling the slowest, and total sales for the day, week, or month. It's important to be able to tell which of your ecommerce stores is performing the best and which one needs a little help. The ability to obtain both a snapshot and a detailed report on how your sales reps and digital sales channels are performing will help you stay ahead of the competition.



## PROBLEM 3

# Ineffective Inventory Management

An issue we see time and again is the confusion around managing inventory vs tracking inventory. Sometimes these terms are used interchangeably when in reality, they shouldn't be. Software that effectively manages inventory is different from software that simply tracks it.

Managing inventory requires getting down to a much more detailed level than when tracking inventory. Managing requires knowing the exact cost of the inventory as a whole, SKU by SKU, and lot by lot. It means looking at each sales order and knowing exactly what is going to be picked for that order and when. It means being able to track each purchase order and shipments to and from your warehouses. It means having the ability to choose between LIFO or FIFO inventory methods. But most of all, it means clearly understanding your margin on every item and every order.

Tracking inventory is much simpler. Typically, tracking only refers to knowing the location of the inventory. Tracking provides you with a limited amount of data, and a limited number of options for that data.

Managing inventory gives you better access to quality data that will help you grow your business. If your ERP software only allows you to track your inventory, that's a red flag.



## PROBLEM 4

# Too Few Available Integrations

The final problem we often see is the lack of quality integrations available for many ERP solutions. When you adopt a new platform, it's critical to verify that it's able to grow alongside you. As your business becomes more complex, you very well might need a third-party shipping integration, or a CRM integration, or a logistics integration. These are all real-world needs that are common for growing companies.

But how do you know which integration to go with, since there could be several companies offering you the same type of service? This question could potentially take a long time to answer, but not if your ERP software has quality integrations readily available. Having your Operational ERP solution only integrate with the best platforms not only saves you a lot of time and headache, but also saves you money. If your ERP solution is prepared to offer you the integrations your growing company needs, you can rest easy knowing that the list of available integrations is top notch, your different software components will work well together, and you won't be left hanging out to dry if you need software support.

When it comes to business software, you need the ability and the tools to build a fully-functioning business solution around an Operational ERP suite for your business both now and in the future. And while these four problems areas are certainly not the only factors to keep in mind when choosing your software, they're critical elements to consider when searching for the best ERP solution that meets the needs of your business.



To see how SalesPad Cloud addresses all of these issues and more, sign up for a free sandbox account, or check out our video demo of SalesPad Cloud.

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