

## Outline ERP/Finance System Review

<b>Business</b>	<b>Product Company 5 Ltd</b>
Date	5 <sup>th</sup> January 2020

### Summary

Your current Finance System X is creating more problems and costs than it resolves. We therefore recommend that you upgrade your System to a full ERP system which will allow you to manage stock and orders more effectively and efficiently.

<b>Recommendation</b>	<b>Upgrade the system</b> for a multi-currency enterprise level system such as SAP B1 or Microsoft Business Central.
Timeframe	As soon as practical.

See the table below for a summary of key issues with your current system.

Your current system has been in place for over ten years and implemented when the business was a lot smaller and simpler. Your expansion into multiple countries over the last 3 years has really highlighted several key problems:

1. Stock management
2. FX issues
3. Consolidating results of multiple entities.

The Finance Team have stated that the system is crashing regularly and hampering the completion of month end reporting. For these reasons, the upgrade is reasonably urgent.

### The next recommended step

We recommend that the next step should be to create a specification document for the new system.

We suggest planning carefully the data structures, controls and workflows to support your business over the next 5-10 years, rather than just replicating what you have.

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The Outline Systems Review is a high-level review based on the ERP / System Output for reporting and high-level interviews. This review is not an in-depth analysis. The information contained in this report should be considered an initial indication only and should not be solely relied upon to make decisions about your ERP / Finance System. For an in-depth review, see our ERP / Finance System Scoping Review.

## In more detail:

Current System Version	Finance System x v10.3.1
Number of users	<ul style="list-style-type: none"> <li>• 12</li> </ul>
Functions of users (current)	<ul style="list-style-type: none"> <li>• Finance</li> <li>• Supply Chain</li> <li>• Management</li> </ul>
Types of current issues	<ul style="list-style-type: none"> <li>• System instability – crashing &gt;1per month – and lack of reliability.</li> <li>• Reporting output is limited. Lot of excel is used to get around this.</li> <li>• Minimal system-based controls.</li> <li>• Limited workflows within system. Basic level only.</li> <li>• The system is a single currency system at database level. FX reporting is inaccurate</li> <li>• Stock management issues – functionality for multiple warehouses limited, no pick info.</li> <li>• Limited connectivity</li> </ul>
Use of excel and other off system reporting	<ul style="list-style-type: none"> <li>• Heavy use of excel</li> </ul>
Data Input	<ul style="list-style-type: none"> <li>• Manual</li> <li>• CSV upload</li> </ul>
Connectivity	No direct integrations with other systems. Limited connectivity functionality
Key Requirements of the business	<ul style="list-style-type: none"> <li>• Increased visibility and ease of reporting</li> <li>• Consolidated reporting (all entities)</li> <li>• System emailed reports scheduled to send to recipients</li> <li>• Order management, including visibility of stock levels</li> <li>• Stock management across multiple warehouses and countries</li> <li>• Stock location captured – to bin or pick location level</li> <li>• Managing Foreign Exchange transactions accurately</li> <li>• User profiles and system-based controls</li> <li>• In system workflows (controls and efficiency)</li> <li>• System stability &amp; reliability – minimal system crashes</li> </ul> <p>Please note that the above list does not replace a full scoping document. This is a list of the key issues, not all issues.</p>

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## Data Input

Currently the system relies on a lot of manually entered data (key directly into the system) and CSV uploads produced by 2 other systems (e.g. your expenses system, project mgmt. system).

The manual entry accounts for approx. 80% of the data.

The current system has limited connectivity and a basic CSV file uploader which enters information as journals.

An upgraded system would allow much greater connectivity and therefore provide greater opportunity to drive admin efficiencies, system integrations and speed of reporting.

## Orders

You currently do not manage orders on your system. We recommend moving your orders onto the new system. The excel spreadsheets are cumbersome, more prone to errors and corruptions.

## Stock Management

Stock is managed on the system with a few system workarounds. The process is slow, manual (in terms of inputs) and limited in its scope. For instance, it is not able to cope with multiple warehouse well and does not provide pick locations, allow for barcoding technologies etc.

## Reporting

The reporting output is limited.

Most of the reporting is done in excel. For the month end, the Trial Balance is downloaded and then an excel pack producing the information in a more presentable format. Additional downloads are used for providing detail.

Each report requires reasonable manipulation which takes time and increases costs.

An enterprise level system will have multiple options for reporting, including automatic distribution via email of many reports. This upgrade will allow reporting to be done much quicker with more efficiency and flexibility. This is likely to reduce team costs.

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## Controls

There are minimal controls within the current system. Most people have common passwords to get onto the system (set up issues) and there are very little controls within the system. Most of the team can access all areas of the system.

We recommend that this is changed when the new system is implemented.

## Workflows

There are minimal works flows within the current system. For example, purchase ledger invoices are manually signed off rather than authorised within the system by different users. Designing appropriate workflows will increase the controls over the assets of the business such as cash.

## Connectivity

The current system does not have many connectivity options out of the box. This limits the ability of the business to increase admin efficiency.

## Other

The system is crashing regularly. In the last two weeks, there were three crashes. Approximately 2 manhours of work is lost per crash per person. A total of 72 hour every two weeks.