

ERP Is an Essential Tool for SMEs to Compete in the Digital Economy

You may not realise it, but your company is already on the path of digital transformation. From web-based collaboration software to digital communication platforms that allow ubiquitous access, your business leverages a number of technologies in order to meet its day to day needs. But to thrive in the digital economy and to take the performance of your business to another level, your business needs to adopt a feature-rich, all-encompassing enterprise resource planning (ERP) solution that can offer them greater control and visibility and act as a source of cost savings and operational improvements.

In this article, we are summarising why SMEs need an ERP solution to survive in today's digital economy and the benefits that SMEs can enjoy with its implementation.

Challenges Posed by Digital Economy to SMEs

Contrary to what most of us think, digital transformation is not just about taking a leap from face-to-face business transactions to online agreements. It is about transforming all the facets of a business's transactions and its interactions with internal and external customers.

The economy activity that results from billions of online connections between digitally transformed businesses and people is known as digital economy. In simple words, hyperconnectivity is the backbone of digital economy, and for any business that wants to stay relevant and competitive, it is important to embrace the transformation and develop systems and methodologies to ensure round-the-clock connectivity within and beyond their organisation.

Just like any other significant change, digital transformation poses its own unique challenges, and at the same time, highly lucrative rewards. Research shows a clear connection between digital transformation and revenue growth. Using technology to automate day to day operations and optimise productivity and efficiency offers significant performance gains to all businesses, particularly small- and medium-sized enterprises.

Using an ERP Solution to Fuel Digital Transformation

The implementation of a cloud-based ERP solution is an essential step in the digital transformation of any small- or medium-sized business. The system serves as a foundation for transaction-based business and helps enterprises unlock hidden potential by ensuring seamless connectivity between different functions of the organisation.

Aberdeen Group conducted a research to determine the influence of an ERP system implementation on the performance of SMEs. The primary finding of the research study was that ERP solutions save money and add to the bottom-line of SMEs in a number of ways. Some of these include:

- Reduction in operating costs
- Reduction in administrative costs
- Reduction in inventory management and distribution costs
- On-time delivery of products
- Improvements in schedule compliance

Since data is considered to be one of the most [important assets of any business](#) in digital economy, it is important for businesses to invest in an ERP solution that offers advanced data reporting and analytical capabilities to ensure a successful digital transformation. Using the data collected by the ERP solutions, businesses can then make better decisions more quickly and stay ahead of the curve.

To learn more about how the implementation of an ERP system can benefit your business, please call at +1 877 207 9313 or email at info@keyush.com.

