



## TECHNOLOGY WHITE PAPER



### **Microhouse Systems Inc.**

30 Royal Crest Court, Unit 204,  
Markham Ontario, L3R 9W8

Tel: 905-470-1008  
Fax: 905-470-1336  
Toll Free: 1-888-491-8888

[info@mhsystems.com](mailto:info@mhsystems.com)  
[www.mhsystems.com](http://www.mhsystems.com)

# The Complete Solution For Empowering Business

Enterprise Resource Planning (ERP) is the strategy for manufacturers, distributors and service companies to integrate the resources of all departments within a single information system that can serve the entire business. It must serve the functions of finance, human resources, production, sales and other departments equally well, delivering a cohesive solution that helps the company as a whole be more efficient, more streamlined and achieve greater profitability.

Microhouse is a pioneer in the design, development and deployment of an “Innovative Technology & ERP solutions” that protect above investment in software systems against obsolescence.

The company's engineers and software developers have more than 100 years of combined experience, and they know what keeps their clients awake at night. A vendor who can truly understand and address the objectives of the customer is in the best position to achieve a partnership with the customer.

The following presents an insider view of planning, implementing and maximizing the functionality of an ERP solution to achieve greater profitability.

# Planning Before Implementation

The first step to increased profitability is to examine your company's business practices before implementing an ERP System. We have identified the following steps:

1. Know how your business processes work before you start. And how you want to change them.
2. Make sure the project is supported in the organization. Both by the people on the ground and by top management.
3. Understand that it is not an IT (Information Technology) project, it is a business project. All the important stakeholders in the company must be part of the project.
4. Get a system and an engineer that understands your business to avoid spending enormous amounts of time programming and re-programming the software.
5. Make the implementation as quickly as possible, with clear milestones, in order to keep the motivation up to finish the project.

To succeed, you have to be cost-efficient, be on-time and deliver quality goods. To do so, you must have a good ERP system that integrates complex processes, including production, supply chain and logistics.

While good planning is essential, there are still challenges to the actual implementation and steps to take to ensure a smooth rollout.

## Set Objectives.

Know what you want to accomplish with the system, and don't be afraid to plan big. The right ERP system should grow with your company. Identify specific objectives and assign a timeline to accomplish those objectives, with a reasonable date for the system to go live. We encourage our clients to work with us to ensure that the objectives are reasonable and can be accomplished within the allocated timeframe.

## Establish Expectations.

Setting clear expectations is imperative to a successful implementation. This is important not just with management, but also with the workers within each department that will be affected by the new system. Ask them for their ideas and listen to their concerns.

Understanding their viewpoints will not only help you have reasonable expectations, it may also result in a golden nugget of information that can improve the productivity of your ERP system. Listening aids collaboration between departments which previously may have had limited cause for interaction.

## Plan both for the short term – and the long term.

Look at your ERP system as a member of your company's family, one that will support and help every department and individual employee to become more successful. You should also view this supportive family member as having staying power. While it's important to plan for the short-term, also take a longer term view, say over 3-5 years and beyond, so you can plan for your ERP system to grow and continue to contribute to your company's success.

## Establish Milestones.

Determine what your milestones will be for each part of the implementation—from planning to cutover (go live) and beyond.

Know where you want to be three, six, nine and 12 months after the system goes live. These milestones are critical to tracking your ROI and achieving new levels of profitability.

Through experience gained from years of system user feedback, we can help you define realistic scenarios and then tailor them to your company's unique situation.

## Understand the Personnel Commitment.

To successfully implement an ERP system, dedicated time and energy are required of employees from all affected departments. With management commitment, the individuals involved can commit the time and energy required to ensure a successful implementation. They will need to participate in training ( provides classroom, on-site and Internet-based training) and work with the implementation team. Consider any impact from potential employee turnover during the implementation process.

## Admit "We're Doing Things Differently Now."

People can panic when their jobs change dramatically and productivity can suffer. Helping your employees understand that you're doing things differently, but in ways that will help improve their jobs and that their opinions count makes all the difference in having a supportive, productive team throughout the implementation and beyond. This approach to new ways of doing business helps employees take ownership of the system, and it breaks down the territorial barriers which can develop from department to department within your company. Trust that your employees know their department and its requirements. In fact, frequently, they will find solutions within the ERP system to resolve their department's biggest challenges.

## Commit to the Process.

Implementing an ERP solution is a process that can take from two months to 12 months, if well-planned in advance. At Microhouse Systems, implementation teams have manufacturing and supply chain management backgrounds and can help customers define their needs that will result in an effective rollout of the ERP system. You need to be committed to face hard questions about your business and be committed to the ERP process.

## Track Your ROI.

ROI won't happen overnight. In fact, a 2002 study by The Meta Group found that it typically takes at least eight months before ROI can be effectively tracked. However, by setting milestones and objectives, you will build processes into the system that can help demonstrate its successes right from the start.

# Implementation for Success

Planning is only the beginning. For a successful implementation, it takes a cohesive effort between the client and Microhouse during the implementation process, including:

## Consider Microhouse Your Partner.

Microhouse is an expert at designing, implementing and deploying ERP systems. By partnering together, you can benefit from our experience of successful installations and get the assistance you need to apply the system to your company's specific requirements. Microhouse has battle-hardened expertise which goes hand-in-hand with the software, delivering a partnership that goes well beyond the product.

## Demand Management Participation.

No matter who is driving the ERP implementation, to be successful, it's imperative to have management participation and support across all departments and among senior corporate management. Departmental interface at many levels is helpful to understanding what each position does and how it relates to the ERP solution.

## Plan for your Business Needs Today and Tomorrow

Your ERP solution will never be a static part of your business. It needs to continue to grow, adapt and continually improve to meet your company's unique and evolving business needs. We stand behind the results Multiflex ERP delivers and want each of our customers to realize the greatest possible benefit from their investment in Multiflex ERP.

## Understand Your Global Needs

Closely examine your domestic and global requirements as well as any multi-lingual needs in choosing your ERP solution. The demands of multiple locations, whether they are in one region or across the globe, need careful consideration and integration to be most effective. Discuss these requirements during the planning phase of your ERP solution to make sure all your locations are covered

# Case Studies



Markdom Plastics

**Client Overview:** Markdom Plastics, a plastics injection moulding company in the automotive parts manufacturing industry, is now a proven leader of “Just In Time” manufacturers.

**The challenge:** expanding business more than 400% in the same “limited” space with the ability to compete on Quality, JIT manufacture, JIT delivery, minimum or no warehousing, reduce operating costs, manage people, increase customer satisfaction while competing on price & more....



**Solution:** By designing, optimizing, implementing & maintaining a closely integrated system for the entire operations with integrations with accounting & EDI, Markdom Plastic Products Ltd. achieved all the objectives and is now one of the award winning suppliers to GM, Ford, TRW automotives and more....

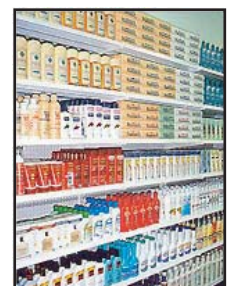
They achieved significant improvements in their businesses processes, on-time purchasing, manufacturing, deliveries; productivity gains in the order entry process; eliminating returns; increasing inventory turns (with significant drop in on-hand inventory); a steady decrease in labour costs; and a dramatic increase in new business efficiency and bookings with closed sales.



Main Drug Mart

***A Horizontal and Vertical Solution for Pharmaceutical Wholesale***

**Client Overview:** Sandborn Wholesale, a wholly owned subsidiary of Main Drug Mart Pharmacies, is a leading supplier of pharmaceuticals in Canada. Main Drug Mart is considered to be one of the premier organizations for providing total pharmaceutical and patient care service in North America with close to 60 locations and growing.



The company is dedicated to providing their patients with health, pharmaceutical, and alternative treatment needs. The pharmacies also carry a wide variety of beauty products and sundries.

***Sandborn Business Challenge:*** Pharmaceutical wholesale is a competitive and high velocity business. In order to support the growth and needs of its customers, partners and suppliers, Sandborn Wholesale embarked on an initiative to improve operations both vertically (more clients) and horizontally (more suppliers). Given that the operational needs were managed in a semi-automated fashion, the growth and scalability could not be achieved without the use of an effective tool such as Microhouse's MultiFlex ERP program.

***Microhouse Solution:*** In partnership with Sandborn and Main Drug Mart, the Microhouse team implemented and customized an end to end Enterprise Resource Planning Solution incorporating the key modules: Distribution Management, Inventory Control, automated & flexible real-time Order Entry, Order Tracking, Electronic reporting to IMS, Shipping History, Purchasing, management Reporting, and fully integrated Accounting for Multi-company requirements. The Microhouse team utilized a new and innovative development environment called The Business Application Platform to manage the complexity involved in delivering a quality solution to Sandborn Wholesale, quickly, reliably and economically.

**Business Benefits Gained by Sandborn:**

- **Increased Productivity:** Increased the number of suppliers and clients without increasing its headcount. Reduced time to close month end. Saved time. Reduced errors.
- **Improved Customer Relationship Management:** Launched next day and same day service. Lowered sourcing costs. Increased revenues and profits while passing economic savings on to clients. Achieved the ability to track demand and automate purchasing requirement calculations.
- **Enhanced Inventory Management:** Gained easy access to client and shipping history. Improved order fill rate. Lowered stock levels. Reduced stock-outs and overstocks. Gained access to real time reporting on key business data.
- **Automated reporting to IMS,** the central data gathering capacity for the pharmaceutical industry.
- **Increased ability to respond to unexpected situations quickly and reliably.**