

How ERP can deliver on ROI for retailers

The ability to pivot and adapt to changing market conditions and uncertainty has become a critical success point for the modern retailer.



Image supplied. ERP is an incredibly intelligent behemoth capable of radically transforming how retailers you do business

The retail sector remains under pressure as the cost of living, inflation, rising interest rates and a global economic recession continue to impact sales and growth. Retailers need to find smarter and more sustainable ways of navigating these headwinds. This is wedded to the need to ensure that customers remain loyal and connected at a time when they too are cutting expenditure to make ends meet.

Solutions beyond traditional cost cutting

Deloitte's 2023 retail industry outlook found that retailers need to find resiliency and invest in solutions that 'elevate business strategy beyond traditional cost cutting'.

One of the key ways in which retailers can enhance their existing systems and approaches while bedding down sustainability is to invest in capable technology.

Technology empowers the organisation, providing the insights, data and functionality it needs to identify the trends, revise strategies and engage with customers.

Evolution of enterprise resource planning (ERP) platforms

"Enterprise resource planning (ERP) platforms have evolved from weighty and overly complex solutions that inhibit business processes to modular and intelligent toolkits that deliver immense value," says Stephen Howe, director at Times 3 Technologies, a Sage Platinum Partner.

“An intelligent blend of ERP functions across finance, inventory management, sales, human resources, and supply chain, to name a few, offers retailers invaluable visibility into the business.

“Using the insights provided by your ERP the business can enhance, if not completely transform decision-making, and uncover new growth opportunities,” adds Howe.

In addition to the obvious value that ERP delivers around data and insights, it also assists in streamlining processes, improving operational capabilities, and saving on costs.

This is where the return on investment (ROI) comes in. ERP is an investment into a comprehensive ecosystem that wraps the business in layers of functionality and provides immense scalability and visibility and is worth the investment if it's implemented in line with your business strategies and infrastructure.

And this means that you need to know exactly how well it's performing and ensure that your ERP delivers on your anticipated ROI. “Your ERP system touches so many different parts of your business which means that measuring benefits is made so much easier,” says Howe.



Technology: The key to the hybrid world of retail

Kurt Goodall 3 May 2023



Why have an ERP system

“Unpack precisely why you have your ERP system in place, or why you are choosing to invest in an ERP system, as this will provide you with clarity around ROI and measurement metrics as you move down the road.” Retailers want efficiencies across the supply chain, costs, HR and finance.

These are key areas that require ongoing visibility and control as these can be high-cost centres for the sector.

3 key steps to achieve ROI

To ensure that you achieve your ROI on this investment there are three key steps your business can take.

1. Training – ensuring that your users understand the system and have the understanding they need to leverage it correctly is of paramount importance. Why? Because without their buy-in and skillsets, the system won't be used to its full potential and there is the risk that it won't be used correctly due to employee resentment and distrust. You want everyone on board to ensure that the system really works for the business and your people.
2. Buy-in from every individual in the business, starting at the top and progressing to the bottom. If everyone understands the why of your ERP investment, then they will be more committed to the training and to use the system efficiently.
3. Create a cycle of constant evaluation and assessment – test, try, test, and try again. This approach ensures that if the system isn't quite working for your business, you constantly iterate and tweak it until it does. You want your ERP

optimised and relevant for your business to gain true value.

Ttransforming how you do business

“If you can introduce efficiencies, save costs on unnecessary expenditure, and use data to refine processes and operations, you will save money by default,” says Howe.

“Your ERP is an incredibly intelligent behemoth capable of radically transforming how you do business, but only if you are realistic in implementation, have solid change management strategies in place, and constantly refine it to ensure you get the most from its functionalities.”

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