Making Enterprise Business Systems Pay Dividends

SYSPRO: CHANGING THE WAY PRODUCTS ARE BOUGHT AND SOLD

BY MANUFACTURERS, DISTRIBUTORS & RETAILERS

On June 28, 2012, SYSPRO, a developer of award-winning enterprise resource planning (ERP) software, made two announcements, seemingly unrelated, but both driven by an undercurrent of change. The change is in the way products are bought and sold. More and more today manufacturers and distributors have at least one sales channel where they eliminate the middleman, by-passing the retailer and selling directly to the consumer. This places new demands on the business at the point of sale, demands typically not addressed by ERP. SYSPRO's response is a fully integrated Point of Sale (POS) solution that will provide manufacturers and distributors a single solution to manage business information, store operations, customer-focused POS, inventory optimization and merchandising along with ERP.

TWO WORLDS CONVERGE

When it comes to managing the sale of goods, retail and manufacturing are typically worlds apart. In retail, at the point of sale you deal with cash, check or debit/credit card; the customer walks away with goods in hand and inventory is depleted. In manufacturing you process your customer's purchase order, create a sales order and subsequently ship and invoice, relieving inventory and creating accounts receivable. Later you receive cash and apply the cash receipt against accounts receivable either on an open item or a cash balance basis.

Receiving cash in a traditional point of sale (POS) system in a retail environment is easy. Managing an open account is more difficult. For a manufacturer or distributor using an Enterprise Resource Planning (ERP) system, managing accounts and accounts receivable is standard practice. Processing a cash sale is more difficult.

In a retail environment, the cash in the drawer is reconciled against the sales recorded at the end of the day. In a manufacturing or distribution environment shipments, invoices and cash receipts are reconciled at the end of the month. Yet in all cases, everything must be posted to the general ledger in order to create a balance sheet and profit and loss statement.

So what happens when a manufacturer or distributor sells directly to a consumer? It happens more and more today in showrooms and factory outlets, as well as online. In eliminating the traditional retailer, does the manufacturer need to invest in both a retail POS solution, as well as a back office ERP solution and interface or integrate the two in the hope they will one day all work seamlessly? Not if you are a SYSPRO customer.

SYSPRO is not the first ERP solution provider serving manufacturers to offer a retail POS solution. Yet typically these are two separate products. Most often when POS is part of an ERP solution provider's product portfolio, that solution provider is targeting retail with its POS solution and manufacturing with its ERP solution. SYSPRO isn't going after the traditional retail sector. It is still focused primarily on manufacturers and distributors, but offering additional features and functions to support these companies as they reach out directly to consumers.

SYSPRO POINT OF SALE FOR MANUFACTURERS & DISTRIBUTORS

As a result, the SYSPRO Point of Sale solution offers features specifically designed for manufacturers that might not be available in a POS solution designed first and foremost for retailers. These features include support of a "make to order" environment and a feature that supports tracking of shipping and in-transit inventory. It also includes support of lot tracking and serialized products and inventory locations down to the bin level. And yet these manufacturing-specific features are blended with features necessary to fully support a retail environment. Features like:

- category and catalogue browsing
- customer and loyalty programs
- store management
- touch screen interface and mobile access from a tablet
- scanner and cash drawer functions that allow the use of any personal computer with a "locked" cash drawer
- credit card limits for individuals in addition to an overall account limit
- end-of-day cash reconciliation ("cash up")

To make the solution more scalable, SYSPRO has uncoupled the ERP and POS user counts. A manufacturer might have 10 named users for ERP and 1,000 POS users. Or a SYSPRO Point of Sale user might also be linked to an existing SYSPRO ERP user. While accessible through a web-based interface, the system has been designed to be "always on." This means the store can continue to operate even if the connection back to the central server is lost, a necessity because you can't afford to have a customer walk out the door for lack of service. When the connection recovers, data is synchronized transparently and seamlessly.

The goal is to provide manufacturers with retail operations a single solution to manage business information, store operations, customer-focused POS, inventory optimization and merchandizing along with ERP. It has several customers currently running both SYSPRO Point of Sale and ERP including:

- A fully integrated furniture retailer in South Africa. Its manufacturing facility produces a diverse range of high quality, full grain leather and fabric couches in a variety of styles and colors. This customer has 80 SYSPRO ERP users ad 370 Point of Sale users
- An Apple distributor with 100 SYSPRO ERP users and 100 Point of Sale users

KEY TAKEAWAYS

We live in a world of change. The way we buy and consume products is changing as fast as the technology that has infiltrated our lives. We demand instant and direct access to products and we expect the companies selling us these products to evolve and adapt to our demands.

SYSPRO Point of Sales, together with its ERP solution blends the manufacturing and distribution of goods with retail, providing a direct selling process in a single integrated solution. It would appear SYSPRO has both ends of the spectrum covered.

About the author: Cindy Jutras is a widely recognized expert in analyzing the impact of enterprise applications on business performance. Utilizing over 35 years of corporate experience and specific expertise in manufacturing, supply chain, customer service and business performance management, Cindy has spent the past 8+ years benchmarking the performance of software solutions in the context of the business benefits of technology. In 2011 Cindy founded Mint Jutras LLC (www.mintjutras.com), specializing in analyzing and communicating the business value enterprise applications bring to the enterprise.