

How to Select the Right ERP for Your Retail Business

ERP software plays a pivotal role in helping retailers consolidate and analyze their core financial, operational, supplier, and customer data to drive better decision-making. Discover what to consider when choosing an ERP system for your retail organization.

11 Questions to Ask ERP Vendors

Each retail company has unique needs, but here are some universal considerations and questions you might want to ask an enterprise resource planning (ERP) vendor during the selection process:

System costs: How does the vendor charge for the ERP system we want now and for the capabilities we'll require in the future? How are upgrades, new releases, and bug fixes handled?

Implementation: What's the expected cost for implementation? How could that cost increase once the project is underway? How can we prevent scope creep?

Retail expertise: Does the vendor offer functionality designed to meet our specific retail needs, such as global inventory management, demand forecasting, multilocation management, and omnichannel order management?

Configurability: Does the vendor understand our specific needs and processes, and is the system flexible enough to support them without writing a bunch of custom code? How are configurations handled by the vendor's implementation team?

Integration: Does the ERP system integrate well with other core retail systems to streamline data entry, improve accuracy, and increase transparency? For example, does it provide native integration with point-of-sale (POS) systems, ecommerce platforms, online marketplaces, and logistic providers for better order management and customer experience?

User-friendliness: Is the system easy to learn and use? Does it have an intuitive user interface (UI) that will encourage wide adoption across our company?

Timeline: How long will the implementation take? Will it disrupt our operations? How has implementation gone for similar customers? What resources will our company be expected to provide?

Project management: Will the vendor help create milestones for success relevant to our business, such as sales per square foot, conversion rate, or gross margin return on investment, so that everyone sees progress?

Updates: How and how often does the vendor deliver software updates? Do new features cost extra? Do updates require expert assistance to install?

Data migration: How will the vendor help move data from old retail systems to the new ERP? Does the provider have experience with our existing systems?

Add-ons: Does the vendor offer a variety of modules we can add as we need them? Does it have an extensive network of partners offering prebuilt integrations and retail functionality? How simple is it to add users or new functionality?



Key ERP Capabilities

What functionality do you need? Consider these popular options.

Accounting: Automate accounts payable and receivable (AP/AR); automatically update general ledger and subledgers with transactions as they happen; maintain compliance with applicable accounting standards; enable audit trails.

Financial planning and analysis: Monitor performance across store locations, marketplaces, and ecommerce; forecast future sales, expenses, and headcount needs; project base, best- and worst-case outcomes.

Inventory management: Centrally manage inventory across multiple locations and sales channels; monitor current inventory levels; minimize stockouts/overstocking with demand-based planning; decrease cost of goods sold (COGS) by minimizing movement of products in the warehouse.

Supplier management: Centrally manage supplier relationships and purchase orders; allow vendors to review invoices/orders and make payments through a supplier portal; manage delivery dates for inbound orders; set up supplier key performance indicators (KPIs) to track and manage performance.

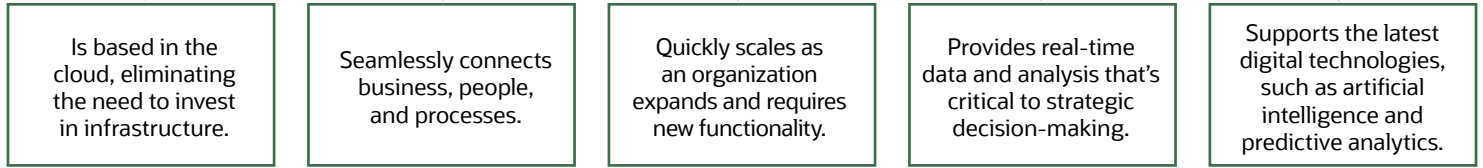
Ecommerce: Quickly launch a business-to-business (B2B) or business-to-consumer (B2C) ecommerce site; easily add new products or content; automatically adjust content for optimal display on different devices; integrate with financial and inventory management.

Order management: Manage orders across all channels; route orders to the best fulfillment location; track orders from receipt through delivery.

Customer relationship management (CRM): Create, track, and analyze multichannel marketing campaigns; centrally collect and manage customer data, needs, and preferences; personalize interactions; elevate the retail experience across touchpoints; assign and address customer support cases (such as for repair and returns) from multiple channels to promptly address issues.

ERP systems are modular, so you can start with core finance functionality and add modules for other aspects of the business as you need them.

A Modern ERP...



Main characteristics of a modern ERP.

3 Keys to Convincing Internal Skeptics

When it comes time to win over key stakeholders, take these steps to get buy-in for the ERP system investment.



Identify the why

Highlight specific pain points and how an ERP system resolves them. The retail industry faces a host of challenges, from supply chain disruptions and employee turnover to shifting customer demands and intense competition. Retailers that invest in a comprehensive ERP platform that natively integrates with their POS and ecommerce systems can deliver an ideal customer experience across channels, manage inventory and orders in real time across locations, and maximize profitability and growth.



Make the case for your ERP selection

Look for a solution that offers the types of modules and capabilities needed now and a few years out. For new implementations, cloud-based ERP is the natural choice given its security, scalability, and cost-effectiveness. Be sure to lay out the full costs, including implementation and training. Lean on vendor references from existing retail customers to ease concerns and drive home the value.



Lay out your implementation strategy

Rolling out an ERP in stages is less risky than a “big bang,” all-at-once deployment, but it may result in slower payback. Running legacy systems in parallel for a length of time may be worthwhile. Draft an implementation schedule that takes into consideration resource availability and seasonality, introducing new functionality and training during slower business periods.

Click [here](#) to learn even more about ERP.