

A decorative horizontal bar with three segments: dark blue, orange, and light green.

Are Your Systems Ready for Global Expansion?

Introduction

Pressures to exploit new markets and reduce costs are the top two key drivers for companies in making the decision to “go global.” The Internet, global supply chains, new markets, and access to new labor pools make going global a necessity for many companies. However, globalization does not just happen by accident and the business and technology challenges cannot be ignored.

Enterprise Resource Planning (ERP) is an essential component of any globalization strategy. As companies increasingly expand their reach and presence around the world, many are doing so with the help of a single fully integrated global enterprise resource planning solution that can support their global operations. This approach can give companies a more accurate and consistent understanding of their business at any given time anywhere in the world. Yet, few companies take full advantage of global ERP capabilities available today that can more effectively support and sustain global operations through global visibility and transactional interoperability.

Global ERP systems allow organizations with far flung locations to streamline and standardize operations across multiple geographies, divisions, and departments—from supply chain to customer relationship management (CRM) and financials and accounting management. Although implementing a global ERP system is a significant and seemingly daunting task, the benefits outweigh the challenges, including:

A Single Transparent View into Operations

If you have locations in different countries, you’re already familiar with the issues that can arise from running separate ERP systems or worse yet, a point solution for each function. With a global ERP system, critical business processes can be streamlined and standardized. A single transparent view into operations across multiple locations means fewer teams are required to manage information; information flows more seamlessly through the business; and executives are able to make more effective better decisions.



Automated Consolidation for Financial Managers

Financial managers at corporate headquarters need consolidated financial information to provide the complete business overview that shareholder and financial authorities require.

Multiple siloed locations result in multiple sets of reports—all of which need to be consolidated. This is a time-consuming, risk-prone, and complex process, particularly when reports originate from locations with different tax and legal frameworks. A global ERP system makes it easy to automate consolidation and mitigate the errors that inevitably creep in when reports pass through multiple hands.

Streamlined Taxation and Legal Compliance Taxation, reporting and other financial regulatory requirements can be very complicated in a global organization. Small changes in one location can have unforeseen impacts on business conducted with other locations. But keeping up with changes and making quick adjustments can be challenging. A strong global ERP system can handle multiple tax schedules, be updated with the latest regulatory requirements, and automatically update currency conversion rates, so your customers can be assured that the documentation and information they receive always reflects accurate information.

Better Collaboration and Communication Between the Global Team

In today's environment, managing growth effectively requires improved visibility into operations, the ability to do more with less,

and an enhanced ability to communicate and collaborate frequently and effectively. In a global environment, knowledge sharing and best practices shared across the enterprise can contribute to improved business processes, enhanced customer engagement and ultimately, increased productivity.

Identifying a system that is not only right for your business today but also which will be able to support your business as it grows is an important step in preparing for global expansion or taking the next step in consolidating your global operations. Here are some considerations when choosing the right global ERP system:

- **Global vs. Localized Business Processes** - Companies with global offices often have many non-standardized business processes. A global ERP software implementation provides an opportunity to standardize processes across locations. Identifying and standardizing processes that are central to the customer experience and the ability to have visibility into important customer metrics should be a top priority.
- **Implementation Strategy** - There are a number of questions that need to be considered before you embark on a global implementation. For example, do you go-live with all functions and geographies at one time? Do you rollout in multiple phases based on region and/or function? Or is it some combination of both? There is no right answer to these questions. Every company will need to make these decisions based on their particular situation and operational needs.



- **Deployment Strategy** – Cloud solutions can spare a global company the trouble and expense of setting up data centers in far flung locations and finding IT workers in each location. Having a centralized ERP support team and help desk provides a number of benefits including accelerated implementations, lower life cycle costs, easier upgrades and maintenance, standardization of IT processes and policies and centrally managed staff.
- **Scalability** – Scalability is all about how the global ERP system enables and supports your business as it grows. As the operations become more complex and global, the system should keep pace and be able to support more complexity and not come in the way of growth. A global ERP system should support an organization's ability to roll out new processes or adapt existing processes to easily integrate a new division, operational changes, or new partner.
- **Master Data Management** – Not only does master data need to be migrated to the new system, but global companies need to define how it will be managed going forward. For example, will local entities have the flexibility to manage their own local chart of accounts, or will changes require centralized and global governance? These decisions go beyond financial data. The same discussions should be had regarding customer and operational data.

Summary

When going global, a company's process and operational complexity increases significantly, often requiring the replacement of the current business systems. Care must be taken to not only ensure that the new ERP system will support an organization's immediate requirements, but that it will also grow with them as they achieve more success on the global front.

Finding the right global ERP system is not an easy task. Many of the decisions that need to be made are not black and white. What is more clear, is that companies need to start making decisions related to the above issues sooner rather than later to provide direction and focus to their global ERP implementation.

Velosio can help you assess your readiness for a new or upgraded Global Dynamics 365 Enterprise Edition-based ERP system and help you work through the many issues and decisions that need to be addressed. Contact one of our global specialists today.

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with a business
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