



EXECUTIVE BRIEF

Expand your business with a two-tier ERP strategy

Discrete manufacturing

In today's environment of globalization, mergers and acquisitions, joint ventures, and exponential growth, standardizing on a single enterprise resource planning (ERP) system across the entire organization is not always the best option. As companies expand into new multinational locations, markets, and business models, this one-size-fits-all approach becomes increasingly cumbersome to implement. And for discrete manufacturers especially, the ERP needs of the corporate office are very different than those of operations. A two-tier ERP strategy gives manufacturers the flexibility they need to quickly respond to changes across their business and affordably meet the specific needs of each location.

Meet organizational and operational requirements at the same time

With a two-tier ERP strategy, manufacturers don't need to view their headquarters and plants as a collective whole. Instead, they can consider the needs of each location, along with the organizational operational requirements, to choose the best systems capable of easily working together to meet their diverse needs. This approach provides manufacturers the necessary ERP elements in both headquarters and at the plants, without requiring implementation of unneeded functionality in either place.

With a two-tier ERP strategy, the plant can focus on the operational business systems needed to run that location, while headquarters can focus on the financial management and other necessary systems needed to run the organization overall.

Corporate level	Shared services	Plant level
<ul style="list-style-type: none">• Financial management	<ul style="list-style-type: none">• Accounts payable• Accounts receivable• Customer management• Human capital management• Planning and scheduling• Product lifecycle management• Supply chain management	<ul style="list-style-type: none">• Inventory and materials management• Plant employee data reporting• Plant financials reporting• Plant manufacturing data reporting• Product configuration• Production management• Quality management

Identify required software traits

There are two key things needed to make a two-tier ERP strategy work: First, the distinct industry needs of the plant need to be built into the ERP system. Secondly, the ERP system should be cloud-based, with the ability to integrate with other ERP systems and industry-specific applications, in addition to providing the flexibility needed to be quickly and easily implemented virtually anywhere, at any time.

Industry-specific functionality

The first element is to employ an ERP system that has industry-specific functionality to support the operational needs of the plant. For instance, a plant that manufactures aerospace and defense components has to meet different regulatory requirements than a plant that manufactures automotive equipment. An ERP system that's designed to help manufacturers meet the regulatory requirements of a specific industry is going to be more effective than an ERP system that doesn't address those key nuances.

In today's climate of diversification and exploring new market opportunities, it's also possible an organization could wind up supporting a business unit that operates in an industry outside of its core business model. In such a situation, it's likely that the organization's existing ERP system lacks certain capabilities central to effectively managing the new business unit. An ERP system with specific industry capabilities can help bridge processes and workflows between the two entities.

Numerous ERP solutions marketed as offering industry-specific capabilities haven't actually been designed with any industry in mind. An ERP solution designed for a specific industry allows manufacturers to address their unique needs without requiring customization. This approach is more sustainable and cost-effective over the long term.

Cloud-based solution

The second element to successfully implementing a two-tier ERP strategy is a cloud-based ERP system. Cloud-based ERP software offers significant benefits over software deployed on-premises. With the right cloud-based solution, an ERP system can be implemented quickly and easily integrated with existing systems. It won't require significant internal IT resources, is available anywhere at any time, and has true global capabilities.

- **Quick deployment**—Full ERP implementations can be lengthy and expensive, and take months or even years to fully deploy. Cloud-based ERP software requires minimal internal resources, as all the heavy-lifting is done by the ERP solution provider. The right cloud-based ERP system is ready-to-go with almost no customization, enabling implementation in weeks, days, or even hours.
- **Easy integration**—Integration is critical for making any two-tier ERP strategy effective, making it easy to share data and consolidate financial reporting across the enterprise. Cloud deployments make this integration easier by requiring less internal support—in terms of both physical infrastructure and IT resources—and cause minimal business disruption during implementation.
- **Reduced capital investment**—Without the physical infrastructure that on-premises solutions require, manufacturers don't need to invest capital in new IT equipment during implementation or subsequent upgrades.
- **Always available, anywhere**—The right cloud-based ERP system is hosted by a top-tier cloud service provider, like Amazon Web Services™ (AWS®), that has the vast resources to ensure reliability and availability. Because the solution is entirely cloud-based, the only things you need are Internet access and a compatible device. Manufacturers need ERP software that can run on any number of device types, including mobile devices, which are often used on the plant floor.
- **Global capabilities**—A cloud-based ERP solution that's meant for true global commerce includes support for multicurrencies, multilocations, and multi-languages; localized reporting capabilities; and support for local regulatory requirements.

Positively impact your bottom line

Implementing different ERP systems across a business may seem counterintuitive to CFOs in pursuit of a consolidated view of operations. But technology advancements have made integrations far more seamless and can enable enterprise-wide visibility and automation. This can help to significantly reduce the time and error associated with financial consolidation. Implemented correctly, a two-tier ERP strategy reduces complexity, while delivering key benefits, such as:

- **Lower total cost of ownership**—A two-tier ERP strategy allows manufacturers to pay only for the features required at various locations, rather than subsidizing a full ERP implementation in every instance.
- **Greater flexibility, agility, and scalability**—Implementing multiple software systems no longer implies organizational chaos. Different solutions can integrate and coexist seamlessly, eliminating operational silos, and increasing efficiency. Because of the flexibility of cloud-based ERP solutions, they can easily scale to accommodate growth—whether organic or through mergers and acquisitions.
- **Reduced training requirements**—Because cloud-based ERP systems are less complex, training requirements are also usually reduced, allowing staff to get up to speed quickly.
- **Improved risk management**—As organizations grow and become more global, regional compliance and risk management increase complexity. A two-tier ERP strategy means companies can implement solutions with global management capabilities to ease deployment, stay in compliance, and reduce risk.
- **Increased visibility**—When integration is done right, a two-tier ERP strategy provides a greater level of visibility across the business because each location has technology suited to its unique needs.

Infor CloudSuites

Numerous ERP systems abound. However, the list of ERP solutions that are cloud-based is fairly short. And the number of cloud-based ERP systems that easily integrate with existing business systems is even fewer. What about a cloud-based ERP system that integrates with an organization's existing business systems and provides industry-specific functionality? Infor CloudSuite™ industry software makes the top of a very short list.

Industry-specific versions of Infor® CloudSuite, implemented as part of a two-tier ERP strategy, can help manufacturers reduce operational complexity, improve visibility, and enable greater flexibility for growth and change. For complex manufacturing operations, management and IT professionals gain the power and tools to manage their sites' individual needs, rather than shackling the entire organization to a single, multi-purpose ERP system. Business agility, risk management, and cost control can all be dramatically improved as a result.

A two-tier ERP strategy can provide:

- Technology that meets the needs of divisions large or small, complex or simple—without sacrificing visibility or efficiency.
- A more cost-effective approach that shortens implementation times and speeds time to value.
- An opportunity to benefit from the comprehensive functionality and scalability provided by larger ERP solutions, while also taking advantage of industry-specific capabilities.
- Enterprise-wide visibility through the integration of corporate, shared, and plant-based business systems.

LEARN MORE 

Follow us:     



Infor builds business software for specific industries in the cloud. With 17,000 employees and over 67,000 customers in more than 170 countries, Infor software is designed for progress. To learn more, please visit www.infor.com.

Copyright© 2021 Infor. All rights reserved. The word and design marks set forth herein are trademarks and/or registered trademarks of Infor and/or related affiliates and subsidiaries. All other trademarks listed herein are the property of their respective owners. www.infor.com.

641 Avenue of the Americas, New York, NY 10011

INF-2454541-en-US-0321-1