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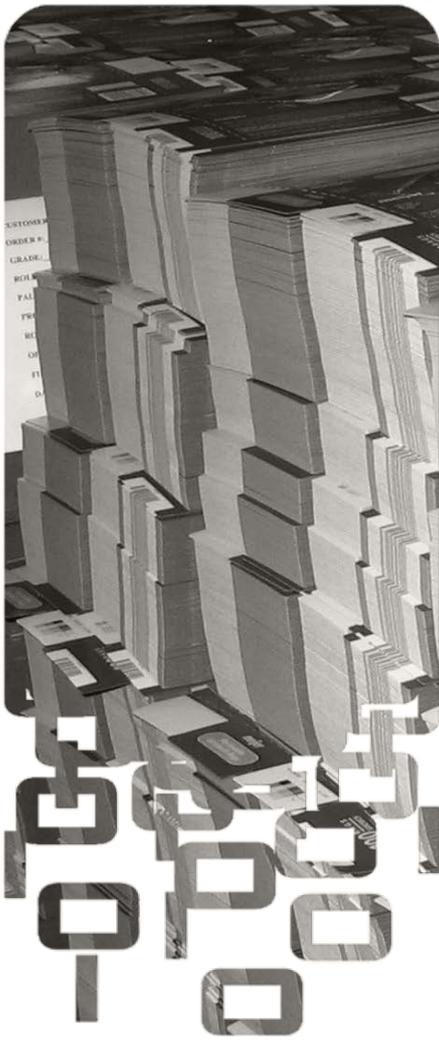
An Epicor White Paper

A decorative graphic consisting of numerous yellow, rounded square shapes with a white outline, arranged in a dense, overlapping pattern that covers the bottom half of the page.

**How to Choose the  
Right Business System  
for your Folding Carton,  
Flexible Packaging, or  
Label Operation**

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There are hundreds of business systems out there. But only some of these will have been successfully implemented in folding carton, flexible packaging and label operations.

## Introduction

It's 8:00 AM and you've just arrived at the office. Your head spins as you survey the chaos and you haven't even had time to grab your morning coffee:

- Customers are calling asking for their boxes or labels
- The shipping office is bombarded by requests to know what has been shipped
- Forklift drivers are scouring the warehouse for a pallet to complete a load that should have left an hour ago
- A hot order has to be pulled from the line-up because the customer hasn't approved the artwork
- The boss is looking for mid-month sales figures and the person who pulls this information together is off sick

Do any of the above sound familiar to you? It would be so much easier if everyone had access to this information with a simple push of a button. You might have all sorts of reasons for needing a new business system. With so many options though, how do you make the right choice?

This white paper will discuss the steps that you can take in selecting the right system for your organization and minimizing the risks of implementation.

## Before you even start looking

Business system implementations are notoriously difficult. Even in a best case scenario, you'll have invested a huge amount of effort before you start realizing any return on your investment. In a worst case scenario, your project will fail completely and you'll end up with a system that doesn't meet your requirements. Fortunately, there are steps you can take to select the right system for your organization and minimize the risks of implementation.

## Choose your team

Before you go shopping for software systems, you should take the time to clearly identify what you're looking for, and this includes both technical and business requirements.

Don't simply hand over the selection task to the IT department. Along with IT, you'll need representatives from all areas of the operation, including design/estimating, customer service, purchasing, production, shipping and finance. Try to pick people with a strong 'big picture' view of the organization. You'll need people like this throughout the new system implementation. Not only will they evaluate the software, but they'll also evaluate the impact of change on the people in their departments.

## Design/Estimating

Your designers and estimators will evaluate the ease of use and depth of functionality of the estimating and product configuration modules. They'll know what costs they're unable to capture in the current system and what items (e.g.

displays, sub-contracting, rigid boxes, and combo jobs) give them the most headaches. They will also understand the importance of computing and comparing different specifications (particularly for bid packages), and how CAD and graphics can be integrated into the workflow.

## Customer service

Your customer service and sales representatives are in constant contact with your customers and are familiar with their increasingly complex requirements.

Your staff are on the firing line when things go wrong and they're often the most nervous (and also the most excited) at the prospect of changing systems as they're often suffering from lack of visibility and information in the existing system.

## Purchasing

Your purchasers may buy raw materials, finished goods for resale, film, display parts, services and miscellaneous bits and pieces. They buy items in different units of measure and understand the different pricing scenarios that have to be handled. They also need to be able to track vendor performance and invoicing/delivery accuracy.

## Production

Your production supervisors know the information that's required to make the products (cartons, labels or wrappers) correctly and on time. They'll be able to evaluate automated scheduling features, and will know what quality information needs to be recorded. They'll need to evaluate the complexity of any shop floor data collection screens and how likely their team members are to adapt to them.

## Shipping and inventory

As shipping costs increase, your shippers are under pressure to plan their loads as efficiently as possible and manage releases for your customers. They're also under pressure to keep inventory levels to a minimum. Depending on how much experience your team has with computers, they may be nervous about new technology (e.g. hand-held scanners for bar-coded inventory tracking).

## Finance

You must have a strong finance representative on the selection team to evaluate the system from start to finish. While other team members may be focused on ease of use, the finance person is responsible for ensuring that all critical information is captured to ensure proper reporting. Areas for finance to consider include cost rate maintenance, issuing of materials to jobs, post-costing, and inventory valuation.

As you map your future business processes, you'll determine the requirements for your new system. Make sure these requirements are clearly documented so that you have a checklist for comparing different systems.

## Process mapping and requirements gathering

Once you've got your team, take a step back and look at your current operations. Take the time to document your existing business processes. This includes any manual processes that take place outside the current system, such as phone calls, transfers of paper from one desk to another and offline spreadsheets. Measure potential benefits from switching to a new system by gauging the time you'll save by eliminating manual processes or by making current processes more efficient. For example:

- How many make-readies do you do in a week? How long do they take on average? How much could you save by grouping like-jobs together?
- How much time is wasted looking for inventory? Have you ever lost inventory?
- How much time is spent counting and valuing stock at month end?
- How much time is spent tracking die and plate orders?
- How many credits are issued as a result of incorrect bills of lading?
- How much time is wasted responding to complicated RFPs where you have to compile multiple versions of the same estimate?
- How much new business could you add if you catered to new customer requests such as bar-coded load tags, advanced shipping notices and web order entry?
- How much time is spent pulling sales and bookings figures together for daily/weekly/monthly reporting?

Also spend time considering the future state of your operations:

- How would you like your processes to be streamlined?
- Are you planning to move into new markets?
- Are current operations spread over multiple sites?
- Are there opportunities to centralize customer service, scheduling and accounting functions?

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Make sure you consider any potential system integration. You may already be using a financial package you're happy with, pre-press workflow software or a CAD design system you can't do without. Ensure any interface requirements are documented and considered during the evaluation phase.

## The selection process: generic vs. packaging specific business systems

There are hundreds of business systems out there. But only some of these will have been successfully implemented in folding carton, flexible packaging and label operations.

The risk is obviously lower if you select a system that is already implemented at other packaging sites similar to yours. Rather than sit through endless sales demonstrations, find out which systems your peers in the industry are using and why.

You may find a feature-loaded system with plenty of manufacturing companies on its customer list. However, if it doesn't handle complex estimating, folding carton, flexible packaging and label scheduling, multiple units of measure and other specific requirements to your industry, you may end up paying for the privilege of being the first installation. Custom development can greatly increase the implementation time (not to mention cost) of a new system.

If you are arranging to see a demo of the software, consider submitting some test cases to the various vendors. Give them a simple folding carton or flexible pouch, plus a few complicated items such as a multi-part display or something you buy and then re-sell. Ask the vendor to focus on these examples during the presentation. If the vendor doesn't understand your scenarios, you can't be sure that the software will handle them.

Ask your vendor how other packaging customers using their system handle these same scenarios. You may find that some of the business systems already have defined processes in place for some of your more difficult scenarios. If your vendor already deals with folding carton, flexible packaging and label manufacturers on a daily basis, they should be able to help you with industry best practices.

Also consider data maintenance tasks. Is your current product master outdated? If so, is it because it's an arduous, time-consuming task to update? Ask your vendor how easy it is to keep this information current. For example, ask how easy it is to update machine rates and material costs.

In any implementation, the system itself is just part of the equation. You're also selecting the people who go along with it. You're going to rely on these people to guide you through installation, process mapping, configuration, training, go-live and post-implementation support. These are stressful times and you're going to want to find a vendor you can partner with in the long term. This is not a short term solution. You're likely to be using the system for the next decade.

## Why a rapid implementation can be bad

Be wary of any vendor who promises quick implementation time. Business system implementations are not easy. To do them properly requires that you spend time mapping your processes to the new system and making sure your key master data (cost rates, customer profiles, product configurations) is current before any information is migrated over.

You'll need to allocate time to get your key users up to speed and to document your difficult scenarios so that you're as ready as possible for go-live.

Make sample project plans that include tasks such as process mapping, documentation preparation, and conference room pilots. If you sacrifice these key steps, you run the risk of dragging your people through the pain of implementation only to reproduce what you have now.

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A business system implementation really is an ideal opportunity to make changes to processes, organization and personnel. It means a lot of upheaval for your staff, but you can use the new system as an excuse to make changes you've been considering for a long time. Also, it means any changes you subsequently have to make are smaller in scale.

The alternative is a rapid implementation, followed by a business process re-engineering phase. By this time, your staff will be implementation-weary and will have already become entrenched in a certain way of completing tasks. Dragging them through a second series of changes isn't easy. In the end, that rapid implementation could feel like an eternity.

## Total cost of ownership

In a business system implementation, there are costs to consider, including:

- Software maintenance and license costs
- Implementation costs (project management, training, site assessments, go-live support)
- Post-implementation services
- System modifications
- Backfilling critical resources who are involved in the project (both dedicated resources and those pulled-in as required)
- Hardware (servers, upgraded LAN/ WAN infrastructure, RF equipment)

Ensure your vendor can help you determine the total cost of the project, not just the initial software cost. A vendor may sell you inexpensive software, but very expensive services. Determine what your long term costs are going to be. Ensure you are comparing 'apples to apples' when considering offers from different vendors. Being well prepared with your requirements will help you accurately measure a vendor against another.

## Conclusion

A new business system is a huge investment, in both cost and time. Following these steps can help you select the right system for your organization and minimize the risks of implementation:

- Ensure your selection team includes representatives from both IT and all areas of the business.
- Take the time to analyze and document your current and future-state business processes.
- Determine your requirements based on weaknesses in your current systems and the efficiencies you'll realize from your future-state business processes.
- Look for a vendor with experience in implementing systems in packaging operations.
- Beware of vendors who promise quick and easy implementations.
- Make sure you take all implementation costs into account, not just the initial software cost.

## About Epicor

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