

Alternative VISION

Does the choice of a new ERP system have to be so costly, and so painful? No, insists Guy Amoroso of 123 Insight

ERP hasn't always had the best of press. Not so many years ago, for instance, analyst firm Meta Group found that the average ERP implementation took 23 months, had a total cost of ownership of \$15 million, and rewarded the business with a negative net present value of \$1.5 million.

Fortunately, things have moved on. But for many small and medium-sized firms, there's still a lingering suspicion that making an investment in a new ERP system is to open the door to a high-cost, high-risk project that might promptly fall flat on its face.

Yet, say many such businesses, what's the alternative? And recognising the need to at least try to benefit from what ERP has to offer, they press on regardless.

But if that's you, then pay attention: Guy Amoroso has news. Managing director of ERP vendor 123 Insight, developer of the 123insight ERP system, he's adamant in his view that a genuine alternative to the traditional approach to buying and implementing ERP does exist. An alternative, moreover, that directly addresses those issues of cost and risk which perturb so many buyers.

Case study: Vortok International

Previously relying on its accounts software and a series of Microsoft Office spreadsheets and databases to control production, Plymouth-based rail engineering manufacturer Vortok International selected 123insight after evaluating 18 other systems.

After implementing 123insight, Vortok saw output double, lead times shrink, and inventory levels fall by over £200,000. As a direct result of the savings achieved, the company has also been shortlisted for a prestigious industry award, the 24th occasion on which a 123insight implementation has been nominated for, or won, an award since 2007.

"123insight has undoubtedly been instrumental in the company's startling growth during 2014, ensuring that all departments meet the new much heavier demand upon resources," summed up Vortok managing director Richard Robertson.

A very different approach

Well, yes, you might say: which ERP vendor wouldn't say that? But, in the case of 123 Insight, it's a claim, it seems, with some serious grounds for being taken at face value. Simply put, when it comes to ERP, 123insight takes a very different approach.

To start with, says Amoroso, 123 Insight doesn't have a sales force, and never has had one. Nor, he adds, does it respond to 'Requests for Proposals' (RFP) —the traditional means for prospective ERP customers to reach out to prospective ERP vendors.

Instead, he explains, prospective customers — including those who send in an RFP — are encouraged to attend a free two-and-a-half hour evaluation workshop. If what they hear doesn't suit them, then they're free to walk away.

But many do like what they hear, stresses Amoroso, adding that some existing 123insight users came to 123 Insight through a recommendation from previous workshop attendees who, while deciding that 123insight perhaps wasn't right for their own needs, were impressed enough by its merits to urge others to take a look for themselves.

"Workshop attendance is often down to word-of-mouth," he adds. "80% of our enquiries are down to someone saying something good about us to a social acquaintance, a customer, a supplier, or a business partner."

And what, exactly, might that 'something good' be? Warming to his theme, Amoroso crisply ticks off on his



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fingers some of the features that prospective 123insight customers are often attracted to.

"One, 123insight is easily affordable: there's no major capital outlay, and users just pay a low monthly subscription fee. Second, there's no 'tie in' — it really is 'pay as you go', for as long or as little as you like. Third, 123insight is suitable for all types of manufacturing businesses and manufacturing business models — make-to-order, build-to-forecast, configure-to-order, bespoke, you name it. Fourth, there's no customisation involved: everyone uses the same standard software, making implementation quicker. And fifth, because it's easy to implement and use, there's a rapid ROI."

Surely, though, there's a catch? And perhaps, reading between the lines, it's that 'one size fits all' standard software? No, insists Amoroso, shaking his head.

"We've customers at the smaller end of the spectrum, with just one user licence. And customers at the higher end, with almost 200 user licenses. And they're all on the same standard software," he stresses. "If you're a small-to-medium sized manufacturer, then we think you'll find that we fit your business, be it aerospace, automotive, defence, electronics, food, chemicals, engineering, pharmaceuticals, medical devices, or textiles. You name it, and we've got satisfied customers in all of them."

And in any case, he adds, prospective customers soon get the chance to check this out for themselves because the very next stage in the evaluation process after the initial workshop is for manufacturers to send their ERP project teams on 123insight 'no obligation' training courses for just six days.

"That's basically what is required for customers to know enough to start implementing the software," explains Amoroso. "So if, for whatever reason, they didn't want to move to implementation, then that's the point at which they would make that decision: in terms of evaluation, there really isn't much that comes afterwards."

Even so, he emphasises, only customers who move forward to full system implementation pay for training. No fee is charged for companies who attend but decide not to move forward, but almost 99% of attendees go on to subscribe.

Open and transparent

"We succeed because we're open and transparent, with nothing to hide," stresses Amoroso. "On our training courses, we've got customers and non-customers sitting side by side and, unlike some vendors, we're not at all worried about what our existing customers might say about us. And once prospective customers have looked at us, over 85% of them look no further, which is why our sales growth has been so strong."

It is, in short, a compelling message. And 123 Insight, founded in 2000, is in it for the long haul, reinvesting a quarter of subscription income back into the product through R&D. Current development, adds Amoroso, revolves around a move to a browser-based model, making it easier for customers to go down the hosted route, should they wish.

"Look at our customers, and how they use our product, and you'll see that we're a very effective alternative to the traditional ERP model," he sums up. "We can show you customers paying less for our software than they were in annual maintenance for their previous ERP solution and getting far more functionality into the bargain."

The moral? To its detractors, an ERP evaluation and implementation can be costly, risky, and prolonged. But one ERP vendor, at least, seems to be offering an alternative. ■



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