

# 5 reasons to consolidate your ERP solutions



ERP software solutions cost money, and the more products you're running, the more it is likely to cost. The more software platforms you're running, the less of the benefit of a single, consolidated enterprise system you will realize. Commonsense would seem to dictate that a single ERP product, when used enterprise wide, would extend more benefits and cost less than multiple ERP packages used in various, insular, parts of a business. However, we know it is not necessarily easy to achieve, and many companies simply dismiss it as impossible to achieve without ever balancing the arguments. There are compelling reasons to make the move and here are five good reasons to consolidate.



## License and maintenance cost

This should almost go without saying, but it usually costs more in license and maintenance fees to operate two software products than one. Maintenance often gets to be a major factor, as over the years some of the legacy systems that companies run have been modified heavily and repeatedly. Maintaining and supporting modifications drives up cost. Those modifications must also be uplifted each time the software is upgraded.



## Risk Management and auditing

The more disconnected and complicated your IT environment is, the more risk you are subject to, not only from a data integrity point of view, but also a cyber security one. Integrity of data is vital for compliance and auditing, compiling from multiple sources is both costly and open to error. Integration of disparate ERPs creates barriers that prevent you from utilizing data in real time. Integrations between solutions usually means passing summary data between them as the 'plugs and sockets', so the detail is often lost. This results in an inability to search for trends, patterns and connections in the data, that would be obvious in one seamless live solution. Consolidating multiple enterprise solutions makes it easier to manage your risk profile. It brings visibility of key financial processes, data and reports, vital for long-term decision making and it makes it easier to generate reports, monitor database changes, and review before/after values without undue manual burden.



## Rolling up cost and revenue

As you consolidate cost and revenue reporting across your various enterprise software products, how much administrative and accounting time is that consuming? Additionally, if you have some type of integration between your various ERP products, how much is that costing you to maintain, and how much in professional service fees does it cost you each time you upgrade or reconfigure one or more of your software products? If your team winds up doing a lot of manual intervention in this process, perhaps "massaging" the data in Microsoft Excel to get it into a standard, company-wide format, how does that affect your ability to comply with Sarbanes-Oxley, or in general to prevent fraud either on a company-wide basis or on the part of an individual?



## Economies of scale

Whether you are on multiple ERP products due to acquisitions or through organic diversification of business processes, you are passing up attractive economies of scale. That is one reason that many IFS customers engaged in merger and acquisition activity develop a protocol for rapidly rolling out IFS to their newly acquired divisions. It is the only way to ensure that you quickly gain the efficiencies and advantages that you were hoping for when you invested in the acquisition. Oftentimes, some of the first areas of increased efficiency resulting from an acquisition come from the sharing of back-end services like accounting, human resources, and often purchasing. This can be accomplished much more efficiently with unified systems, processes, and data.



## Create an easier user experience

Primarily, ERP system consolidation creates a common and simplified experience for users. Those managing the ERP solution don't need to worry about being trained in multiple systems, technologies and release cycles and can port configurations and extensions quickly across the organisation. With staff mobility a key component for the agile business, having a common platform and user experience allows staff to move from one job or business to another without lengthy training. Additionally, supervisors can reduce time spent training new employees on disparate platforms and provide more value and less risk by cross skilling in the same environment.

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