up a notch™

Development of operating policies and procedures

An endless number of configuration options

It's not unusual for software usage problems to take root if an enterprise does not have well-considered, detailed, formally distributed policies and procedures for important business processes. Without a written policy to rely on as a firm guide, applying software functionality becomes more art and less science.

ERP systems are sold to thousands of customers with remarkably different types of operations and needs. So, those systems must necessarily arrive in the shipping box with a very broad array of configuration options and elections to sort through. The number of permutations and combinations off those configuration options could exceed a million; the math project to arrive at an exact number would have mind-bending complexity.

Now, the key to implementing and using an ERP system well is to figure out which specific combination of configuration options works optimally for your company. Without a firm corporate procedure for guidance, too many alternatives end up being "good enough."

The effect of multiple sites

It gets more complicated with multiple sites because "good enough" for Frances in Dayton and "good enough" for Brian in Janesville end up being different. Frances and Brian might be highly qualified and professionally certified … but … without precise, detailed, written corporate policy to rely on, there will be distinctions in how the software is applied in those two locations. Those distinctions diminish the integrity of consolidations back at the Chicago HQ and/or give birth to internal control vulnerabilities.

The potential for problems is multiplied in multi-national corporations. In Unbeaten Path's experience, overseas entities have a tendency to drift away from the "optimal" practices and procedures expounded by HQ. That happens even when formal written procedures *have been* distributed. Without written procedures and very strong software change controls that are enforced and periodically audited by HQ, chaos shall eventually prosper.

Getting better results from your ERP system

When Unbeaten Path is asked to help a company use their BPCS/ERP LX system better, we like to begin with a review of pertinent company operating policies and procedures. It's not universally true, but if we find lots of room for improvement in the written corporate policies than there will be a generous number of ways to use the software better too.

The process of developing or enhancing an operating procedure almost always generates an impressive ROI. Why? Because the discussions expose previously unstudied and/or unresolved differences of opinion between different management team members.

Getting better results from your ERP system, *continued ...*

During our collaborative work on developing and fine-tuning policies and procedures we've frequently heard candid remarks like:

> *"no wonder we can't make heads and tails out of our cost variance results"*
>
> *"apparently, we don't have a parallel approach to BOM structure in our different facilities"*
>
> *"these planning spreadsheets are all diligently maintained, but none of them honor the 'single point of truth' principle"*
>
> *"looks like each site is doing something different in payables with inbound freight"*

Unbeaten Path has earned a very strong reputation for BPCS/ERP LX application consulting. One of the reasons is that our exceptionally strong understanding of internal control principles and business process enables us to guide enterprises towards world-class operating policies and practices. When a company arrives at world-class policy for process X, then we put together an **expert prototype** for that process which illustrates how BPCS/ERP LX functionality can be configured in full harmony with that policy.

Our brand name for professional services support ...

up *a* notch

... understates the huge benefits companies have reaped from Unbeaten Path's development of world-class operational policies and procedures. Typically it's *many* notches up.

Sample operating policy documents

Click on the purple text to see specimen documents for **cost accounting** or **accounts payable**.

Questions ?

It would be a privilege to answer any questions about our policy development consulting services. Here's Unbeaten Path International's contact information:

Toll free North America: (888) 874-8008
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Unbeaten Path®   site navigation