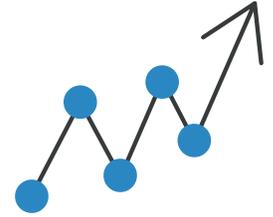


# How an ERP can help your SMB be more profitable



Implementing an enterprise resource planning (ERP) solution inevitably leads to increased costs for an SMB. However, this new system represents a strategic investment rather than merely being an expense. The long-term advantages of the technology generally end up outweighing the initial costs. As such, an ERP software will contribute to increased profits for many years to come. Here's how.

## ERP software helps increase your revenue

It's a purely mathematical equation: an increase in sales generally translates into a higher net profit. Several factors can also contribute to an increase in revenue.

### Increase in sales

ERP software that includes a customer relationship management (CRM) module makes it easier to track your current business. Your representatives will be more effective when they're better informed and prepared: their tenders will be more likely to result in signed contracts. In the long term, your quotes' conversion rate will go up. By improving the efficacy of your sales force, the management software will help you acquire new customers.

### More efficient delivery of requested products

With ERP software, managers are able to predict supply and demand with greater precision. This means they can ensure their stock meets customer orders. Your sales will increase because your procurement delays will be shorter, which means you can get your products to your customers faster. Costly stock shortages will also be a lot less frequent.

### More competitive customer service

An ERP solution paired with a CRM module allows sales reps to have a precise, up-to-date database, so they can respond more quickly and efficiently to customers' numerous requests. They won't have to waste time trying to find the right information in the system because it will always be up to date. And the risk of costly errors caused by bad data will be greatly diminished.

### Reduction in operating expenses

Management software allows you to not only increase revenue, but also limit your operating expenses, thereby increasing your profits. To increase your business's profitability, the cost to produce your products must be optimized. Which is exactly what ERP software excels at!

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## Optimal management of every dollar spent

ERP software provides a centralized view of all your company's activities, allowing for better management of assets, equipment, and facilities. For example, a procurement manager could consider reducing warehouse square footage through improved inventory control. In turn, the company could save on leasing, insurance, electricity, heating, and air-conditioning costs for the site.

## Clamp down on labour costs

With management software, a factory manager could quickly restrict employee overtime when production targets are about to be met or when targets exceed the current customer demand in a given period. Productivity and motivation would also get a boost, given that employees would spend less time on projects that are not profitable to the company.

## Cost and profitability monitoring

ERP software also allows you to produce automated reports to guide your decision-making. In terms of improved cost management, you could then precisely track your profit margin. You might notice that one product line is less profitable than another or that the costs associated with its production are prohibitive. You could then decide to focus your efforts on more profitable products.

## Fewer unforeseen events and crises

"Time is money," as they say. Management software curbs panic mode. You will immediately notice fewer chaotic periods in the warehouse and your offices. With a decrease in last-minute "emergencies," employees will be more efficient, focused on the game plan, and able to do more with less effort. Don't forget that effective ERP software lets you automate many processes.

Wasted time and pointless tasks that bring no added value hurt your team's performance. With a centralized database, your managers will have a better overall view of their schedules. They will also be better equipped to manage the distribution cycle, for instance, without constantly having to put out fires. Greater organizational stability and better operational control make it easier for your company to get ahead.

## An ERP system will mobilize your profitability

By guiding you toward increasing your sales and optimizing your operating expenses, a management software acts as a catalyst for increased profitability. But that's not all! The software makes it easier to manage accounts receivable and analyze financial risk, increasing your cash flow and strengthening your financial flexibility. Now you can jump on opportunities that you previously couldn't even dream about.

ERP software might just be the competitive advantage you were looking for to stand apart in your industry. Many experts also believe that only those SMBs that take advantage of the opportunities offered by effective ERP solutions will remain competitive in the long term, giving them the means to achieve their goals. And their shareholders will reap the benefits. When it comes time to evaluate the costs associated with setting up the software, put the financial aspect in perspective. The right technology, at the right price, will allow you to radically improve your operations and your company's profitability.