

Using ERP to Grow Sales

By Daniel Carranco
Director, Continuous Improvement
Global Shop Solutions





If the shop floor is the heart and soul of a manufacturing business, then sales is the lifeblood that keeps that heart pumping. And if you ask owners of small- to mid-size manufacturing companies to identify the biggest roadblock to increasing sales, most will say it's the amount of time spent reacting to production problems and resolving bottlenecks on the shop floor. That's why having an ERP system that gives you total control over your shop floor is so important.

Running a **lean, efficient shop** floor lets you ship jobs on time, provide short lead times and respond to customer changes in a timely manner – all of which play a key role in attracting new customers and keeping the ones you have. It enables you to control costs so you can price your product competitively, which helps improve your ability to compete in the market. Most importantly, from a business management standpoint, it frees up your time to invest in critical activities such as new product development and growing sales.

However, there's more to keeping your sales pipeline full than just running an efficient shop floor. Your sales process must be efficient as well, with all sales and sales management data fully integrated into your ERP system. And that's where having the right ERP system can help. One that puts you in control of your shop floor and your sales management process offers a powerful tool for growing sales and revenues.

Why Your Sales Pipeline Leaks

A manually-driven sales process is a slow, inefficient and often inaccurate process – in large part because customer and sales data tend to be scattered all over the place rather than centrally located in one integrated system.

The same applies to using third-party, add-on sales management software, because the data still resides outside your ERP system. Which means you're constantly going back and forth to track down the information needed for the sales team to function at a high level. It's also hard to track and measure results of different steps within the sales pipeline.

Operationally, this can lead to a number of problems that inhibit sales growth. For example, if you can't take a sales order, turn it into a work order and deliver it to the shop floor in a timely manner, you're already one step behind competitors who can. The same goes for responding to RFPs and customer quotes. When it takes days to assemble and deliver these key drivers of your sales pipeline, you fall behind competitors with much faster response times.

On the service side, how quickly can you respond when customers call in with questions about the status of a job? Can your service reps locate the information in just a few mouse clicks? Or must they respond with the dreaded "I'll have to call you back on that," because it takes too long to track down the information to answer the question?

At the strategic level, poorly integrated sales data makes it difficult to determine job costs or margins, which turns the RFP and bidding processes into a guessing game. Limited data visibility and reporting capabilities also reduce your ability to engage in meaningful sales analysis. When you can't identify which of your products and customers are the real money makers, it's hard to point your business in the right direction to maximize sales and profits.



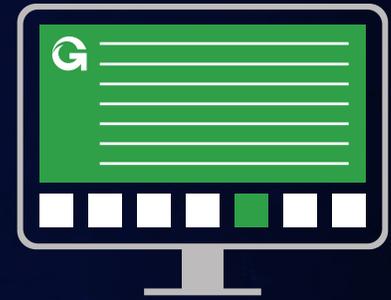
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Fixing Your Sales Process

Stopping the pipeline leaks that act like an anchor on sales growth starts with having instant access to real-time data throughout your sales process. That requires an ERP system with fully integrated **sales software** to put you in complete control of your sales process from quote to cash.

To provide much-needed control over your sales process, the software must have the features and capabilities to provide the following:

- **System-Wide Data Visibility.** Imagine having instant access to customer inquiries, open sales orders, past-due invoicing, customer histories and other sales data – all from one screen. Sales and customer service reps can take orders, answer questions, resolve problems in a fraction of the time required of manual systems. With built-in **sales dashboards**, they can also perform job functions, such as taking action against open, expected or past due purchase orders, reviewing third-party freight agreements, and more, without having to click over to another screen.
- **Customized Reporting.** Perhaps no other part of the business requires as much analysis as the sales function. ERP sales management software lets you step up your analysis by formatting the data any way you want to see it. For example, you easily create customized booking, win-loss and trend reports to see where your sales are now, which products and customers are trending upward, and which products and customers should be discontinued.
- **Leaner Sales Processes.** A fully-integrated sales solution simplifies everything from creating sales orders and custom invoices to staging shipments, managing UPS™/FedEx™ **integrations** and third-party freight agreements. Your staff will work faster and more efficiently while reducing the errors that occur with manual processes. By simplifying and automating many of your sales processes, you can grow sales without adding additional personnel or overhead.



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To further support and enhance your sales efforts, your ERP system should also offer:

SHOP MANAGEMENT SOFTWARE

Shop management software provides detailed, real-time information about every step of every project moving through the shop floor. This helps increase sales through:

- Faster, more efficient scheduling
- Near-perfect, on-time delivery
- Quality ratings that approach 100%
- Improved customer service
- Total control over your shop floor

“// Since implementing ERP software, we’ve developed an agile, functional production system that allows us to keep up with today’s shorter lead times and just-in-time deliveries,” say Lance Louis, COO for Louis Industries. “This has helped us gain new business by adapting to the individual needs of each customer.” //

MOBILE CRM SOFTWARE

From identifying new prospects to closing sales, your sales team can manage the entire sales process from anywhere, on any device. Mobile CRM provides access to executive dashboards and customized reporting as well as personal sales goals and performance metrics.

EDI (ELECTRONIC DOCUMENT INTERCHANGE) SOFTWARE

EDI offers seamless integration with customers’ software to facilitate electronic transfer of documents. Single-data entry saves time, reduces errors, and dramatically speeds up the processes of receiving large customer orders and turning sales orders into work orders.



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Putting It All Together

When sales and customer service reps can instantly access real-time information about customers and orders, sales management becomes a smooth, efficient process that generates improvements at the operational and strategic levels.

Sales reps can access entire sales histories by customer or part number. They can accept sales orders and send work orders to the shop floor in minutes. Service reps can answer customer inquiries in a single phone call. When questions arise within the organization about sales or work orders, people can access detailed information from one screen in just seconds.

Knowing your job costs and margins lets you estimate and quote with precision. You'll win more jobs by underbidding competitors and still make money by knowing how low you can go without hurting margins. This includes making informed decisions about whether to break even or take a slight loss on a job in order to gain a new customer with huge upside.

Understanding which parts and customers actually make money helps focus your growth on the profitable areas, such as targeting your best customers for more business, while eliminating unprofitable products. As you gain a clear sense on where the company will grow, you can make smarter capital investment decisions in the machines and equipment that will be needed to support the growth.



UNDERSTANDING WHICH PARTS AND CUSTOMERS ACTUALLY MAKE MONEY HELPS FOCUS YOUR GROWTH ON THE PROFITABLE AREAS.

“ Since implementing our ERP system, our sales have grown 53% – without adding additional staff or overhead,” says Henderson Cathcart, National Sales Director for Key Gas Components. “We’ve cut lead times, which helps gets parts to customers faster, and much of our sales growth has come from existing customers, which lowers new business acquisition costs. ”



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In today's highly competitive manufacturing markets, growing sales requires a lean and efficient shop floor to keep operating costs to a minimum and having the flexibility to quickly adapt to changing customer needs. It requires keeping your word with customers by following through on what you say you're going to do. And it requires delivering quality parts, on time, at a competitive price. When integrated into one powerful ERP system, shop floor and sales management software can help you shift all these requirements into high gear.

If you would rather spend your time growing sales instead of putting out fires on the shop floor, Global Shop Solutions can help. Call us today at 800.364.5958, or [schedule a demo online](#). Our ERP software can help you do all of the above – and more.



ABOUT THE AUTHOR

Daniel Carranco is the Director for the Continuous Improvement Team for Global Shop Solutions. He leads teams that deal with existing customer projects including consulting and custom development. With Global Shop Solutions for more than a decade, Carranco holds a master's degree in international business and is a frequent speaker to manufacturing executives and industry groups on maximizing ROI with ERP software.



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