

## **ERP in SME 2012**

Using Emerging Technologies to Stand Out

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## ERP in SME 2012: Using Emerging Technologies to Stand Out

Over the past seven years, Aberdeen Group has been monitoring how Small and Medium-size Enterprises (SMEs) use Enterprise Resource Planning (ERP) software to effectively grow their businesses. This is done through ERP's ability to enable organizations to standardize processes, uncover untapped efficiencies, reduce costs, and provide visibility to managers to aid in informed decision making. Still, just as markets change, so do organizations and the technologies that support them. While ERP will always be the foundation of an SME, top performing organizations continue to tailor their business systems to provide the most fitting functionality and utility. Additionally, these organizations are supporting their ERP strategies with social, mobile, and cloud strategies. This report, based on a survey of over 300 SMEs will provide a guide for other SMEs to continue to grow their business systems as they seek to become more successful organizations.

### Defining the Best-in-Class

Based on data from Aberdeen's [2012 ERP Benchmark survey](#), Aberdeen used four key performance criteria to distinguish the Best-in-Class from Industry Average and Laggard SMEs (Table I). These metrics were selected because of their relevance in assuring the performance and ultimate success of these organizations. First, the ability to close a month, including all financial statements, promotes efficiency and cost savings in the back office. Next, collecting cash more quickly leads to a better ability to invest in order to grow the business. Thirdly, delivering to customers on time is paramount to retaining customers. Finally, there is no more important performance metric than profitability growth. Strong results in the included metrics, achieved through successful ERP implementations, lead to efficiencies and improvements throughout the organization.

**Table I: Top Performers Defined as "Best-in-Class"**

Definition of Maturity Class	Mean Class Performance
<b>Best-in-Class: Top 20%</b> of aggregate performance scorers	<ul style="list-style-type: none"><li>▪ 3.1 days to close a month</li><li>▪ 32.1 days sales outstanding</li><li>▪ 96% complete and on-time delivery</li><li>▪ 18% increase in profitability over the past two years</li></ul>

### Analyst Insight

Aberdeen's Insights provide the analyst's perspective on the research as drawn from an aggregated view of research surveys, interviews, and data analysis

### Company Size Definition

Aberdeen defines SMEs as organizations with under \$500 million in annual revenue

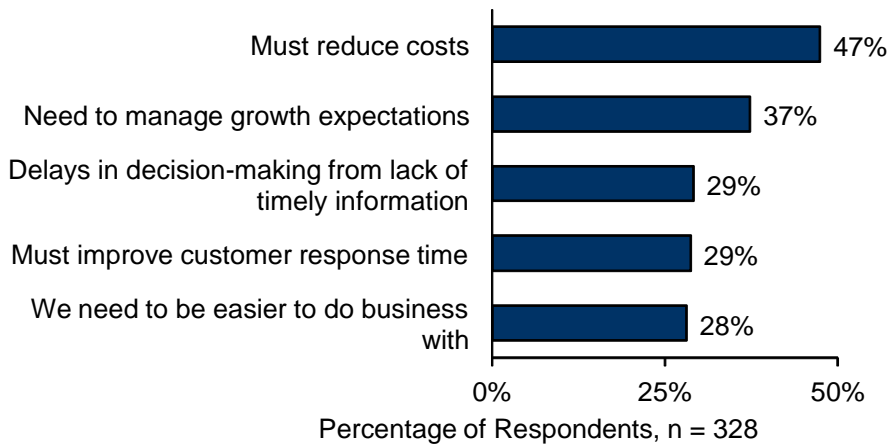
Definition of Maturity Class	Mean Class Performance
<b>Industry Average:</b> <b>Middle 50%</b> of aggregate performance scorers	<ul style="list-style-type: none"> <li>▪ 5 days to close a month</li> <li>▪ 39.6 days sales outstanding</li> <li>▪ 91% complete and on-time delivery</li> <li>▪ 8% increase in profitability over the past two years</li> </ul>
<b>Laggard:</b> <b>Bottom 30%</b> of aggregate performance scorers	<ul style="list-style-type: none"> <li>▪ 8.7 days to close a month</li> <li>▪ 61.7 days sales outstanding</li> <li>▪ 83% complete and on-time delivery</li> <li>▪ No change in profitability over the past two years</li> </ul>

Source: Aberdeen Group, July 2012

### The Environment Facing SMEs

Aberdeen's yearly ERP in SME research has consistently found that the need to reduce costs is the top pressure currently facing SMEs (Figure 1). With recent volatility across a wide range of markets and industries, keeping costs down is as vital as ever, especially for SMEs. Furthermore, 37% of respondents cited the need to manage growth expectations as a top pressure. Strong SMEs are always looking to expand their business, but pie in the sky growth goals can put impossible demands on employees and lead to unsustainable expansion initiatives. These organizations must find a way to effectively ramp up their business without incurring crippling costs or losing sight of operational objectives.

**Figure 1: Top Pressures Driving ERP Strategies**



Source: Aberdeen Group, July 2012

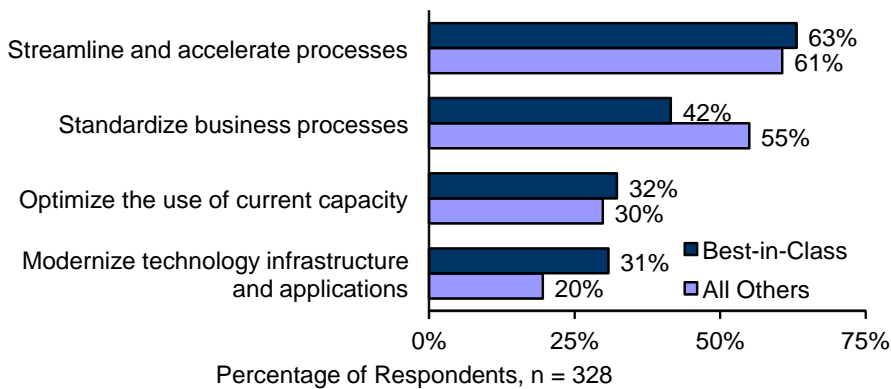
Of course managing growth and keeping costs low is important to growing organizations, but a major theme emerging in this year's research is a need for more timely information. In a competitive market, an SME will not last long if it suffers from chronic delays and hesitancy. Decision makers need

up-to-the-minute information to take action effectively, especially when they find themselves in time-sensitive situations. Real-time data access leads to swifter, more intelligent decisions that can enable an SME to pounce on an opportunity or deftly avoid a disastrous misstep. Similarly, 29% cited a need to improve their customer response time. Customers want to always feel that their needs are recognized and that attending to those needs is a priority. Quick reactions can help with damage control, and also help to ensure that these customers keep coming back.

As an extension of this, nearly as many SMEs reported that they need to become easier to do business with (28%). No SME can long afford to keep their customers waiting or consistently deliver a disappointing or frustrating customer experience. Unnecessarily slow processes and making customers jump through hoops will preclude repeat business and hurt an organization's reputation. Working with customers is only one piece of the puzzle, however. Facilitating interactions with suppliers and resellers also helps to provide accuracy in forecasting and secure better prices for materials and products. These facilitated processes may also lead to enhanced efficiency and cost savings.

In response to these pressures, SMEs continue to roll out a set of strategic actions similar to those that they have in the past (Figure 2).

**Figure 2: Top Strategic Actions**



Source: Aberdeen Group, July 2012

Standardization and streamlining processes to optimize the use of current capacity remain the top strategic actions of all maturity classes. The Best-in-Class are outdone by All Others (Industry Average and Laggard organizations) when it comes to standardizing general business processes. This discrepancy is misleading, however, because many Best-in-Class SMEs already have standardized business processes and would not list them as a strategic action for the future. Where the Best-in-Class differentiate themselves from All Others, however, is in strategizing to modernize their technology infrastructure and applications.

“With our ERP solution, we have eliminated over a dozen disjointed databases and provided 'one version of the truth' to everybody that needs it. For first the time ever, we have real time inventory information, a better handle on factory performance, and a system that provides accountability via production and budgetary performance.”

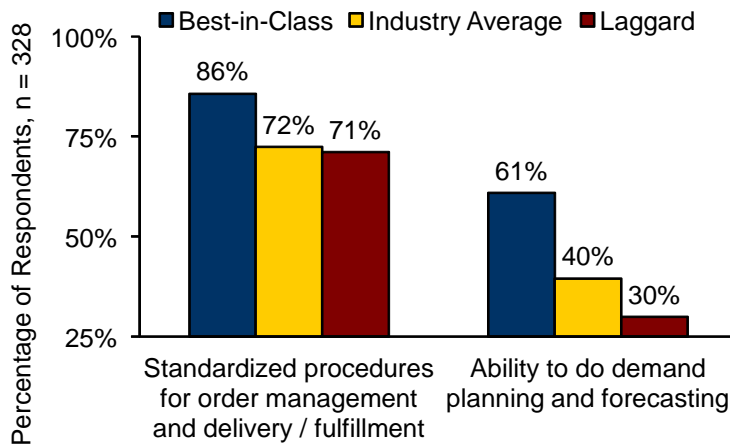
~CFO, Metals and Metal Products Company

Top-performing companies recognize that to gain a competitive edge, you first need the cutting edge. The latest infrastructure and applications offer SMEs tangible advantages and help keep an organization ahead of its rivals. Systems running on antiquated hardware are susceptible to breakdowns and may not run efficiently. Additionally, older ERP systems may not provide functionality that is sufficient for a business that has grown beyond its original size. Additionally, other emerging technologies, such as social, mobile, or cloud technology may help to provide the edge that these organizations need to gain ground on their competitors.

### Impacting ERP Capabilities

In response to the business environment that is facing them and in congruence with their growth aspirations, top performing SMEs are utilizing ERP to enable capabilities that help to facilitate visibility, efficiency, and business execution. First, the Best-in-Class are outpacing All Others when it comes to standardizing certain processes (Figure 3).

**Figure 3: Standardizing and Enhancing Processes**



Source: Aberdeen Group, July 2012

Aberdeen's research continues to show that Best-in-Class SMEs are more likely to standardize back-office processes such as procurement, production planning and execution. This year, in alignment with the goal of becoming easier to do business with, the Best-in-Class are differentiating themselves by standardizing customer-facing processes. Eighty-six percent (86%) of the Best-in-Class have standardized procedures for order management and delivery / fulfillment. All employees involved in the lifecycle of an order have an understanding of the same process. Standardized procedures greatly reduce mistakes and unforeseen problems. This is why having dependable, standardized procedures is especially important in the customer facing areas of a business. Internal problems and errors can often be resolved without any long-term damage to the organization. However, a customer that witnesses a problem, or worse, is adversely affected by an avoidable hiccup, is unlikely to become a reliable source of repeat business.

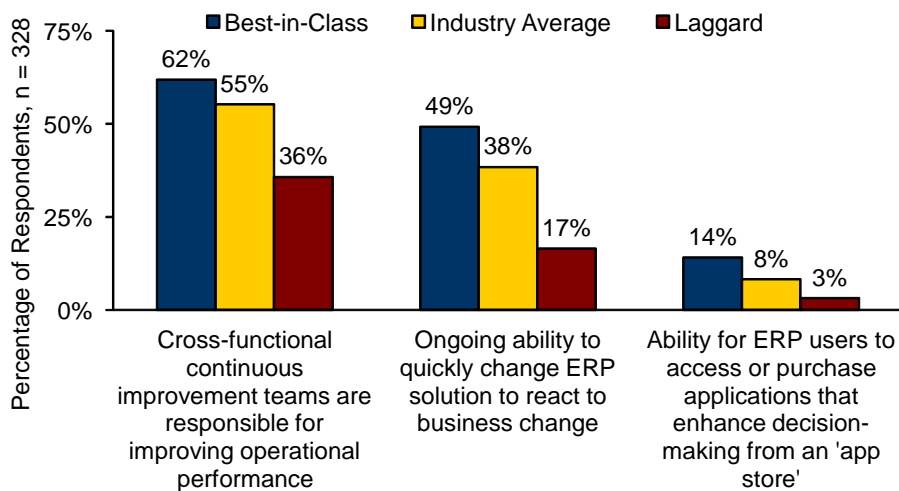
“Our ERP solution enabled standardization of operating procedures and centralization of management and staff functions. It also improved management of service to customers with operations across multiple branches.”

~CFO, Wholesale / Distribution Company

Top-performing SMEs are also taking intelligent action before they start taking orders. The Best-in-Class are 69% more likely than All Others to have the ability to perform demand planning and forecasting. Accurately assessing demand is vital to an SME. If an SME misjudges demand in the market, or fails to analyze it at all, it may grossly misallocate scarce human and capital resources. An organization may waste resources by ending up with too much of a product in a saturated market. Or the organization could miss out on a huge opportunity by failing to adequately tap into a market with a much larger appetite than expected. This may be a contributing factor to the fact that Best-in-Class organizations experienced an 18% increase in profitability as they knew where and when to commit their resources.

Assessing demand is just one example of an improvement from which all SMEs can benefit. Top-performing SMEs scour their operations and infrastructure to find areas for improvement. Sixty-two percent (62%) of the Best-in-Class have cross functional continuous improvement teams that are responsible for improving operational performance (Figure 4). Using continuous improvement methodologies like Six-Sigma, these teams can play a major role in the strategic actions to streamline processes and optimize current capacity. Having devoted teams ensures that an SME never becomes complacent in its operations. On an ongoing basis, these teams will find processes that need to be tweaked or even completely redesigned.

**Figure 4: Managing Growth through Continuous Improvement**



Source: Aberdeen Group, July 2012

Using continuous improvement methods to optimize ERP itself can be just as important as continually improving processes. The Best-in-Class are 63% more likely than All Others to have the ongoing ability to quickly change their ERP solution to react to a business change. An adaptable ERP solution enables an SME to stay on its toes and never fall behind in the marketplace. The optimal method for organizing an enterprise's resources can change just

as quickly as the optimal deployment of those resources. The organization itself may change and its ERP solution needs to be able to adjust to reflect that change going forward. For example, as an organization grows it may add people, processes, new product lines, or new business units. ERP must be tailored effectively without too much disruption to the business or at too great of a cost. Top performing companies are far more prepared for both internal and external shifts with adaptable ERP that can be optimized for any situation.

One way in which some SMEs are enhancing their business systems is through the use of "app stores" aligned with their ERP strategy that offer additional functionality or calculations. The "app store" serves as a digital distribution center where employees can access the business applications that best fit their job role. While this capability is still nascent, with only 8% of all SMEs reporting it, the Best-in-Class are almost 2.5 times as likely as All Others to have an app store. Apps make an ERP system more user-friendly and promote employee usage. Given that apps are a less expensive and disruptive method to enhance ERP than major overhauls, it is likely their adoption rate will increase in the near future.

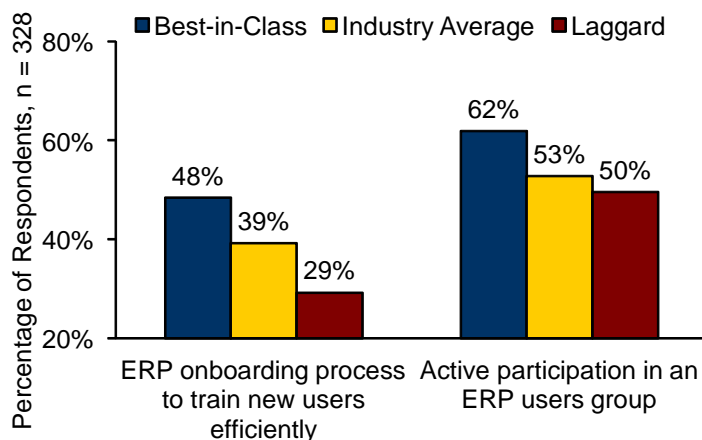
"ERP has forced us to improve our processes to match current best practices. It has allowed us to personalize and tailor the system on our own and not have to pay the software developer to perform custom code."

~Manager, Automotive Company

### SME Culture

But optimizing ERP's functionality is not enough. Truly successful ERP strategies become ingrained into the culture of an SME and it is up to management to make this happen. The best way to begin is with proper training. Forty-eight (48%) percent of the Best-in-Class have an ERP onboarding process to train new users efficiently (Figure 5). ERP becomes part of a work culture if new employees develop a clear understanding and comfort level with ERP from the start. SMEs benefit when employees can see the value of an ERP solution from the moment they walk in the door. Such training also provides valuable opportunities for user trouble-shooting and will head off potential difficulties.

**Figure 5: ERP Culture**



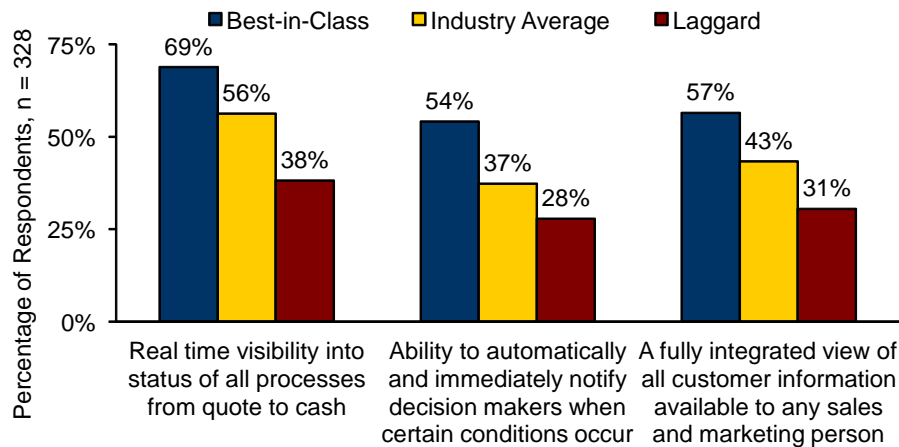
Source: Aberdeen Group, June 2012

Creating an ERP culture is not a "set it and forget it" proposition, however. SMEs need to remain proactive to ensure their ERP is being properly utilized and working itself into the culture. One way to make this happen is to engage other organizations with ERP solutions, which is why 62% of the Best-in-Class actively participate in an ERP users group. Such participation can provide valuable opportunities for collaboration and benchmarking. SMEs can discover areas for improvement in their ERP and also recognize areas where they might be ahead of the pack. Through the users group, employees can see the benefits other organizations have achieved through ERP adoption and bring that knowledge back to their own role.

### SME ERP Adoption

Hopefully, injecting ERP into the culture of a company will encourage employees to factor the data contained within ERP into their decisions. Of course, to do this they must have access to relevant data. Two of the top pressures facing SMEs were a lack of timely information and slow customer response times. Top performing SMEs are utilizing their ERP capabilities to address these pressures and speed up their processes (Figure 6).

**Figure 6: Making Timely Decisions**



Source: Aberdeen Group, June 2012

More than two-thirds (69%) of the Best-in-Class have real time visibility into the status of all processes from quote to cash, making the Best-in-Class 41% more likely than All Others to have this capability. Real time data access enables faster, more intelligent decisions and reduces unwanted surprises. Decision makers get accurate information as they need it and can use this visibility to recognize any processes that have become problematic or defunct.

Decision makers can put this visibility to work for them. The Best-in-Class are 59% more likely than all other companies to have the ability to automatically and immediately notify decision makers when certain conditions occur. This capability can be customized to fit the needs of any

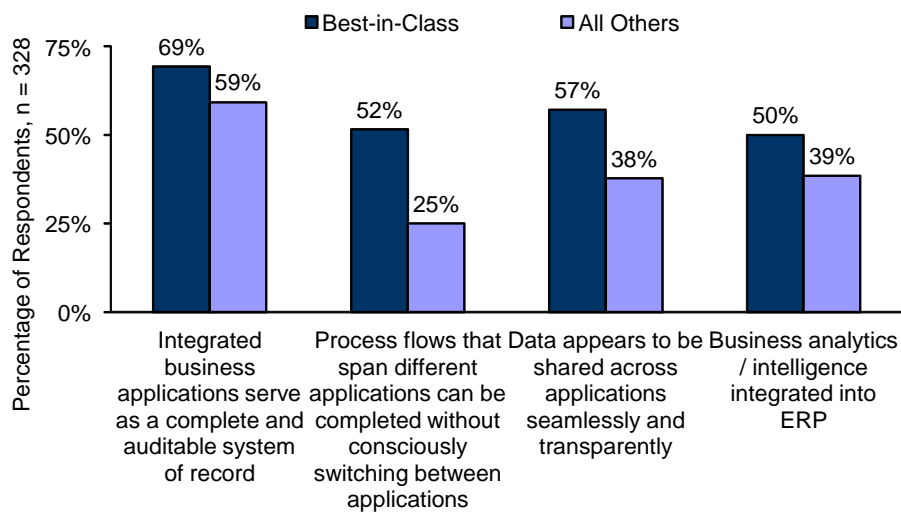


organization, ensuring that no problem or opportunity slips through the cracks. For example, if product sales in a particular market were significantly greater than forecasted, decision makers would receive immediate notice and capitalize by redistributing resources. The majority of the Best-in-Class' ERP systems have these ERP solutions that scour real-time data and react faster than even the most vigilant manager. This delivers the up-to-the-minute information SMEs are looking for and enables faster response times. SMEs with this capability can also react immediately in a shrinking decision-window.

Top performing SMEs also have visibility into their customer relationships. The Best-in-Class are 35% more likely than All Others to have a fully integrated view of all customer information available to any sales and marketing person. This capability facilitates all interactions, cuts down on costs and setbacks, and promotes customer satisfaction. Sales and marketing employees are given the information they need to excel in their roles and promote repeat business through exceptional performance and stronger relationships.

How does ERP itself provide this necessary visibility to SMEs? Top performing SMEs utilize their ERP systems along with modules and extensions to ERP as an integrated "one stop shop" for all their data (Figure 7).

**Figure 7: End to End Systems**



Source: Aberdeen Group, July 2012

Sixty-nine percent (69%) of the Best-in-Class use their integrated business applications as a complete and auditable system of record. This eliminates possible confusion stemming from conflicting records or human error. Top performing SMEs with this capability know that their records are up-to-date and accurate. This does not, however, necessarily mean that the data contained within these systems of record is easily accessible.

Top performing SMEs are more likely to be implementing enhanced integration capabilities in order to facilitate data mining for employees. First, the Best-in-Class are over twice as likely as All Others to enable process flows that span multiple applications to be completed without consciously switching between applications. Additionally, the Best-in-Class are 50% more likely than All Others to have data appear to be shared across applications seamlessly and transparently. Employees will be more likely to seek out data since they can find it in one place without having to sign in to multiple applications. This is a starting point for ensuring that the organization gets the most value possible out of the data contained in ERP.

As an example of this ability to reap the greatest possible benefit, 50% of the Best-in-Class integrate Business Intelligence (BI) and ERP in order to pull actionable insight from the enormous amount of data contained in ERP. This is in comparison to 39% of All Others. BI gives decision makers the information that is most relevant to a given business situation. It is yet another time-saving feature that SMEs can use to react faster and take more decisive action.

### **ERP system Modules - Key to Fully Integrated Systems**

In keeping with the theme of a complete and auditable system of record, top performing SMEs are more likely to integrate a wide range of modules (functionality within ERP) and extensions (applications that expand ERP's functionality) beyond just BI (Table 2). Depending on the functionality needed based on the type of business, these solutions can greatly enhance an SME's ability to succeed.

"ERP streamlined and integrated everything from quoting to accounting. 18 people are doing \$5 million in sales, so we are clearly leveraging technology heavily to accomplish that."

~Executive, Industrial Equipment Manufacturer

**Table 2: ERP Modules and Extensions**

<b>Module / Extension</b>	<b>Best-in-Class</b>	<b>All Others</b>
Order Management	86%	77%
Warehouse Management	63%	54%
Sales and Marketing	63%	47%
Forecasting / Demand Planning	60%	39%
Ecommerce	67%	45%
Estimating / Quoting / Job Costing	48%	35%
Document Management	44%	24%
Quality Management System (QMS)	35%	14%

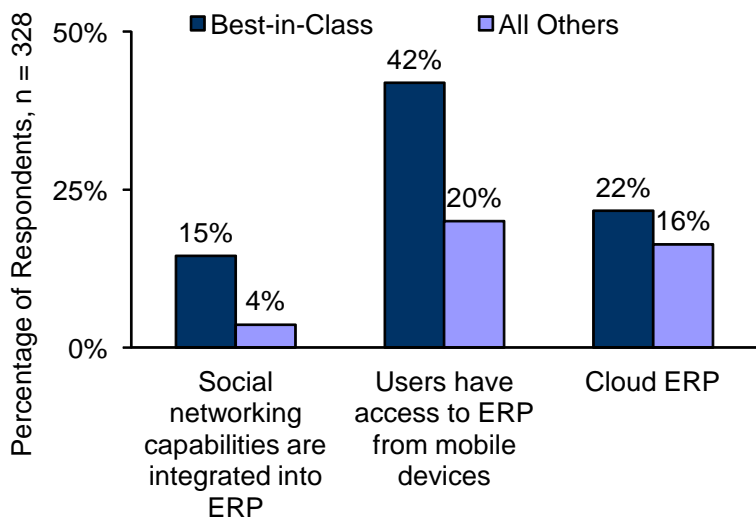
Source: Aberdeen Group, June 2012

### **SoMoClo™ ERP and the SME**

As SMEs emerge as competitors on a grander stage, they are looking to take advantage of emerging technologies to separate themselves from the pack. A growing trend that Aberdeen has perceived amongst SMEs is the implementation of SoMoClo™ strategies (Figure 8).

A SoMoClo™ strategy combines "social," "mobile," and "cloud" technologies to make an organization more collaborative, dynamic, and untethered. Social tools integrated into ERP aid in interactions between employees. Mobile ERP means that ERP can be accessed from mobile devices through the web or mobile-specific apps. Cloud can mean several things, but the basic definition is an ERP that is not the traditional on-premise model and can be accessed from anywhere that an internet connection is available. This model is also called SaaS or Software-as-a-Service, where organizations rent access on the Cloud, rather than purchasing an expensive corporate license.

**Figure 8: SoMoClo™ Strategies**

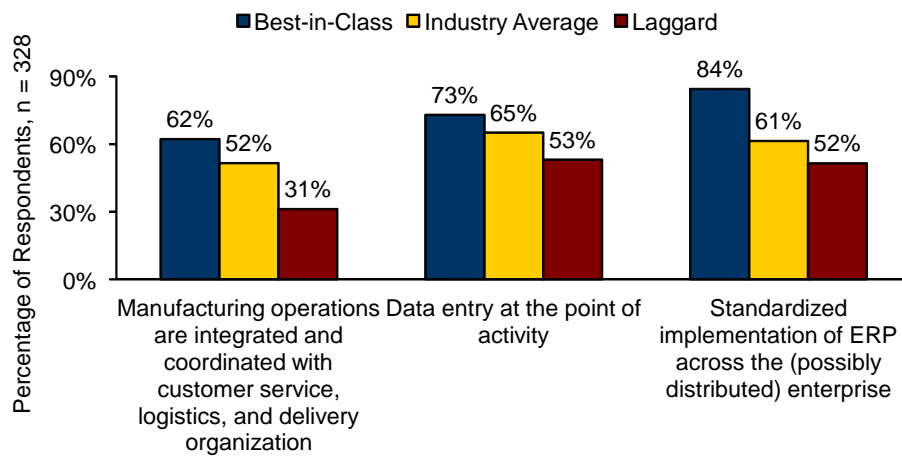


Source: Aberdeen Group, July 2012

The Best-in-Class are 110% more likely than All Others to have users with access to ERP from mobile devices. They are 275% more likely than All Others to integrate social networking capabilities into ERP. Aided by cloud technology, these technologies help organizations to continue to perform effectively across distributed workforces as these organizations expand. They help to provide visibility to decision makers no matter where they are. They even help organizations to continuously improve by enabling collaboration across business units. SoMoClo™ strategy adoption is still in its early stages, but it is already clear that the Best-in-Class are leading the charge.

As an example of the benefits of a SoMoClo™ ERP strategy, social, mobile, and cloud strategies help to enable a number of key capabilities that provide visibility, accessibility, and collaboration tools (Figure (9)).

**Figure 9: Capabilities Influenced by SoMoClo™**



Source: Aberdeen Group, July 2012

First, the Best-in-Class are using these new technologies and are 41% more likely than All Others to integrate and coordinate manufacturing operations with customer service, logistics, and delivery organization. This can be accomplished using the enhanced collaboration capabilities that social technologies enable. Processes that are connected and encourage interdepartmental communication will move faster and with fewer problems.

Additionally, 73% of the Best-in-Class conduct data entry at the point of activity, a capability made possible by mobile technologies. This ensures accurate and updated data in an ERP system, and saves time and money.

Lastly, cloud solutions can provide a way for SMEs, regardless of their geographic dispersion, to standardize ERP implementations. Eighty-four percent (84%) of the Best-in-Class have standardized implementation of ERP across the enterprise. Standardized implementation fosters familiarization with ERP and helps with the goal of creating an ERP culture. A single implementation method across the enterprise will also help ensure that all enterprise-wide ERP functions run smoothly. This and other enterprise-wide standardizations can be achieved, in part, by instilling a SoMoClo™ ERP strategy.

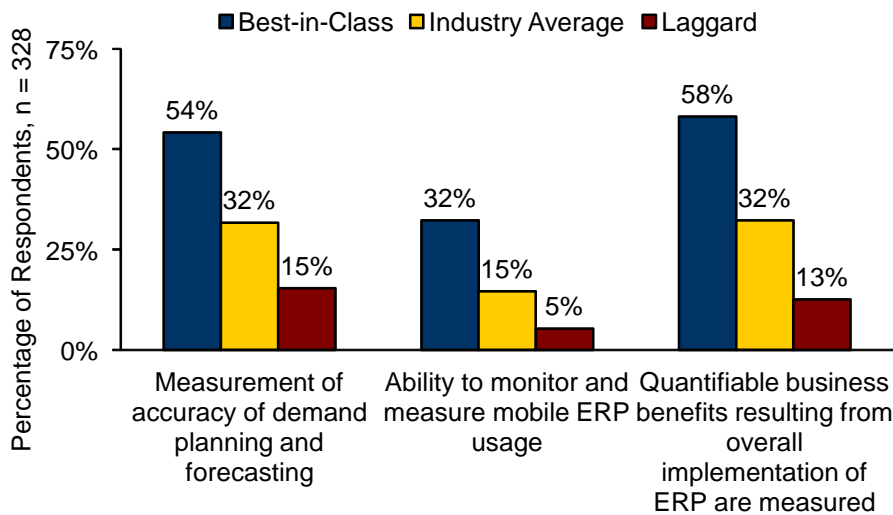
“ERP gave us a lot more visibility into what is happening in our manufacturing process and inventory control has been significantly improved. We were able to reduce administrative staff by 20% because of paperwork reductions and improvements in process flow.”

~CIO, Industrial Equipment Manufacturer

## Measure to Improve

An important aspect of growth is continuously improving in order to gain ground on or create space from competitors. It is difficult to improve without accurately assessing performance. Top performing SMEs are taking steps to measure both the overall effectiveness and the tangible benefits of their ERP solutions (Figure 10).

**Figure 10: Measurement Leads to Optimization**



Source: Aberdeen Group, July 2012

From the process standpoint, the Best-in-Class are 116% more likely than all other SMEs to measure the accuracy of demand planning and forecasting. Forecasting allows organizations to know when they should deploy their resources and when they should hold back. But forecasting is useless, and likely detrimental, if it is not accurate. Top performing SMEs go back after the fact and evaluate how the accuracy of their demand planning is helping, or perhaps hurting.. It is not surprising that such a small percentage of Laggards do this. Working with faulty forecasts will hold an SME back and possibly contribute to its ultimate failure. Measuring this accuracy will enable more accurate forecasts in the future.

From a performance standpoint, as more and more top performing SMEs push SoMoClo™ ERP strategies and seek to empower an agile workforce, it behooves them to track mobile ERP usage. The Best-in-Class are 191% more likely than All Others to have the ability to monitor and measure mobile ERP usage. This allows executives to see how much traction mobile ERP is getting with employees and how great an impact it is having across the enterprise and to decide to increase or decrease investments in this area.

Lastly, Best-in-Class strategies for measuring ERP's effectiveness go beyond monitoring its usage. ERP solutions represent a serious investment for SMEs, one that is only worth the cost if the organization is seeing real impact in its business. The Best-in-Class are 132% more likely than All Others to measure quantifiable business benefits resulting from the overall implementation of ERP. These organizations have a real understanding of the value of their ERP solution and perhaps where its implementation has fallen short. SMEs cannot simply assume that their ERP implementation is ideal and working at optimal capacity. A mere 13% of Laggards quantify the impact of their ERP system. SMEs need to understand where their ERP is

delivering results and where it is disappointing. This measurement may reveal an area where ERP can be modified to better serve a certain function or operation. SMEs can also see the areas where ERP has sparked a dramatic improvement and grasp the Return on Investment (ROI) for their ERP solution.

### Identifying ERP Business Benefits

Measuring the impact of ERP reveals numerous benefits (Table 3). The Best-in-Class are seeing dramatically greater benefits than All Others. However, Industry Average SMEs and even Laggards are seeing real benefits from their ERP solutions. Industry Average and Laggard SMEs saw a 12% operational cost reduction and a 10% administrative cost reduction achieved through their ERP. They also experienced marked improvements in their internal processes. Complete and on time shipments, internal schedule compliance, and cycle time from order to shipment all improved by 12%. No matter where an SME falls on the performance spectrum, the benefits of ERP will manifest themselves.

“ERP gives us visibility into the financial impacts of projects and projects final expenses/profit outcomes. Problem areas are more apparent before they have a negative impact.”

~CIO, Oil and Gas Company

**Table 3: Measurable Benefits to be Derived from ERP**

Benefit Achieved through ERP	Best-in-Class	All Others
Improvement in inventory turns	57%	35%
Improvement in internal schedule compliance	20%	12%
Improvement in cycle time from order to shipment	20%	12%
Improvement in complete and on time shipments	18%	12%
Reduction in operational costs	18%	12%
Reduction in administrative costs	16%	10%

Source: Aberdeen Group, July 2012

### Key Findings and Recommended Actions

By combining ERP with the actions, capabilities, and emerging technologies illustrated above, top performing SMEs are improving many facets of their business. ERP strategies can help reduce costs, streamline business processes, enhance customer relations, and address the pressures SMEs are facing. Planning these initiatives is not the same as executing them. What follows is a road map for a successful ERP strategy based on current company performance, but organizations looking to improve should take heed of all these recommendations.

### Laggard Steps to a Successful ERP Strategy

- **Create a "one stop shop" for data.** As organizations grow, so does the amount of data that those organizations rely on. Very quickly, systems can become disconnected data silos, creating inaccurate data and a potential for rework. Only 43% of Laggard

organizations have an integrated, fully auditable system of record. Further, they are less likely than the top 70% of organizations in the ability to provide their end users with the ability to perform tasks without consciously switching between applications.

- **Continuously improve demand forecasting and plan accordingly.** Accurate demand forecasts prevent SMEs from misallocating their resources. SMEs with a strong understanding of current demand landscapes are ready to capitalize on opportunities and avoid chasing cold markets. Careful planning and accurate forecasting will increase an organization's chances for consistently profitable endeavors. The Best-in-Class are over twice as likely as Laggards to have this capability, giving them a substantial advantage.
- **Integrate ERP into the organizational culture.** Successful ERP solutions become an integral part of the daily lives of employees. This begins with new employee onboarding and thorough ERP training. Alarming, only 29% of Laggards have an ERP onboarding process to train new users effectively. ERP is most effectively utilized as part of an organization's culture when it is fully understood. Participating in ERP user groups also fosters the cultural integration of ERP.

### ***Industry Average Steps to Improving an ERP Strategy***

- **Implement industry and process-specific modules and extensions of ERP.** It is all about providing the functionality that is best able to support the business. Additionally, tailoring functionality helps to ensure that the organization only has the applications needed to run effectively, keeping software costs low. As a whole, the Best-in-Class are more likely than All Others to be utilizing these supporting technologies to beef up their business systems.
- **Provide decision-makers with real-time visibility and automatic alerts.** Access to real time data enables decision makers to act faster and more intelligently. It improves customer response time. In volatile, competitive markets, automatic alerts ensure that no adverse business conditions go unnoticed and empower SMEs to go after previously unrecognized opportunities. The Best-in-Class are 46% more likely than the Industry Average to provide automatic alerts when certain conditions occur. .
- **Measure ERP usage and benefits and tailor your ERP strategy and investments accordingly.** ERP represents a major investment and successful organizations measure their return on that investment. Thirty-two percent (32%) of the Industry Average measure quantifiable business benefits resulting from ERP compared to 58% of the Best-in-Class. Additionally, SMEs should measure how effectively employees are engaging their ERP systems. This analysis can help organizations to recognize areas of ERP that should be

tailored and customized and **should** also be used to alter employee training.

### ***Best-in-Class Steps to Improving an ERP Strategy***

- **Continuously improve and stay ahead of the competition.** Continuous improvement teams and methodologies can enhance operational performance by analyzing internal processes. These teams prevent complacency, which is vital even in a thriving SME. Such devoted departments are essential to the strategic actions of streamlining processes and optimizing current capacity.
- **Tailor the ERP strategy and adjust to business changes.** SMEs must be able to adjust to new products, processes, regulations, and other business changes. The nature of the SME itself may change, and successful ERP can change right along with it. An adaptable ERP solution keeps an SME on its toes and ready for anything the market throws its way, without disrupting the business and incurring additional costs. While still differentiated from the other maturity classes, only 49% have the ongoing ability to alter ERP to reflect changes to the business.
- **Implement a SoMoClo™ ERP strategy.** Social, mobile, and cloud technologies are the wave of the future for SMEs. These emerging technologies empower employees no matter where they are and offer access to a single set of up-to-the-minute data. SoMoClo™ solutions enable a number of capabilities that are vital to SMEs today. While these strategies are still seeing limited adoption rates, the Best-in-Class has begun to take notice. Those Best-in-Class organizations that do not get on the train may find themselves lagging behind.

By combining these steps with a well thought out ERP strategy, SMEs can rise to the top of their fields. Top performing SMEs continue to adopt emerging technologies that catapult them to success in even the most competitive and volatile of markets.



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To take part in Aberdeen's 2012 ERP research, click [here](#).

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