# The cloud.
Without the questions.
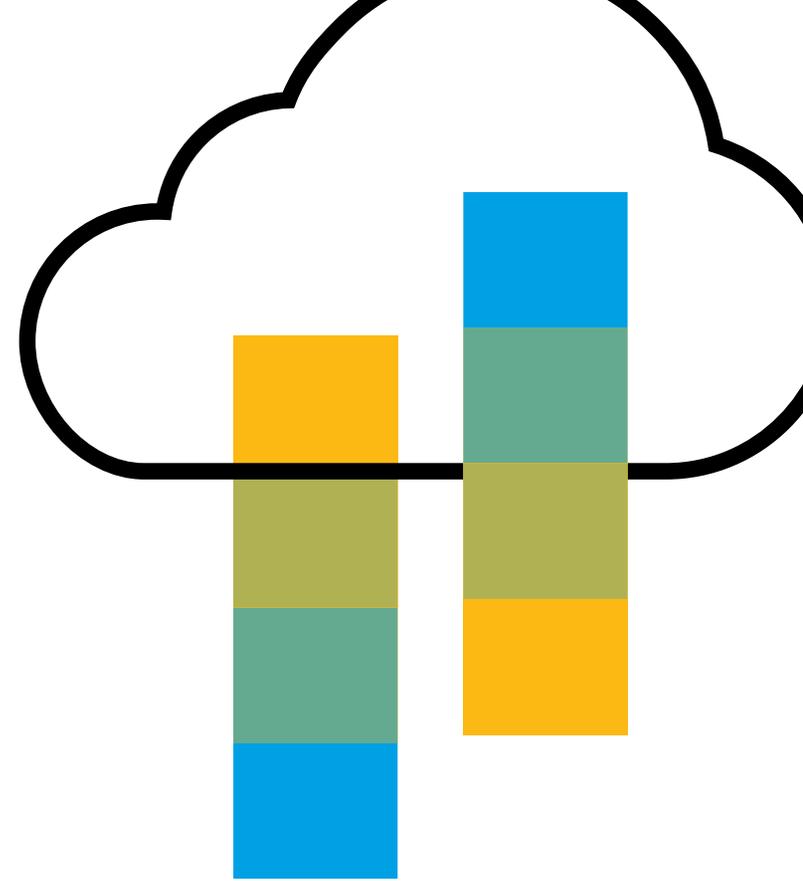
Seven secrets to selecting an ERP solution.

The first thing to remember is that
this doesn't have to be confusing.

If your business is growing, you're probably facing a big business decision: Should you upgrade to a more sophisticated, complete Enterprise Resource Planning (ERP) solution?

But that decision comes with equally big questions, including: should you run your business in the cloud? Which vendor and solution is right for you? And these big questions are made even bigger as you wrestle with identifying what you need today and what your business many need in the future.

ERP vendors often don't make these questions any easier to answer. Multiple vendors talking about features you may never use, often in complex language, can be overwhelming to even the savviest technologist. And complicated pricing models only make it harder.

But it doesn't have to be so difficult. The following seven insights will help guide you through the ERP decision process as a smart and savvy decision maker.
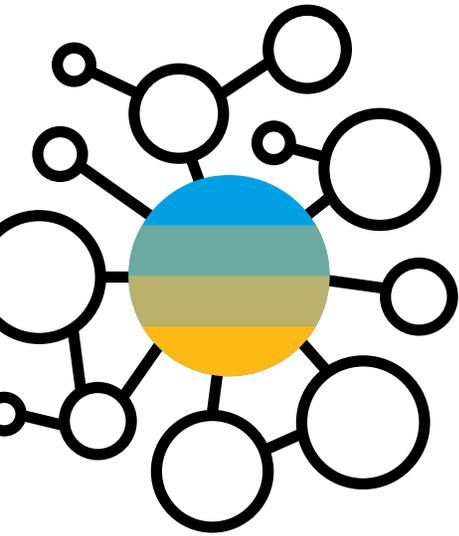
#1: Make sure you know which features you're getting, or you'll get sticker shock.

Many cloud ERP vendors offer multiple modules and versions and, like anything, when you add additional functionality like HR or CRM, it adds cost you were not told about upfront. Also, some systems have been built through acquisition, so while certain functions are from a single solution, many—like professional services or manufacturing—are separate, "integrated" solutions you'll need to add on.

- Be clear on which modules and capabilities are included in what you are being pitched in the vendor demonstration to avoid any bait and switch tactics.

- For additional modules, find out exactly what functionality they bring, whether they fulfill your needs, how well integrated they are into the solution, and precisely what the additional costs are.

- A fully integrated solution (preferred by most businesses) has just one contract. You should ask upfront how many contracts need to be signed to get what the vendor has demonstrated. If it's more than one, you need to ask more questions.
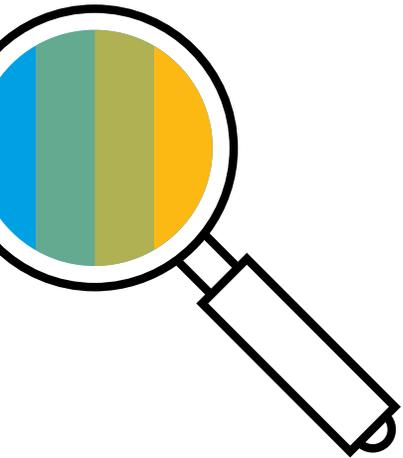
## #2: Don't rely on what they show you—see it for yourself.

As you get closer to a decision, it's important to get your hands on a trial version of the solution to see how everything works together and if it's going to work for you.

- Is the user interface consistent and easy to use?

- What reports are part of the package—will you get integrated analytics across all business functions? Will the analytics enable you to make data driven decisions every day?

- How will your teams collaborate in the system? For example, will sales be able to view or edit an order in real time as it's being processed by your logistics team?

#3: Find out how much support you'll get and what that's going to cost.

With a business decision of this size, expert support from your vendor is crucial. Implementation and support services often bring surprising additional costs.

- Get a clear description of what support you'll get during implementation and as an on-going customer, and find out what that'll cost. You could end up paying as much 38% of the total solution cost for inferior, outsourced support. If you don't want to deal with call center reps who don't understand your specific solution, avoid that solution or that vendor.

- You deserve a single point of contact for your questions, around the clock. Make sure that's what you're getting and you know what it's going to cost.
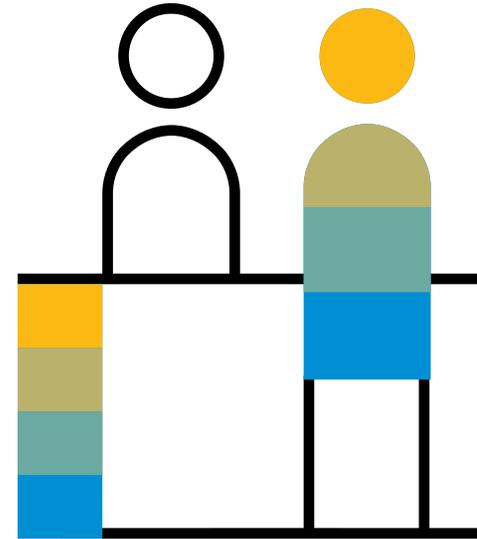
#4: If the pricing seems too good to be true, it is. And if it feels like they're pressuring you, they are.

Dramatic discounts can draw you in (it's a widely used and successful tactic of ERP vendors), but when that short-term discounted contract ends, pricing can jump by as much as 70%.

- Don't let limited-time discounts and special offers force you into a decision. Again, you're making a major shift in how your company does business—so pricing gimmicks shouldn't sway your decision. Choosing an ERP vendor is one of the most critical business decisions you'll make, so take your time in finding the right solution.

- We'll say it again: Be sure you understand which modules and features you're getting, what they do, and how much it will cost for add-ons later. For example, you may not need a robust HR solution today, but as your employee count grows, HR will become a critical need. It's important to know if the solution can easily integrate a fully-functional solution that meets your needs, and how much that will cost.

- If your user base isn't going to change too drastically, your pricing shouldn't either. Make sure the price for years four, five and six are similar to years one through three.
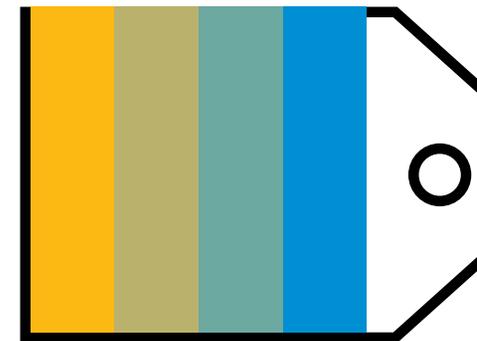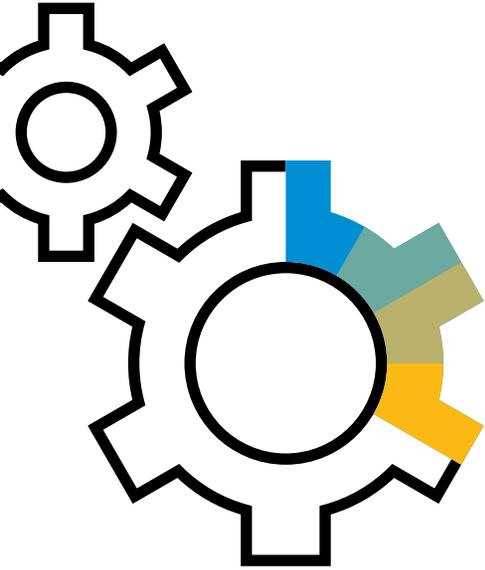
#5: Ask what implementation will look like and if you'll be forced to go through it alone.

It's not about the proposal, it's about the partnership. Some vendors want to put numbers in front of you, get your signature and leave without fully understanding what you need. Make sure you're getting a partner, not just a proposal.

- The process of learning your needs—a full discovery and blueprint—shouldn't take weeks, but it also shouldn't take mere hours. A vendor should spend a few days figuring out what makes your company tick before proposing a solution.

- You should hear tangible, business-based questions and assessments that lead to the solution you need. And if all you're getting is flashy graphics and sales-speak about "implementation methodologies," get out.

- Find a vendor that offers industry-specific, time-tested best practices. One that will work side-by-side with you throughout your implementation and build a consistent, long-term relationship with your business. That way, your ERP solution will continue to work as your business evolves.
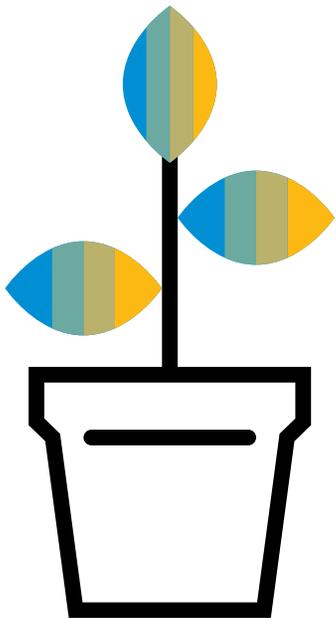
#6: Don't let an ERP solution stunt your growth.

Your solution needs to grow with you, so if you have plans to expand to new markets, pick a solution that can operate and translate in those countries without any hassle.

- Find out if the vendor can keep you legally compliant in multiple international markets. If you expand into Frankfurt or Hong Kong, will the solution scale to fit local regulations and the best practices of those specific countries? Will it ensure you're compliant with local accounting practices, business laws, and other requirements?

- Ask how many data centers the vendor has around the world. If they're not present on most continents, they don't have a truly global infrastructure. This may seem fine now, but it could limit your future growth or lead to long load times for reports and daily usage.

- Any solution should scale from 10 to 10,000 users and be designed to add new markets without changing contracts, changing editions, or charging consulting or service fees.
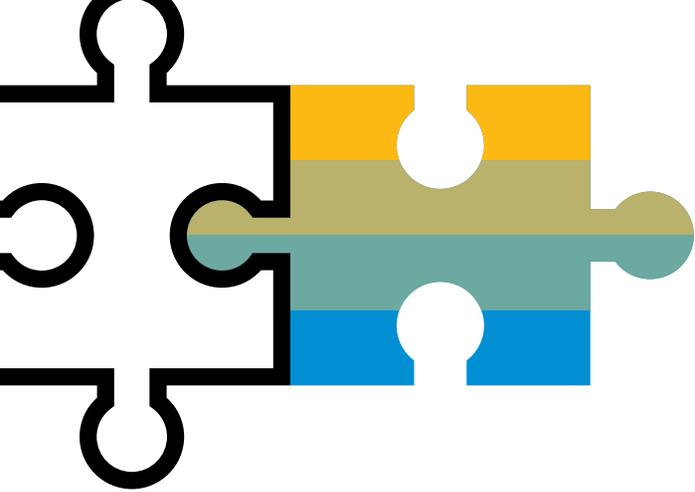
#7: New features shouldn't require jumping through new hoops.

The cloud can bring you faster, easier, more affordable access to the latest technologies, but that's not the case with every cloud solution.

- Make sure you're getting quarterly updates with the latest technology, features, and capabilities and that you can test those features (in a test system) on your terms and at no cost. Updates should happen seamlessly without disrupting your business.

- The biggest thing to remember is: You should never have to pay extra for new and enhanced functionality—that flexibility is one reason you moved to the cloud in the first place. You need a system that can continuously update and bring you the enhanced, cutting-edge functionality to keep enabling you to grow your business your way.

Cloud-based ERP solutions—and the vendors who offer them—can be confusing for any business. These seven secrets will help clear the air.

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