

10 benefits of ERP system in an organization for growth of your business



Quick summary

Every business has its own set of processes, products and services that makes it unique. However, most businesses face similar operational problems as they grow. Here are a few such issues that ERP such as ERPNext can help in resolving for your business and contribute in its growth and progress. The present times are characterized by;

Every business has its own set of processes, products and services that makes it unique. However, most businesses face similar operational problems as they grow. Here are a few such issues that ERP such as ERPNext can help in resolving for your business and contribute in its growth and

progress. The present times are characterized by change and change is inevitable when it comes to business operations – be it the change in business communication methods or change in the way technology plays a role in everyday operations. Change has made several businesses fail to adapt and reach their goals. In times such as these, Implementation of Enterprise Resource Planning (ERP) in an organization can be immensely conducive in optimizing business operations to improve efficiency and boost growth.

What is the significance of ERP system? or What are the Benefits of ERP System in an Organization? If such questions are restricting you from implementing an ERP for your business then following list will help you understand the benefits of ERP.

1. Better Information management through business automation

Performance metrics and Measurements are vital in evaluating business progress and also aid in setting up future goals. However, as a business grows, it will become increasingly difficult to manually calculate sales margin, profit ratios and other such metrics. ERP bring a degree of automation to the business by allowing employees across the organization to access shared data without the need to maintain manual records. This also enables generation of synchronized reports on key business metrics. Immediate access to data is significant to take timely decisions.

2. Improved Workflow

Workflow is improved all processes gets streamlined and access is simplified through user-friendly interfaces, employees are better able to acquire the relevant information that is necessary to do their job. Whether it's extracting a custom or standard reports or formulating a report for presentation, ERP software makes each employee's job easier, which leads to increased productivity.

3. Streamlining of processes

The principle objective of any ERP is to integrate all the functions of a business into a unified platform. Many businesses are still stuck in the unenviable position where their data is stored in multiple locations and systems. By centralizing this data and streamlining the means of accessing (as well as adding to) data, ERP contributes to greater efficiency within a business model.

4. Modular yet Integrated approach

ERP software integrates various processes that are essential to run a business enterprise into one single database. These processes include inventory and order management, accounting, human resources, customer relationship management (CRM), among others. By streamlining all the processes into one effective system, ERP provides your business with a shared database that supports multiple functions across your enterprise.

5. Simplicity in Business accounting

A growing business will struggle with its accounting procedures if they are still either manual or if the sales, accounting, finance and HR departments do not have access to shared data. Financial reporting and everyday accounting will particularly require a lot of time and effort which can be easily reduced with the use of ERP. Using ERP to integrate and analyze financial data will improve employee productivity and reduce delays considerably.

6. Transparency throughout Organization

For any business, information and data are extremely essential business assets. Data security and integrity is extremely important to ensure that strategic business information is processed and accessed by the right people. With an ERP, while the data is maintained safely, access of data can also be given only to people who have the authority. Also, strategic information can be maintained at one place while updates to such information can be done by one or more authorized people. Thus Role based system makes ERP transparent as well as secure.

7. Elimination of redundancies

One of the biggest problems with a non-centralized data management system is the continued occurrence of redundant data. Redundant data is simply data that has been repeated twice, which can lead to inconsistencies and confusion down the line. It's a common problem with businesses that have multiple data storage locations and is something which can be rectified with the use of ERP.

8. Mingled operational, financial and strategic insight

ERP systems tie data and processes together so you always have a 360-degree view. Whether you're viewing costing amounts on a sales order, pulling up a customer's record and seeing their sales interactions and orders/shipments side-by-side, or forecasting sales using historical sales orders and production data, ERP gives you the "big picture".

9. Better customer satisfaction

Keeping your customers satisfied while managing your sales and inventory efficiently can be a herculean task if you have your customer and inventory data housed on different platforms. There could be times when you will have to report product related information to your customer and if you lack updated inventory data, this could spell trouble. ERP helps in maintaining up-to-date information and will also facilitate real-time updating of all data. This will help customer representatives access accurate, updated data and deal with your customers efficiently.

10. High security without added barriers for your employees

A good ERP makes it easy for staff to manage common processes like order entry, stock counts, shipping, and receiving. But while off the shelf software often gives your staff full access to your sensitive accounting and payroll records, ERP systems allow you to restrict employees' accounts only to the processes that are relevant to their roles.

This type of role-based security means that you can extend access to all your employees, while keeping their permissions locked down so they can only access what they need to do their jobs.