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How to Easily Create a Do-It-Yourself **Alternative to ERP**



Executive Summary

As organizations grow and change, the tools they use to manage their operations must evolve with them. Startups often manage their business using manual processes and siloed applications. But eventually a successful business will require automation to scale in an efficient and cost-effective manner.

In the past, the next step has been to adopt an enterprise resource planning (ERP) solution. ERPs automate a wide range of business processes and provide visibility into data across the organization through permissioned dashboards and reporting.

Yet many organizations hesitate to take this next step. Common objections include cost, lengthy, resource intensive implementations, frustrating user interfaces, lack of collaboration capabilities, and stagnant feature development.

This white paper discusses how new technologies can help brands scale with solutions that are easier to implement and enable more flexible and scalable business processes. Solutions such as Anvyl allow organizations to leverage APIs to quickly and easily tie together the specialized Software as a Service (SaaS) applications they already have to benefit from an ERP-like integrated system—and add new applications as needed. These modern solutions also deliver modern “must-have” capabilities unavailable in legacy ERP systems such as application automation and collaboration.

With Scale Comes Challenges

In their early days, organizations often use a wide variety of manual processes and siloed apps to manage their finances, business operations, and supply chain. They may employ accounting software to record transactions, post them to the general ledger, and generate income statements and balance sheets. Additionally, they may rely on a hodgepodge of spreadsheets, specialized applications (such as CRM, MRP, HR, inventory, logistics, and other supply chain applications), and/or manual processes to manage HR, sales, manufacturing, supply chain, distribution and other operations.

As the organization scales and the number of SKUs it offers grows to tens, hundreds, or thousands of items, managers and executives can no longer see everything going on in the company. It becomes increasingly difficult to manage operations. Organizations become challenged by:

- **Manual processes** - Cumbersome and time-consuming manual processes may bring tasks to a halt as employees' inboxes become swamped.
- **Fragmented communication** - Different departments lack access to common information, leaving communication gaps. Lengthy email chains become unwieldy and decisions are made without relevant information.
- **Lack of visibility** - Managers and executives lack a single view of business processes and real-time status. This means, for example, that multiple emails, phone calls and meetings are necessary to see the status of an order in the production or shipping process to determine whether it is at risk.
- **High costs**- As employees re-enter the same data into multiple systems, errors and costs for rework mount, while the need for added headcount increases.
- **Poor decision making**- Lack of a "single source of the truth" makes it difficult to make data-driven decisions at all levels.

ERP is the Next Logical Step, But Many Companies Hesitate to Take It

When organizations begin to experience these strains, they look to streamline their operations through greater automation and data sharing. Historically, their next step has been to roll out an ERP solution.

Companies typically use an ERP to run their financial operations, while continuing to run their supply chain manually. Data entered into any financial module is stored in a single repository that serves the entire enterprise. By eliminating the need to maintain separate systems and manually re-enter data into each one, organizations save time and slash their risk of error. Users also gain greater visibility into data across the organization and improve decision-making through ad hoc reports and dashboards that deliver KPIs and analytics.

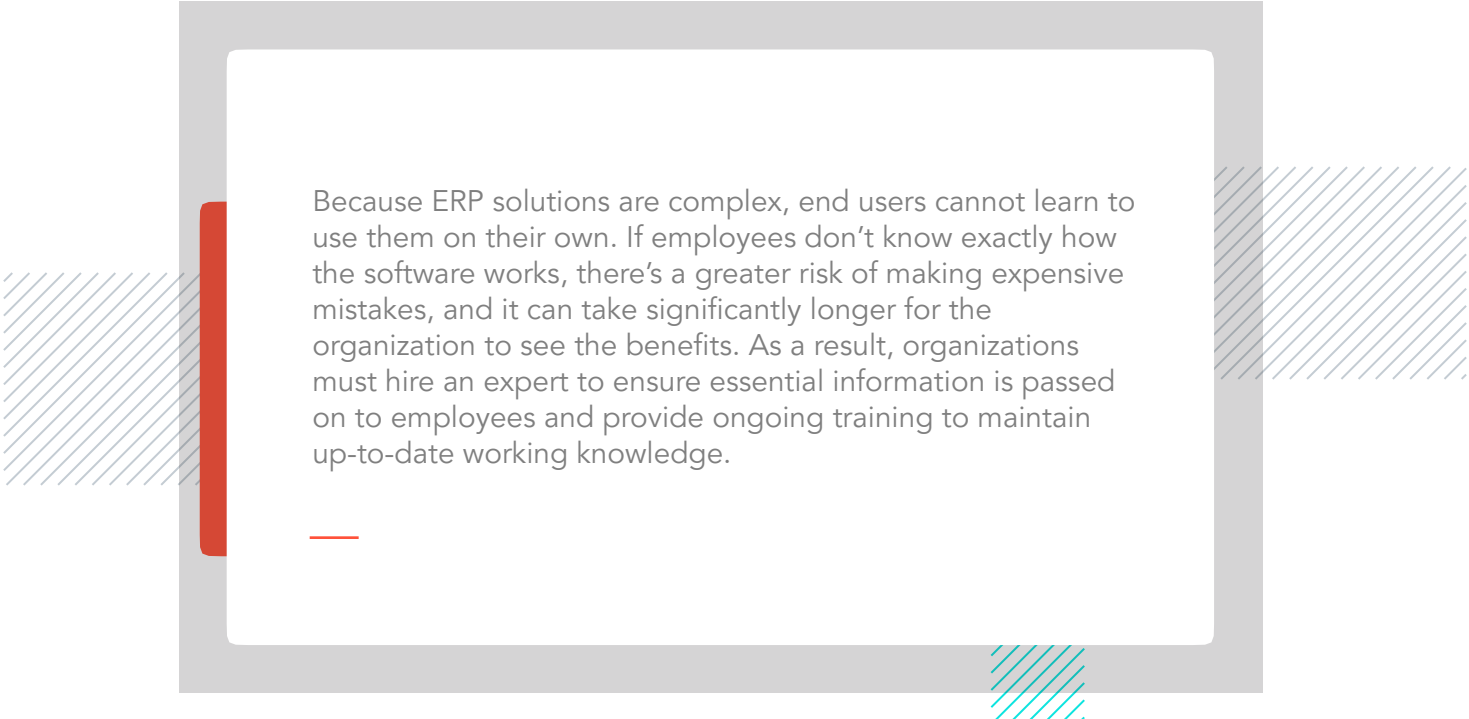
Workflows set up within the ERP automatically route tasks from one person to the next, aligning all parties to a well-defined process. This ensures tasks are performed consistently, and progress is tracked. Workflows can also alert key individuals of critical business situations, such as when inventories are low or new parts have been received.

ERP systems, moreover, can be highly customized to address each customer's specific requirements and most ERP vendors have large service partner networks to provide customization. While SaaS-based ERP solutions are less customizable than on-prem solutions--users typically adopt the ERP's "best practices"--SaaS ERPs can be configured to individual business requirements.

The Dark Side of ERP

Despite ERP's advantages, many small-to-medium-sized businesses (SMBs) hesitate to take the plunge citing high costs, slow time to value, clunky UIs, limited collaboration capabilities, and stagnant feature development.

SMBs can expect to pay between \$75,000 and \$750,000 for ERP software licenses with costs for large businesses ranging from \$1 million to \$10 million.¹ And the costs don't stop there. Companies often need the help of a third-party provider to perform the implementation. The partner manages the purchase, initial deployment, initial configuration to customize the platform for the business—which may include custom coding and integrations—as well as ongoing maintenance and troubleshooting. Even small SaaS-based ERP implementations typically take 12-32 weeks.² The implementation process for an on-premises ERP takes months to years to complete.



Because ERP solutions are complex, end users cannot learn to use them on their own. If employees don't know exactly how the software works, there's a greater risk of making expensive mistakes, and it can take significantly longer for the organization to see the benefits. As a result, organizations must hire an expert to ensure essential information is passed on to employees and provide ongoing training to maintain up-to-date working knowledge.

¹ <https://www.betterbuys.com/erp/erp-pricing-guide/>

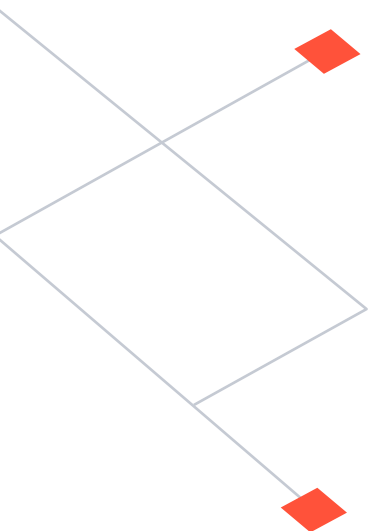
² <https://emergetech.com/netsuite-implementation-guide-2020/>

The Dark Side of ERP

Collaboration within an ERP is more limited than modern users demand. Users can only access data to which they are granted permission, which limits data sharing with a broader audience. ERPs do not include messaging, file sharing, and task management tools to streamline communication internally or with partners, customers, and suppliers.

Sharing order information with suppliers and trading partners typically requires complex electronic data interchange (EDI) technologies. While EDI enables the computer-to-computer exchange of business documents in a standard electronic format between business partners, significant expertise and considerable time and cost are necessary to get integrations running smoothly. Setting up an EDI connection requires knowing a trading partner's connection requirements, translating documents into the partner's required EDI format, transferring files, and ultimately integrating documents into back-end ERP systems. Organizations must hire in-house experts to perform these translations and file transfers, bring in a consultant, or contract with a value-added network (VAN) provider.

And finally, while ERP upgrades typically fix problems and make minor enhancements, they don't often provide ground-breaking capabilities necessary for digital transformation--nor do they support procurement, production, and logistics teams in a holistic manner.



The Dark Side of ERP

Despite ERP's ability to automate workflows and provide a single version of the truth that can be analyzed with dashboards and reporting, many growing organizations hesitate to make the hefty investments of time and money necessary to acquire and customize a large ERP solution. They're further held back by ERP's lack of a collaborative ecosystem to help teams get tasks done and infrequent innovation that impedes digital transformation.

Instead, early to mid stage companies are increasingly choosing to automate specific business processes with specialized, modern SaaS applications. Organizations can find a wide range of relatively inexpensive, easy to implement, scalable apps for inventory, production and supplier management, warehouse management, POS data management, and much more - all designed to help teams better collaborate.

Vertical SaaS solutions that serve different industries are also becoming increasingly popular as are MicroSaaS solutions, such as add-ons, extensions, or accessories designed for niche markets that enhance an already operational feature of a SaaS product.

In 2020, 81 percent of organizations overall had at least one application or a portion of their computing infrastructure in the cloud, up from 73 percent in 2018.³ Sixty four percent of SMBs rely heavily on cloud-based SaaS to enhance productivity and stimulate growth.⁴

³ <https://www.idg.com/tools-for-marketers/2020-cloud-computing-study/>

⁴ <https://financesonline.com/2019-saas-industry-market-report/>

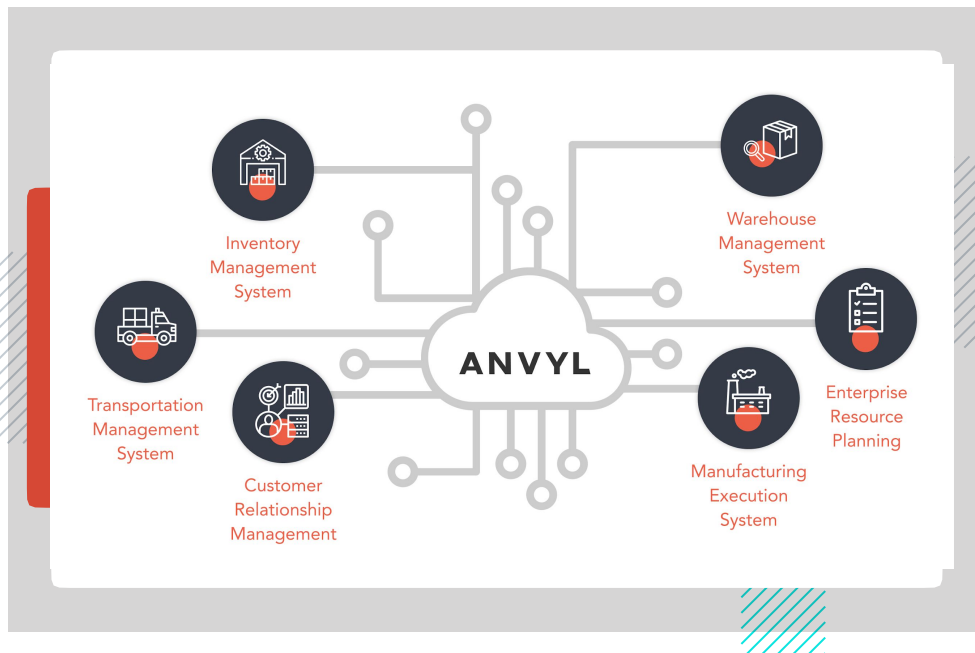
Now There's A Better Way

These cloud-first apps are available on a monthly subscription basis rather than requiring large up-front capital investments, which is attractive to IT teams. Because SaaS applications are highly focused, they tend to be easy to use and require little or no training.

To support agility and innovation, targeted SaaS solutions typically deliver innovative new capabilities automatically at a rapid cadence without users having to install and test these updates themselves. Because SaaS apps are in the cloud and built on top of highly scalable platforms, organizations can scale the number of seats or the capabilities they consume up or down as necessary.

Finally, SaaS vendors increasingly provide API-based interconnectivity that makes it easy to perform and maintain integrations between cloud-based tools without expensive implementations. Organizations that integrate their existing SaaS applications can gain many of the same capabilities a complex ERP offers without the time and cost, but with the benefits of greater usability, faster upgrades, and unlimited scalability. Indeed, 30 percent of IT experts say their top criteria for choosing SaaS is integrations.⁵

By integrating specialized solutions through APIs, organizations can obtain exactly the software capabilities they need and then easily share data and services across applications in real-time just as they would with an integrated ERP solution. And because companies today are making EDI more accessible to non-experts by layering APIs on top of the EDI infrastructure, they can also share data with suppliers without the complexities of traditional EDI.



⁵ <https://financesonline.com/2019-saas-industry-market-report/>

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Leverage Your SaaS Solutions with Anvyl



By using solutions like Anvyl, companies can realize the vision of an ERP-like solution without the headaches of a full-fledged ERP implementation. These solutions enable SMBs to make the most of their existing investments in SaaS applications and training while adding functionality when necessary. At the same time, organizations gain the advantages of application automation, collaboration, and data sharing through both APIs and EDI.

Anvyl provides pre-built integrations with financial systems, freight forwarders, inventory management solutions, and even ERPs for cross-functional visibility. This integration allows employees from different departments in any location to execute day-to-day tasks with all the information they need. An API with extensive documentation facilitates the creation of custom integrations. With these integrations in place, Anvyl can improve workflows by providing users across the organization with the data they need.

Instead of requiring users to use emails, individual spreadsheets and other siloed information that make communication cumbersome, Anvyl allows organizations to store messages, files, and collaborate in one platform. Now organizations can have an accessible, referenceable audit trail to help make quick, well-informed decisions.

Intuitive dashboards provide actionable insights and high-level summaries as well as the ability to drill down into details. These dashboards can, for example, report status updates on important production milestones, supplier performance metrics, and action items to keep teams aligned.





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Conclusion

ERPs have long excelled at automating workflows and providing the data and reports necessary for financial planning. But they're expensive, slow to implement, have complex interfaces, and limited collaboration capabilities. Solutions like Anvyl enable organizations to integrate their existing SaaS applications into an ERP-like solution that they can easily extend with new technology at their own pace. These solutions also improve execution by providing teams a collaborative workspace to better perform their jobs across their broad supply base.

For more information, visit www.anvyl.com.