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MODERN AND INNOVATIVE ERP IMPLEMENTATION

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MODERN AND INNOVATIVE ERP IMPLEMENTATION

By Justin Smith

Since Enterprise Resource Planning Systems have existed, they have been at the forefront of business digitization; these digital wares bring tangible value to a business and automate a myriad of accounting functions. Today, companies must deploy applications at scale, with interconnectivity and interoperability among one another for operational efficiency across the organization. As these necessities make their way

into the small and midsize enterprise arena, Advisory leaders at Withum—a Management Consultancy Practice—believes it is the right time for brands to rethink how their ERP platforms interact with other digital tools within their brand and externally with customers, suppliers, vendors, bankers and others. The advisory firm has updated its operational structure to include various utilitarian functionalities in ERP system integration to present the dominance



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COVER STORY

of knowledge that the company can leverage to help its clients proceed in the right way. Withum's mission is simple, teach and support its clients to increase revenue and profitability.

Led by business partners and ERP industry veterans Walter Merkas and Joseph Riccie, Withum employs a team of experts that specialize in various ERP platforms such as Oracle NetSuite, Microsoft Business Central, and Sage Intacct. Dedicated to delivering a hands-on experience from start to finish of ERP system integration and beyond, the technology consultancy allows clients to follow suitable measures backed by knowledge-driven analytics and aftermarket support. Bringing in a substantial experience set to the ERP marketplace, Merkas (Cloud Technologies Leader) and Riccie (Market Leader) have over three decades of service advising clients in their digitization and ERP system deployment drives.

To reduce the costs of an ERP software implementation, Withum assesses clients' needs to ensure that they invest in the right solution based on their requirements and avoid missteps going through this process. Withum starts its process orientation with the question, "Why Are You Here?"

Encouraging clients toward more enterprising opportunities, Withum assesses their digital woes and teaches them to do more with less, further combatting the shortage of talent that continues to affect business. "We have specialization across 15 different industry sectors, and our collective team allows us to support clients in those areas with expertise for a wide range of ERP platforms," expresses Riccie.

BUILDING INTERNALLY TO EXPAND EXTERNALLY

As a continuous knowledge-driven approach is necessary to build a definitive professional services workforce, Withum invests its time and monetary resources in educating its internal auditors, tax, and private wealth management personnel on the latest, modern and innovative ERP trends. Predominantly an East Coast practice, Withum has also merged seven different professional services firms across the country to offer advisory services from coast to coast. Presently, Withum has expanded its business area with a firm in Rhode Island and five offices on the West Coast. The partnerships have opened an entirely new base of operations that enabled Withum to propel its way forward as a best-in-class ERP consultation provider.

“WE HAVE SPECIALIZATION ACROSS 15 DIFFERENT INDUSTRY SECTORS, AND OUR TEAM ALLOWS US TO SUPPORT CLIENTS IN THOSE AREAS WITH EXPERTISE FOR A WIDE RANGE OF ERP PLATFORMS

In one case, a company was faced with a delay in preparing tax returns, as they were unable to collect vital financial records from their accounting system. To quickly resolve the situation, the Withum tax services partner suggested changing the ERP system. Consequently, the client met with Withum's team where they deployed

their "Why Are You Here?" approach. The client was immediately impressed by the ERP and tertiary systems acumen that was brought to the table. At the end of the initial engagement, the client decided to perform a sizeable international ERP implementation with multiple add on solutions to meet their desired goals and objectives. Empowered by the delivery of a new ERP system structure, the client was able to propel forward and adapt to the constant changes in ERP system connectivity to other technologies in an IT application stack.

Withum garners a fundamental knowledge of issues common to a modern enterprise ERP workflow and shares the wisdom with internal tax and audit partners and marketing personnel. The communication allows Withum's staff and partners to engage with customers and help them address issues such as difficulty working remotely, securely, collaboratively, and productively to conduct business on a connected modern ERP platform. Withum's operational design empowers its partners and staff to open new gateways for companies to maximize the true value of a well-defined ERP system. "As all stakeholders begin to understand the potential of the ERP systems, people get busier, and that drive has allowed us to grow double while also elevating client success," elucidates Merkas.

THE TARGET MARKET

On the operational front, Withum tackles and solves many challenges. Withum often sees companies struggling with inventory and supply chain issues from front to back. More companies continue to move to multiple sales channels and embark on the chase of the elusive Omnichannel. No surprise here as the supply chain disruption including increased border controls, customs regulations, trade wars have impacted supply even before the pandemic. Beyond these disruptions, people remain in global shortage throughout the entire value-chain and this factor is a key consideration driver in Withum's consulting engagements. With monumental changes

occurring in inventory management, Withum enables its clients to consider alternatives to the concept of just-in-time inventory and opt for solutions that can assist in stabilizing the supply chain and increasing likelihood of reducing stock outs. Enabling its clients to cross these barriers, Withum leverages a genuinely collaborative and consultative approach until they find the right answers to the clients' problems and encourage correct platform implementation.

For a wholesale client that imports finished goods from suppliers in international countries, the effectiveness and transformation of the fully-integrated ERP system allows for an efficient and collaborative stream of communication while sharing required information on the products with US Excise Duty Boards. With a comprehensive knowledge of the marketplace, Withum was able to implement an add-on tool that could bring all data from supplier to customer in a manner that value chain participants more easily understand. Withum likes to keep things straightforward.



Another issue that Withum identifies is the payment methods utilized by companies to settle account payables to their vendors. Currently, at most companies, the transaction involves sending a paper check to and from multiple offices for approval/signature before reaching the payee. Often taking days, the approach was also susceptible to loss or misplacement of a document or similar discrepancies. Withum, to remove this corrigible scenario, created a plan that allows for the accounts payable and receivable procedure to be converted to digital card payments and assure that vendors and suppliers have a better online payment experience. Trusted vendor relationships matter in the supply chain.

THE ALL-INCLUSIVE ONBOARDING EXPERIENCE

From ERP implementation strategy to application optimization, Withum leaves no stone unturned in understanding and addressing client digitization challenges. From a strategy perspective, the ERP implementation services specialist spends much time understanding clients' requirements and performs a

two-day operational diagnostic process to gather a rapid and broad overview from internal customers as to what is going on. What emerges are themes, such as relying on email for automation and approvals, hundreds of Excel worksheets outside of accounting software, access to data challenges, data reliability concerns, and more is what Withum tries to uncover very quickly. On creating a key information base and depending on an ERP platform such as NetSuite, Microsoft Business Central or Sage Intacct, Withum performs a health check on the current setup and integration of the add-ons that clients have selected for their operations.

Built off a hybrid model, the Withum Implementation Methodology (WIM) is a proprietary technique that allows the quick deployment of the right platform and add-ons after the client ERP system selection process. WIM allows Withum to scale the implementation and customize it to fit a client's ERP system and empower them to achieve the ROI goals established upfront. In terms of optimization of an instance after ERP system deployment, the management consultancy has an account

management program that is ready at the go-to assist clients if they run into any fundamental mishaps or have trouble utilizing the implemented ERP system. By ensuring that clients have the right administrators and data governance model, Withum educates clients on making the most use of the installed platform.

As new CPA professional services firms come into the forte and warrant ERP coverage and the need for new talent, Withum will continue to add to its internal workforce a mixture of experienced and newcomers to the industry. "Talent will win the day; when you have the right people, clients will see the difference, and that helps us win," conveys Riccie. Exemplifying the art of promoting new talent is the latest iteration of Withum's innovative podcast—Take Me to the Cloud—hosted by Merkas' team. The idea is to create a following of interested stakeholders from within the enterprise ERP sector and discuss software implementation, optimization, health checks, and more. Withum also invites experts from its partner companies into these conversations to bring additional knowledge and specialization to listeners. 

ERP CONSULTING SERVICES

Bridal Designer and Manufacturer Modernizes Operations with Oracle NetSuite ERP

EXECUTIVE SUMMARY

A leading private bridal and special occasion dress designer and manufacturer with a national and international presence was struggling to keep its operations efficient through its growth and needed to accommodate a newly remote workforce. As a result of its growth, including both volume and sophistication of operations, the company believed its systems needed a significant upgrade or replacement. They needed a system that would continue to scale and support its growth well into the future. After a comprehensive discovery exercise to better understand and document its internal processes, the company chose Withum to help them implement Oracle NetSuite as its new ERP. The new cloud-based ERP system created several quantitative processing efficiencies benefiting the brand's operations and supply chain needs.

ABOUT THE CLIENT

The client is a private \$50M designer and manufacturer of bridal and special occasion dresses based on the EastCoast. Through their private and additional well-known fashion brands, the company offers a wide range of bridal gowns; flower girl, bridesmaid, mother of the bride/groom, social occasion, kids' party/baby, cocktail, homecoming, prom, pageant, first communion dresses; formal wear/evening wear; and dresses for guests of the wedding. The formalwear company serves customers through many retailers in the United States and internationally.

CHALLENGE

In addition to their private brand, the company also has other well-known fashion brands. These other brands and international divisions are handled as separate corporate identities within the company's business model. The company's operations were primarily dependent on a single enterprise software Apparel Business Systems (residing on an AS400), to facilitate the company's operations, including aspects of production, accounting, sales, customer service, fulfillment and reporting, and other considerations. The company has utilized this software, including various versions and customizations, since 1991.

Over time, the organization figured out how to get their jobs done while growing and maintaining some profitability. Unfortunately, this creativity led to:

- Unintentional complexities and inefficiencies;
- Data risks;
- Employee frustration and turnover;
- Higher compliance costs with auditors, tax preparers, bankers, insurance providers and other third parties;
- Increased cyber security threats; and
- A helpless feeling caused by the pandemic when it came to working remotely and staying connected.

The company used email to complete automation/workflow approvals. Imagine the time it took to investigate who did what and when for any reasonable request. Time spent analyzing past results left little to no time or attention to collaborate with internal and external stakeholders. As a result, the supply chain and related international supplier design lead time took way too long. The legacy customer portal was disconnected from the ERP system and needed to get modernized.

THE APPROACH AND SOLUTION

The company needed a system that would continue to scale and support its growth well into the future. They performed a comprehensive discovery exercise to better understand and document its internal processes as a first step.

Through this process, the company understood that their new ERP Software must facilitate job and operational functions of all private company staff and departments. These functions include:

- Production
- Product Catalog & Inventory Tracking
- Accounting
- Sales
- Customer Services
- Warehouse & Fulfillment
- Reporting

They identified the following key considerations that needed to be addressed:

- The company had multiple business entities made up of brands and regional markets. The new platform must manage the enterprise and business divisions in frictionlessly.
- The platform can be hosted on-site, off-premises or be a cloud-based solution.

• The platform must be highly scalable and easily adaptable to a growing enterprise without additional dedicated personnel to support the system.

• The platform must have a well-documented API and integrate with third-party applications such as Product Information Management (PIM), eCommerce platforms, and customer support systems.

Multiple ERP platforms were considered for this project to satisfy the growing company's needs, such as Microsoft Dynamics, Oracle NetSuite and SageIntacct. Once the company concluded its discovery, they ultimately chose NetSuite as their new ERP system. They selected Withum to support them with the ERP implementation given Withum's focus and success with modernizing and innovating companies.

THE RESULTS AND OUTCOME

When implementing OracleNetSuite ERP, Withum leverages partner tools such as the ERP Value Chain Assessment. During this implementation, the Withum team assessed and identified operating environment stages and then moved specific processes from Marginal to Innovative and/or Competitive to Innovative.

This project yielded many quantitative processing efficiencies to support "Doing More with Less" and qualitative outcomes with significant intangible value. For example, employees having secure access to data without contacting anyone who maintains off-system worksheets is a great benefit of the newly implemented ERP – saving time and unnecessary steps. Data transparency and reliability are paramount to the workforce in meeting operational goals. Moving data analysis from off system to a common platform for anyone

AREA	MARGINAL	COMPETITIVE	INNOVATIVE	EXAMPLE KPIs
B2B Order Management	Manual orders, not integrated	Simple search, basic checkout, integrated, real-time reporting, inventory control, pricing	Single platform, B2B & B2C, mobile, BOPIS, loyalty, cross-sell/ up-sell, endless aisle, real-time, unified data model, responsive design	<ul style="list-style-type: none"> • B2B Commerce Growth %age • Increase average order value • Improved fill rate • Gross Profit Margin
Make to Order	Manual, spreadsheet kept item and planning	Centrally managed item management and transaction history, reorder point planning.	Automated order management, time costing, process quality management, real-time costing, predictive analytics.	<ul style="list-style-type: none"> • Improve order accuracy by 50%-75% • Up to 10% reduction in Total Costs to Produce • Improved quality compliance
Supply Chain	Manual, spreadsheet-centric, time consuming	Consolidated views, PO tracking, multiple locations	Product traceability, exception flagging, procurement, vendor portals, supplier collaboration, score cards, contracts	<ul style="list-style-type: none"> • Inventory Turnover • Stock-outs as % of Sales • Supply chain as a % of Sales
CRM, Support, and Selling	Basic Contact Information	Centralized contact management, forecast planning, case and ticket management	Pipeline, forecasting, commission management, variable pricing, real-time visibility, dynamic pricing, customer lifetime value, marketing ROI	<ul style="list-style-type: none"> • 50%-75% increase in actionable insights, Sales productivity increased by 40%-60% • 30%+ improvement in customer service efficiencies
Warehouse Management	Paper-based workflows, operator driven, basic inventory tracking	RF/mobile barcode scanning, manual replenishment and cycle counting	Inventory allocation by FIFO/FEFO, dynamic put-away, integrated ASN, cross-docking, wave planning, labor planning, dynamic slotting, robotic technology, and automation	<ul style="list-style-type: none"> • Improved efficiency • Reduced cost to serve product
Financials & Reporting	No integrations, limited monthly reporting	Limited integrations, dimensional reporting, sales tax	Real-time reporting and dashboards, multi-company management, consolidation, approval ratings and workflows, multi-brand, multi-national and omnichannel reporting	<ul style="list-style-type: none"> • Time to close books • Budgets – IT costs as a % of revenue • Gross margin improvement through efficiency

KPI	Expectation	Current	Desired	Gross	Savings	Comments
B2B Order Management	Increase in Sales	100%	102%	\$24,000,000	\$192,000	GP to the Bottom Line
B2B Order Management	New Customers	100%	104%	\$24,000,000	\$384,000	GP to the Bottom Line
B2B Order Management	Savings in Customer Service Efficiency		17%		\$35,000	1 person; Delay in New Hires
CRM, Support, and Selling	Increased spend in Marketing is offset by the increased Sales	100%	102%	\$24,000,000	\$192,000	GP to the Bottom Line
Commissions	Efficiency Savings at Higher Performance				\$17,500	Delay in New Hires
Financials & Reporting	Reduction in SG&A as a percentage of Revenue		1.8%	\$24,000,000	\$432,000	
				Gross ROI	\$1,252,500	Est. Minimum Hard Dollar Return within Year 1
Intangibles: <ul style="list-style-type: none"> • Strengthen Banking Relationships • Attract New Customers • Enhance Existing Customer Relationships • Increased Customer Retention • Happier Work Environment • More Data for Better Decision-Making • Increased Profitability • Reduced PR as Revenue is Recaptured • Other Operational Areas where ROI is TBD (Will track during installation) 						

To protect our client's privacy and respect confidentiality, we have changed the values represented above.

to utilize from anywhere in the world is a significant competitive advantage. What may seem like small wins, these efficiencies matter greatly for companies who modernize after using outdated, on-premises systems for the last 28 years (like in this example). We all thrive on data in making decisions impacting others, so whether you have an on-premises or cloud solution, there is always an opportunity to "rethink how work gets done" and learn how to accomplish "doing more with less." 