

9 Reasons for Using a Single Software System for Your Chemical Business

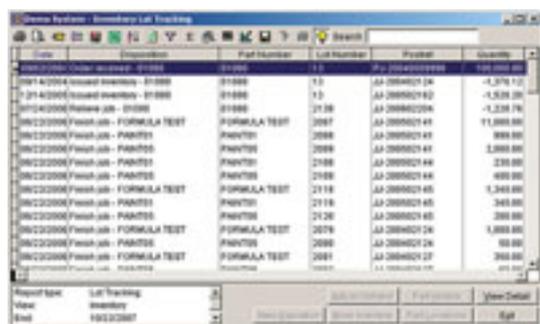
By Jay Deakins

Enterprise resource planning (ERP) software is designed to improve and automate manufacturing operations. Within a process manufacturing company, business processes such as laboratory, regulatory reporting, order entry, accounting, production, stores and point-of-sale (POS), inventory, and purchasing are traditionally managed by several software systems. However, there are many unnecessary administrative and procedural costs and delays associated with this practice. Examples include duplicate data entry, data corruption, increased training, complicated vendor relations, greater IT support, and software incompatibilities. As a result, there is a growing trend toward the use of single ERP systems.

Through this single software system approach, manufacturers can control the details of their complex businesses by linking all departments together to maximize productivity and profitability. Companies have the ability to process easily their regulatory reporting, inventory control, sales and purchasing order entry, lab management and quality control, accounting, production, and store and POS functions with real-time transactional posting — all within one software system.

Following are nine specific benefits of utilizing a single ERP software system for process manufacturing operations. By reviewing these advantages, manufacturers may better understand how to simplify their complex business operations.

1. Single Point of Control



Date	Description	Part Number	Lot Number	Qty	Amount
1/21/2004	Inventory	01000	10	AA 20040214	-1,376.72
1/21/2004	Inventory	01000	10	AA 20040214	-1,376.72
1/21/2004	Formula Test	FORMULA TEST	2007	AA 20040214	11,000.00
1/21/2004	Formula Test	FORMULA TEST	2008	AA 20040214	300.00
1/21/2004	Formula Test	FORMULA TEST	2009	AA 20040214	1,000.00
1/21/2004	Formula Test	FORMULA TEST	2100	AA 20040214	200.00
1/21/2004	Formula Test	FORMULA TEST	2101	AA 20040214	600.00
1/21/2004	Formula Test	FORMULA TEST	2110	AA 20040214	1,300.00
1/21/2004	Formula Test	FORMULA TEST	2111	AA 20040214	300.00
1/21/2004	Formula Test	FORMULA TEST	2120	AA 20040214	300.00
1/21/2004	Formula Test	FORMULA TEST	2070	AA 20040214	1,000.00
1/21/2004	Formula Test	FORMULA TEST	2080	AA 20040214	50.00
1/21/2004	Formula Test	FORMULA TEST	2001	AA 20040214	300.00

[1]

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Through a single software system approach, manufacturers can control the details of their complex businesses by linking all departments together to maximize productivity and profitability.

The primary advantage of single ERP system usage is single point of control. A single software system is the primary source for your manufacturing company. One ERP system allows you to streamline your business processes by providing a single location for all data. It also makes data maintenance easier and serves as the

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primary source for data entry in one central location.

2. Duplicate Entry Elimination

As the single point of control for your data, the use of one software system eliminates duplicate data entry. Customer, inventory, formulation, production history, and lot and batch control updates are processed once with real-time transactional posting. Compliancy with the Sarbanes-Oxley Act, for instance, is simplified. You can maintain a verifiable audit trail for your financial reports and reduce bookkeeping time by eliminating data that does not match in multiple systems.

3. Data Integrity

A basic software truism states: "No matter how hard you try, data in two places will eventually be different." Never is this more applicable than with the use of more than one software system. As the sole recipient of all data, a single ERP software system avoids this scenario. Information entered in one location will always be the same.

4. Detail Drilldown

Consistent data allows for simple research and reporting through one ERP system. Comprehensive reports can be run to deliver cross-promotion opportunities that allow you to reduce stale inventory, reuse equipment, or leverage purchasing power. From these accounting reports and summaries, specific transaction details can be investigated.

5. Basic Training

Training is less complicated with a single software system. Users adjust to one look and feel of a system, as opposed to conforming to several different landscape designs and controls. Users also learn only one set of new business practices instead of two or more, depending on the number of software systems in place. This conserves time and effort during the training process.

6. Manageable Support

One software system means one vendor. This prevents the "not my problem" syndrome that occurs when vendors pass their software issues off to other software systems. Instead of wading through a number of sources, only one support team is responsible for addressing your system feature questions or data conversion issues.

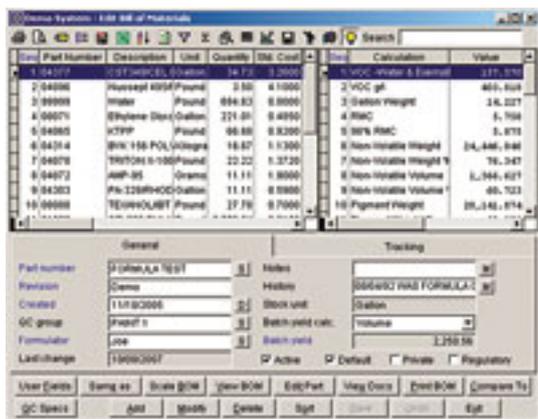
7. Minimal IT Maintenance

Your system support problems are fewer with a single ERP system because maintenance is lower. Rather than juggle the support of several systems, technical personnel handle regular updates and a backup method from only one software system. Network issues, such as system interaction with network infrastructure, are kept to a minimum.

8. Easy Upgrades

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In addition to lower maintenance, single systems are easier to upgrade.

In addition to lower maintenance, single systems are easier to upgrade, too. Multiple software systems conflict when one system is updated and no longer works correctly with other systems. These differences are eliminated with single ERP system upgrades.

9. Reduced Costs

It is more expensive to support multiple software systems than a single ERP package. Utilizing several systems typically requires overall high implementation costs, including adaptation to your IT environment, user training, and integration with other corporate software, in addition to the cost of the system itself.

Conclusions

A single software system is intended to improve and automate process manufacturing operations. By using a single ERP point of control, this goal is accomplished through the elimination of duplicate entry as well as the contribution of data integrity, detailed drilldown, simple training, manageable support, minimal IT maintenance, easy upgrades, and reduced costs. Overall, the advantages of single software system usage fulfill the original intentions of ERP as it allows process manufacturers to manage their business as simply and efficiently as possible.

Jay Deakins, president of Deacom Inc., presented "Complexity Made Simple: Using a Single Software System for Your Chemical Business" during the educational conference at the recent Chem Show in New York City. His presentation was based on the above article. Deacom Inc. is the producer of a complete accounting and enterprise resource planning system for building component, process, and mixed-mode manufacturers with difficult-to-handle requirements. The system links all departments within a manufacturing company, providing a comprehensive view of the entire operation. More information is available at www.deacom.net.

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