


10 Benefits of ERP Software for Accounting and Finance Professionals

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YOU CAN'T MANAGE WHAT YOU DON'T KNOW, AND YOU CERTAINLY CAN'T IMPROVE IT.

Finance and accounting employees typically know ERP software will help them intimately understand costs with remarkable precision.

ERP software takes the uncertainty out of your financials by leveraging key functions such as Key Performance Indicators (KPIs), accounting and financial manufacturing reports, exact job costing, and more, all powered by real-time data. Taking advantage of technology and software, finance and accounting employees can move their manufacturing business to an evidence-based management model and stop fighting fires from behind the curve. It's time to stop answering "why did this happen?" and start asking "how do we prevent this?".

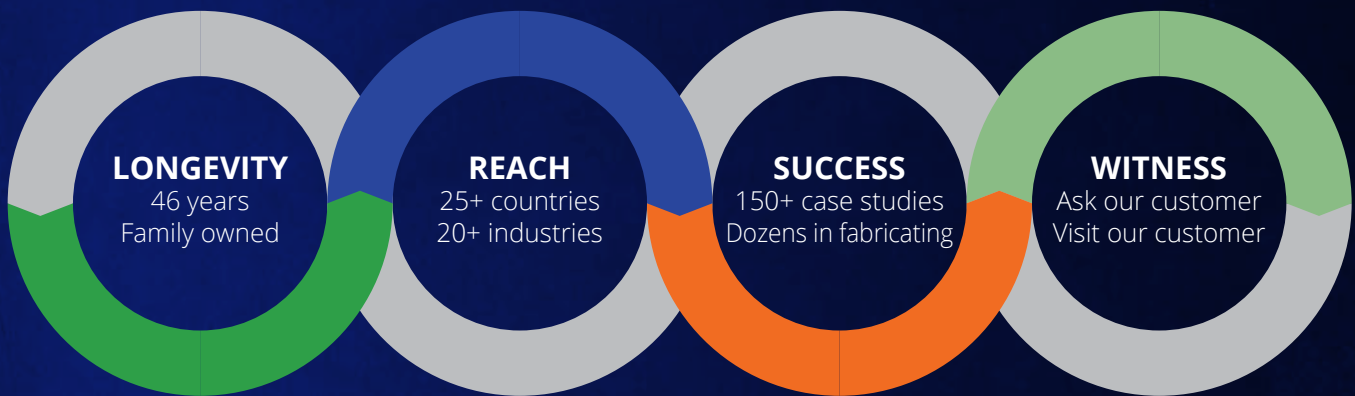


WHAT ARE THE BENEFITS OF ERP SOFTWARE TO FINANCE AND ACCOUNTING?

This question can be answered many ways, but if you talk to a Financial Manager, Controller, CFO, or President of a manufacturing business that has made ERP software a part of their culture, they will all eventually intersect on the following 10 benefits.

- 1 Simplify your processes, eliminate errors and improve real-time reporting with a fully-integrated system
- 2 Strengthen inventory controls, costing and analysis
- 3 Accommodate various inventory costing/reconciliation methods
- 4 Gain remarkable precision in your job costing
- 5 Increase ability to identify improvement opportunities
- 6 Change the way you work to a single screen
- 7 Make better decisions with financial reports and KPIs
- 8 Simplify internal and external audits
- 9 Improve customer service
- 10 Increase collaboration with all stakeholders

Before I get into each of these benefits individually, you need to know that Global Shop Solutions is [100% credible](#) in order to tell this story. By definition, credibility is the quality of being believable or worthy of trust. The 4 points below, I hope, will establish credibility in your eyes.



LONGEVITY

Global Shop Solutions has experienced manufacturing growth – a lot of it. We have been successfully simplifying manufacturing since 1976. No one has done it longer nor have they continued with the same family-like philosophy and in the second generation of ownership.

REACH

The foundation to our customers' success is in our ERP software which can be found in thousands of facilities in over 20 industries and over 25 countries supported by over 300 employees in 7 global offices.

SUCCESS

Helping manufacturers grow is our specialty and we love when our customers call us with great news. With more than [150 publicly available case studies](#), the truth is in our unrivaled customer success.

WITNESS

Our customers are our proof and they have no problem speaking to you about us. We have grown with purpose and intent – customer by customer, industry by industry, region by region. We have zero debt, zero private equity, and zero bank influence – just you, our customer, helping us to shape the next generation of software features, functionality, and applications that you need.

Now let's hit the benefits of ERP software for Financial Managers.

1

Simplify Your Processes and Eliminate Errors with a Fully-Integrated System

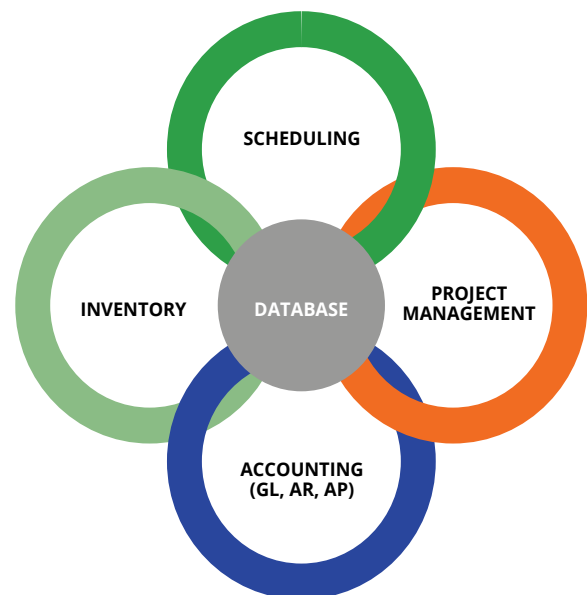
Errors are a headache, especially when they can be avoided. Many of the errors we find when we begin working with a new customer is the result of using multiple programs. The first benefit of ERP software to accounting and finance professionals is the elimination of multiple programs that were not integrated. Reducing “touch points” by having simple processes within an integrated system will lead to overall accuracy, efficiencies and cost reductions.


All processes from quote to cash can be completed within one software system. Our integrated ERP software allows customers to track all the various job costs, inventory movement transactions (dollars and units), scheduling, project management costs and accounting transactions.

For Financial Managers this is critical because it eliminates errors that occur when non-integrated systems are used to pull data together for financial statement reporting, review and analysis. Relying on external programs to capture data that then rely on various methods to transfer that data into the ERP system opens the door for upload errors, input errors and potential timing errors.

The ability to have an ERP system that includes additional ancillary features allows Financial Managers the ability to run all aspects of the accounting processes within one software program and eliminate the need for additional software programs required to complete full cycle accounting. Costs savings will also occur when the costs to maintain and upgrade multiple programs are eliminated.

With an integrated ERP system, all of the sub-ledger reports from the various modules are updated real-time. Real-time reporting is critical in today's competitive and price conscious business environment. An ERP system uses batch processing which means the dollars are updated when batches are updated, this allows Financial Managers to control the timing and accuracy of GL batches prior to them hitting the General Ledger.





Having a fully-integrated ERP system allows companies choices – they can choose whether they want to continue to use third-party software for payroll processing, electronic payroll filings, processing credit card payments, etc., or they can choose to complete those same processes in-house. Without an integrated system there is no choice – those process have to be completed externally.

An example of additional ancillary programs that are integrated in an ERP program are:

- Bank reconciliations
- Payroll – Both internal and third-party compatible
- Electronic filing
- ACH vendor payments
- Credit card payment processing
- E-invoicing
- Branch accounting (the ability for brand locations to maintain a separate general ledger that can then be consolidated into one company code for consolidated financial reporting)
- CAD software integration

A fully-integrated system allows accounting personnel to develop efficient processes, the knowledge on the various processes within all the modules can be easily transferred to new employees which reduces training gaps, reduces learning curves and increases employee engagement.

“

The fact that Global Shop Solutions ERP software is fully integrated has been its best attribute for us and what we do.

Charlie Miller, CFO at Panoramic, Inc.

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2 Strengthen Inventory Control, Costing & Analysis

Inventory represents a significant amount of capital for every manufacturer.

It is imperative for companies to have strong inventory controls to ensure the investment in inventory is being properly managed. Having various system options available that are designed to ensure strong inventory controls such as “Do not allow shipment if on hand quantity cannot fill the order” and/or “Do not issue to work orders if on-hand quantity will fall below zero” giving users the ability to tighten internal controls by forcing good processes.

Being able to analyze inventory costs, transactions, turns, usage, history, etc. increases both the understanding of the transactions and confidence in the ability of the system to track the dollars in the method that is demanded of the system.

Multiple screens are available that provide the user with a history of all inventory transactions by transaction method (for example: WIP to FG, Issue Material to Jobs, Shipping, Material Returns, etc.), date, user and costs. These features make it easier for the user to track and confirm the accuracy of the transaction by unit and costs, again increasing user knowledge and confidence in the system, as well as strengthen inventory controls.

Various inventory reporting options allows for detailed inventory analysis. An integrated ERP software system will provide the accounting and financial professional the flexibility of analyzing inventory by part or as an overall group. This sets one ERP system about from another. As a financial professional you want to ensure the system used has the capability to allow your team to be able to complete both micro and macro analysis.

It is very important that employees who do not have a financial background are able to understand the inventory transactions and costs that they view in the system. An integrated ERP system will provide you with the ability to easily drill-down and review inventory transactions by part.

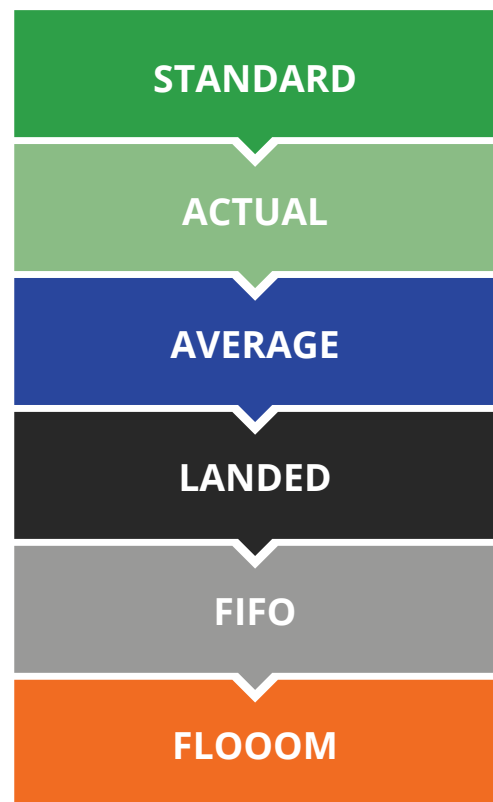
3 Accommodate Various Inventory Costing & Reconciliation Methods

Different manufacturing companies use different inventory costing methods requiring any ERP system to be flexible. Being able to accommodate the various inventory costing methods ensures the ERP system can be implemented across multiple industries and accounting philosophies. Global Shop Solutions ERP software provides its customers the added feature of lot/bin/heat/serialization, allowing the ERP system to meet all industry requirements in heavily regulated industries such as the aerospace industry. This is especially important for defense contractors or any business manufacturing parts for the US military.

Standard costing, lot bin/item master costing (sometimes referred to as actual costing) and average costing call all be accommodated in an ERP system. Additionally, landed cost, FIFO and FLOOOM (individual cost elements of Freight, Labor, Overhead, Outside Service, Other Costs and Material) of the inventory as it moves through the manufacturing process can be tracked.

Financial Managers are able to set the exact accounts that all material and labor movements post to, increasing job costing accuracy and user knowledge. Global Shop Solutions is also adaptable, any changes to internal product process, inventory costing methods, inventory reconciliation methods or invoicing method can be readily implemented under the guidance of the Financial Manager.

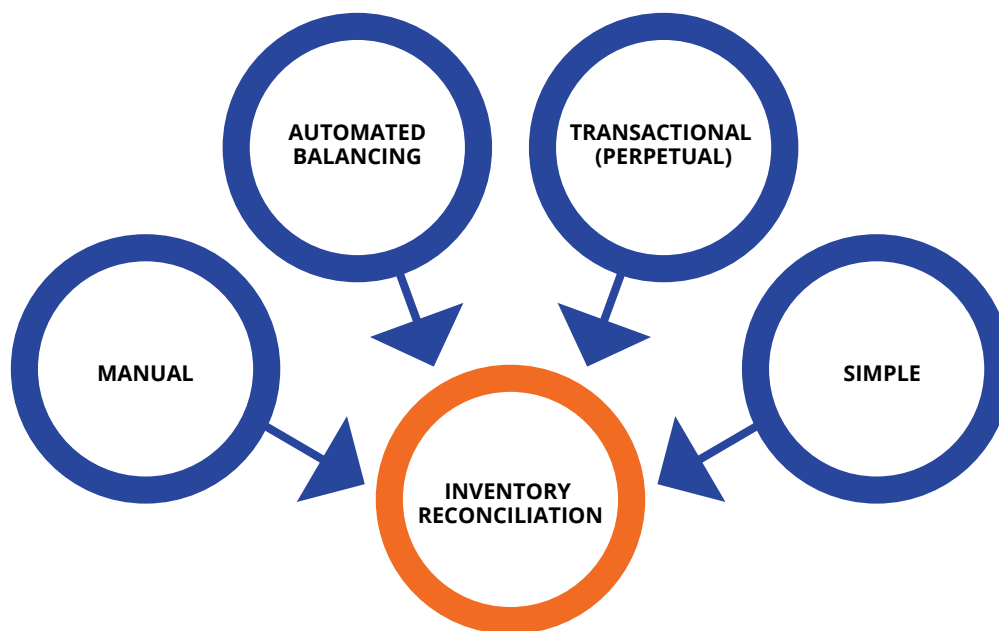
COSTING METHODS



Transactional Inventory Reconciliation

To accommodate those companies who are very concerned with identifying and eliminating inventory outages a detailed inventory reconciliation method is available called Transactional Inventory Reconciliation. This method allows Financial Managers to follow the costs associated with every part and every inventory transaction from one GL account to another. Investigating outages allow Financial Managers to identify what process or action is creating the inventory outage and allows for corrections to be implemented immediately, eliminating those outages going forward.

Global Shop Solutions ERP software can also accommodate those who are only interested in balancing inventory at month-end and less concerned with investigating any inventory outage due to either the nature of their business or lack of resources. This method is known as the Simple Inventory Reconciliation method.



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With Global Shop Solutions' bin-to-bin tracking, we know exactly where every piece of material is 100% of the time.

Chad Wengard, Manager at Walnut Creek Planing

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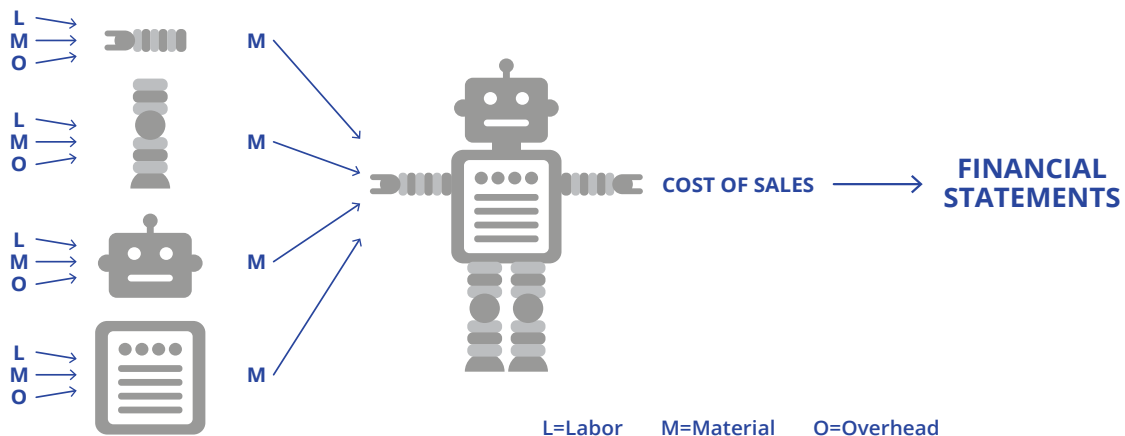
4 Gain Remarkable Precision in Your Job Costing

Job costing is so important to Financial Managers, not just in terms of Income Statement reporting but to provide the necessary information needed to identify opportunities for improvements in all functional areas. Without the ability to drill down to the micro details we are not able to provide feedback to the various stakeholders who rely on us to help them better understand the results of all their various efforts. Without detailed job costing, companies will not be able to maintain a sustainable market share and compete in their various market spaces. Competitors with job costing integrated into their ERP system will eventually identify ways to manufacture products with lower overall costs and those cost saving will be then passed on to customers in the form of lower prices.

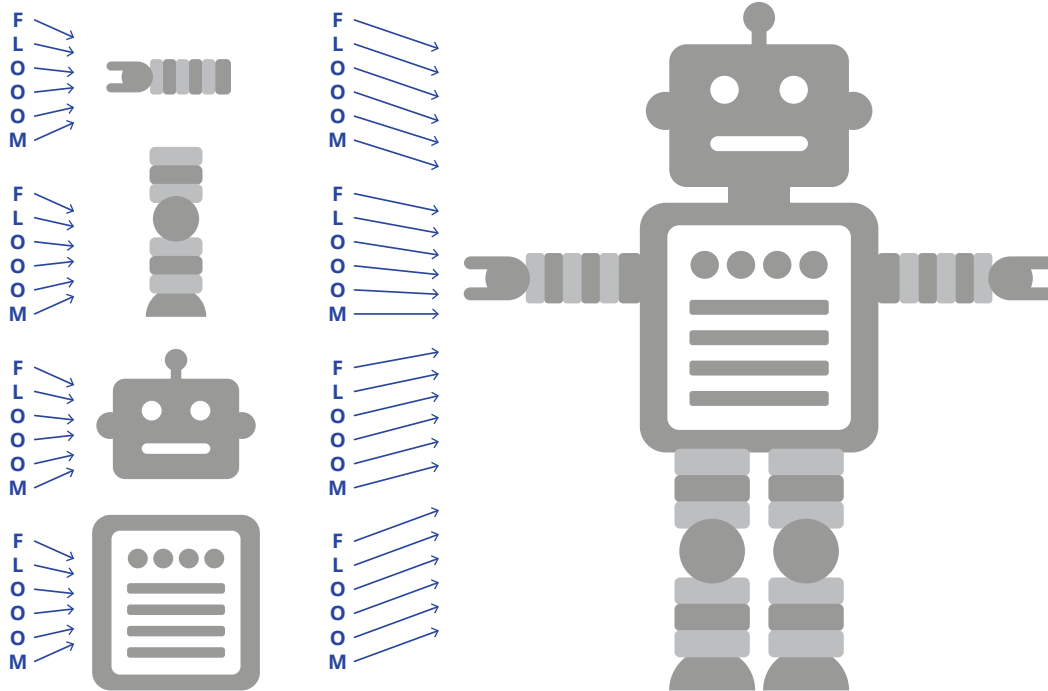
Many aspects of an integrated ERP software system allow you to gain remarkable precision in your job costing. This includes traceability of costs throughout the production and invoicing process, real time labor collection, allocation of costs per employee wage rate/workcenter rate, and more. The addition of new dashboards allow for real-time job costs review. We no longer have to wait until the job has been completed to determine profitability. We can now make on the fly decisions that can lead to increased profitability.

Global Shop Solutions ERP software is one of the few systems that allows you to track cost elements through all levels. The system allows you to track freight, labor, overhead, outside services, other costs, and material throughout the entire manufacturing process – we call this FLOOM.

Common to most systems, all sub components are issued as material only as outlined below:



The benefit of an integrated ERP system that rolls cost elements up through all levels using FLOOOM is outlined below:



FLOOOM (freight, labor, overhead, outside services, other costs, and material)

You can visually see the impact that an integrated ERP software system can have on your job costing and ability to make better decisions and increase profitability.

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With Global Shop Solutions, I know exactly what my costs are, where my margins come from, and where I need to improve.

Richard Wilson, President at Craftsman Specialty Products

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5 Increase Ability to Identify Improvement Opportunities

The single most significant way to increase your ability to identify improvement opportunities is to move from historical data to real-time data for your decision making.

Having an integrated ERP software system that allows you to analyze estimate vs. actual real-time versus waiting until the job has been completed will significantly lead to improved margins. If you are managing a job and you can see that labor costs are higher than estimated, you can make an instant decision to determine if an employee with a lower per hour rate can do an assigned task. If so, you can choose to move the higher rate employee to a job that requires his advanced skills and move a lower rate employee to do tasks that he can complete. This employee shift may significantly improve the margins. When managers are overseeing multiple jobs it is harder to make those decisions while the job is in process, the use of Dashboards within the Global Shop Solutions system help to improve the ability to view multiple jobs using one screen.



Vendor Relationship Management (VRM) screen

There are numerous Dashboards that provide a more detailed overall review where you can analyze labor performance, workcenter performance, closed work orders estimate versus actual, etc. using real-time data. No longer are we forced to look out the “rearview” mirror at our job costing activities and costs in order to make changes and improvements, we can now look through the “windshield” and make decisions in real-time as they are happening.

6

Change the Way You Work to a Single Screen

One of the major improvements in integrated ERP software systems, and specifically Global Shop Solutions ERP software, is the ability for different functions to manage their day from a single screen that we call Dashboards.

These Dashboards are customizable, flexible and were developed based on the most common functions performed by different job types within your manufacturing facility. The Dashboard collects data from different parts of the system that specific roles require and places it in an easy-to-use, flexible single screen Dashboard, allowing the user to drill down into any additional details that they require. Examples of single screen Dashboards that are available for accounting and financial professionals are:

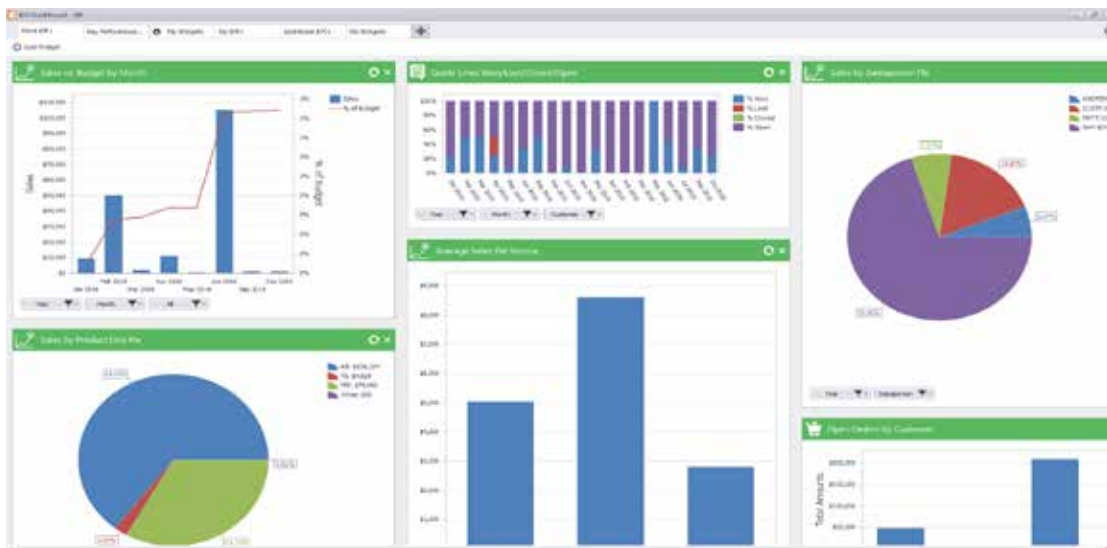
- AP Aging (shown below)
- AR Aging
- AR Overdue Invoices
- Purchase Order Review with PO Confirmation
- VRM – Vendor Relations Management
- Open Job Review
- Open Sales with Work Order Review
- Quote Open Lines

| Vendor No. | Vendor Name | Invoice | Invoice Date | Due Date | Type | PO Number | Amount | Current (0-29) | 30-59 | 60-90 | Over 90 | Net Aged/ accruals | Column | Adjust | Quick |
|------------|----------------------------|---------------|--------------|------------|---------|-----------|-------------|----------------|--------|--------|----------|--------------------|--------|--------|-------|
| 000100 | DEALERS CARBON INC | 123456 | 10/9/2013 | 11/9/2013 | Invoice | 0000041 | \$50.00 | \$0.00 | \$0.00 | \$0.00 | \$50.00 | \$0.00 | 4 | Adjust | Quick |
| 000230 | ALISTEN HARDWARE | 000000200002A | 8/12/2014 | 12/31/2029 | Accrual | 0000002 | \$13,250.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$13,250.00 | 5 | Adjust | Quick |
| 000230 | ALISTEN HARDWARE | 000000200001A | 4/19/2014 | 12/31/2029 | Accrual | 0000002 | \$13,250.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$13,250.00 | 3 | Adjust | Quick |
| 000300 | COATING CO. | 18 | 1/15/2013 | 1/25/2013 | Invoice | 0000096 | \$30.00 | \$0.00 | \$0.00 | \$0.00 | \$30.00 | \$0.00 | 4 | Adjust | Quick |
| 000300 | COATING CO. | 189 | 1/15/2013 | 1/25/2013 | Invoice | 0000096 | \$15.00 | \$0.00 | \$0.00 | \$0.00 | \$15.00 | \$0.00 | 4 | Adjust | Quick |
| 000300 | COATING CO. | 854 | 1/15/2013 | 4/23/2013 | Invoice | 0000097 | \$15.00 | \$0.00 | \$0.00 | \$0.00 | \$15.00 | \$0.00 | 4 | Adjust | Quick |
| 000300 | COATING CO. | 000001500026A | 11/27/2014 | 12/31/2029 | Accrual | 0000015 | \$325.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$325.00 | 5 | Adjust | Quick |
| 000400 | STEEL CO | 123 | 1/15/2013 | 4/15/2013 | Invoice | 0000098 | \$30.00 | \$0.00 | \$0.00 | \$0.00 | \$30.00 | \$0.00 | 4 | Adjust | Quick |
| 000400 | STEEL CO | 000002900007B | 12/6/2014 | 12/31/2029 | Accrual | 0000039 | \$64.80 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$64.80 | 5 | Adjust | Quick |
| 000900 | SUPPLY CO | 123 | 1/23/2013 | 4/3/2013 | Invoice | 0000077 | \$100.00 | \$0.00 | \$0.00 | \$0.00 | \$100.00 | \$0.00 | 4 | Adjust | Quick |
| 000900 | SUPPLY CO | 000000100011A | 9/18/2014 | 12/31/2029 | Accrual | 0000001 | \$1,200.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,200.00 | 5 | Adjust | Quick |
| 000900 | SUPPLY CO | 000000100014A | 8/29/2014 | 12/31/2029 | Accrual | 0000001 | \$15.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$15.00 | 5 | Adjust | Quick |
| 000900 | SUPPLY CO | 000000100036A | 9/18/2014 | 12/31/2029 | Accrual | 0000001 | \$1,200.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,200.00 | 5 | Adjust | Quick |
| 000900 | SUPPLY CO | 000000100037A | 9/18/2014 | 12/31/2029 | Accrual | 0000001 | \$1,200.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,200.00 | 5 | Adjust | Quick |
| 000900 | SUPPLY CO | 000000100038A | 8/29/2014 | 12/31/2029 | Accrual | 0000001 | \$15.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$15.00 | 5 | Adjust | Quick |
| 000900 | SUPPLY CO | 000000300027A | 11/27/2014 | 12/31/2029 | Accrual | 0000003 | \$3,600.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$3,600.00 | 5 | Adjust | Quick |
| 000900 | SUPPLY CO | 000000200024A | 11/9/2014 | 12/31/2029 | Accrual | 0000022 | \$675.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$675.00 | 5 | Adjust | Quick |
| 000900 | SUPPLY CO | 000000200025A | 11/7/2014 | 12/31/2029 | Accrual | 0000022 | \$175.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$175.00 | 5 | Adjust | Quick |
| 000900 | SUPPLY CO | 000000300006A | 12/5/2014 | 12/31/2029 | Accrual | 0000038 | \$29,600.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$29,600.00 | 5 | Adjust | Quick |
| 000900 | SUPPLY CO | 000000100030A | 8/30/2014 | 12/31/2029 | Accrual | 0000001 | \$15.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$15.00 | 5 | Adjust | Quick |
| 001000 | TOOLING & GAUGE SPECIALIST | 123465 | 8/9/2013 | 9/9/2013 | Invoice | | \$100.00 | \$0.00 | \$0.00 | \$0.00 | \$100.00 | \$0.00 | 4 | Adjust | Quick |
| 001001 | RYBERSON STEEL CO. LTD. | 000000100041A | 7/26/2014 | 12/31/2029 | Accrual | 0000031 | \$1,857.60 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,857.60 | 5 | Adjust | Quick |

7 Make Better Decisions With Real-Time Financial Reports & Key Performance Indicators

ERP systems generate piles of data and that data is useless to Financial Managers unless that data can be analyzed. Through the use of tailored financial statements, analytical statements and KPIs, Financial Managers are able to dig down into the data and use evidence-based management resulting in a pro-active versus re-active management culture. [KPI Dashboard](#) (shown below) also provides the accounting and financial professional industry-specific metrics to help you determine where you are outperforming and underperforming your peers.

The information gathered through this analysis is critical to the long-term success and growth of the company.

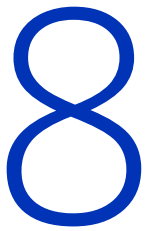


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Global Shop Solutions is light years ahead of our old accounting software. No matter what you're looking for, you can get your answer with one click of a mouse.

Ovide Mercure, Controller for Frederick's Machine

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Simplify Internal and External Audits

When performing internal audits or participating in external audits it is important that the data be easily accessible.

Having an integrated system that performs full cycle accounting means the data is available at your fingertips. Within Global Shop Solutions we can easily follow a transaction throughout the system.

For example, with the GL View screen we can drill down within the journal entry to the actual AR invoice entry, the invoice, sales order header and the all the lines within the sales order.

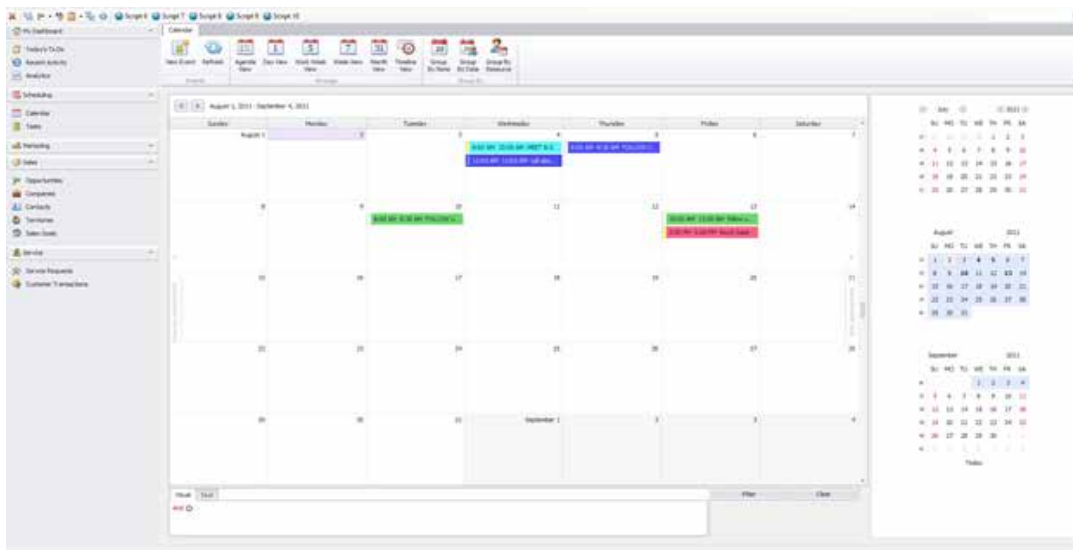
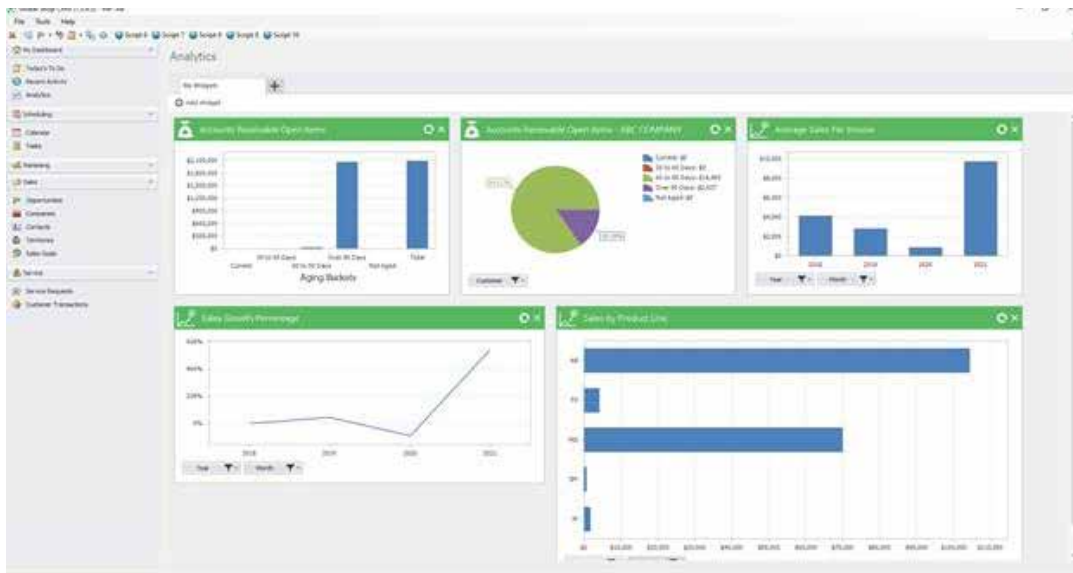
In AP we can drill down to the actual AP invoice, the purchase order header and purchase order lines. Answering auditor questions are much easier in an integrated system with multiple drill down features.

Various security options can be set to give Financial Managers additional internal control options; this is becoming more and more important in today's regulated landscape. Strong internal controls that include separation of duties, system security that can be assigned by user or menu item and distinct traceability of transactions by users/modules, will lead to reduced opportunities for internal fraud, reduced external financial audit enquiries and increased approval from certification organizations.

9 Improve Customer Service

An integrated ERP system will lead to increased customer service because the answers to numerous customer questions are all on one screen.

If a customer calls in and asks questions about their orders, the [Customer Relationship Management \(CRM\)](#) application will provide all the necessary information. On one screen users will be able to provide information to customers relating to sales orders, shipments, work orders and quotes. No more putting a customer on hold multiple times while running around trying to search for the right person to answer the questions; all personnel who have access to the CRM can answer on the spot questions from customers.



10 Increase Collaboration with All Stakeholders

Eliminating a silo-based corporate culture is easier with an integrated ERP system.

All transactions within the system affect costs and material movement in some way so having a collaborative culture will assist in improving communication between the financial department and the various stakeholders. Rather than the typical 'top down' accounting initiatives, the ERP system encourages collaboration on analysis, identifying and implementing process improvements.

Image courtesy of our great customers Fullerton Tool Company.



ERP system collaborative environment

In some organizations there is little interaction between the Accounting department and the various departments. An ERP system encourages a more collaborative environment.



ABOUT THE AUTHORS

[Adam Grabowski](#) is the Director of Marketing at Global Shop Solutions. He is responsible for translating the company's business objectives into successful brand, marketing, and communication strategies to drive awareness, revenue, and loyalty.

[Joddi Goertzen](#) has held the titles of Senior Accountant, Accounting Manager, Controller, Director of Finance & VP of Finance and Business Development during her career. She is now Team Lead and Senior Financial Consultant for Global Shop Solutions' Continuous Improvement Team where she helps customers improve their processes and simplify their operations.

To learn more about the **10 Benefits of ERP Software for Accounting and Finance Professionals** call us today at 800.364.5958, or [contact us online](#).

