



# **Implementing Vanilla ERP Systems: Factors to consider in strategy, business alignment & customization**

When you decide to implement a new ERP system at your workplace, or simply upgrade your current one, you are faced with many a question. Every business has certain unique needs, and yours is no different. Quite naturally so, you look to adopt an approach that helps you best meet your organization's business requirements. While solutions and factors vary greatly from business to business, there are predominantly three common, high-level strategies for ERP system implementations: vanilla, customized, and configured. Based on your business requirements, you pick either of the three implementation strategies. But what are these strategies, and how do they differ from each other?

Vanilla refers to an out-of-the-box implementation style that requires little or no modification. The Vanilla ice-cream of ERP systems with no fudge or sprinkles, it is simple and basic. Customized, on the other hand, refers to modifying and changing a system's source code to such a degree that it works according to your business requirements only. Lastly, configured refers to an implementation style that leverages a system with inherent, built-in flexibility. This particular e-book, however, deals only with the Vanilla strategy. Go through it, and you will learn a lot more about implementing Vanilla ERP systems, and factors worth considering in strategy, business alignment & customization.

## Vanilla ERP systems:

Wikipedia defines a Vanilla ERP system as “a software which is not customized from its original form, meaning that it is used either without any customization or update applied to it, or with minimal customization. Vanilla software has become a widespread de facto industry standard, widely used by businesses and individuals. The term comes from the traditional standard flavor of ice cream, 'vanilla'.” It was coined in the 90's by vendors like SAP and Oracle, who were fed-up of the never-ending customization of their systems and challenged customers to accept their code and processes as originally developed. They firmly believed their Vanilla systems were better, lower risk, cheaper, and faster to implement than an intensive customization effort.

Generally speaking, Vanilla ERPs are built on the Pareto's principle or 80-20 rule, considering that 80% of the processes are same for most of the organizations. The uniqueness in operations can be accounted to 20% or lesser.

Why Vanilla ERP systems over customized ERP:

- As aforementioned, Vanilla ERPs are built on the 80-20 rule, with 80% of its features matching your business processes/requirements exactly. Investing on customization for remaining 20% or lesser is a wise thing to do as compared to going for a fully customized ERP.
- Vanilla systems take lesser time and resources for implementation. For customized ERP vendors, it is very difficult to strike a balance between project scope, quality, delivery time and cost.
- Vanilla have lesser vendor dependency as compared to the customized ERPs, which create a dependency on the system developer and pose serious business continuity risk.
- Vanilla systems are cost effective, as the total cost of ownership is much less the more Vanilla you go. On the other hand, upgrades can be expensive if the system is highly customized.
- Vanilla systems don't present any long-term ownership risk, as they are easier to maintain over a longer period of time. A customized solution will require frequent updates to continue to operate properly, and once the technology evolves and vendor backs out, maintenance becomes an issue.
- A Vanilla ERP presents lesser organizational change management issues as compared to customized ERP, which require the organizations to invest more heavily in change management to help key stakeholders and employees adapt to new ways of doing things.





# Factors to be considered while implementing Vanilla ERP systems:

## In strategy

Some of the factors to be considered in strategizing while implementing a Vanilla ERP system are:

- **Having a change management system**, as the organizations are required to map their business processes so that the vanilla ERP can support them and in such cases, change management helps prepare the employees for the impending transformation.
- **A sound implementation team from employee pool**, for smooth and hurdle-less implementation.
- **User involvement in ERP implementation**, as the ERP software is not going to do your business much good if it doesn't have employee acceptance.
- **Appointment of a project champion**, who can use his power entrepreneurially to enhance the success of ERP implementation project.

## In business alignment:

Important factors to be considered in business alignment while implementing a Vanilla ERP are:

- **Selecting an ERP that aligns with your processes**, as organizations must pick a software whose standard modules are most closely aligned with their business processes.
- **Consideration of strategic and cost implications**, as it allows the decision-makers to keep in mind the extent to which ERP implementation objectives are feasible and affordable.
- **Recognizing the cultural context**, as the main problems that arise in adopting most ERP strategies come from organizational issues such as cultural barriers, and user resistance rather than technical issues.
- **Evaluating the organization's capacity for process change**, as your organization's capacity for change in business processes is a significant risk factor to your success.

## In customization:

The idea behind implementing a Vanilla software is having little or no customization. In such cases, the factors considered in customization should be:

- **Deployment of strategies to decrease customizations**, as the organizations must look to keep the customizations minimum, which will make their upgrades less disruptive and less costly.
- **Convincing the users to buy into the ERP system**, as it is important to convince the users to accept that the ERP system they have is best fit for the organization and doesn't require any customization.
- **Configuring ERP tables and implement specific modules**, as organizations must ensure installation of specific modules needed and configuring those modules, as per the scope of the project. Thousands of configuration tables are present, which define how the system should operate, how the data entry screen will look like, how the signals and messages will appear etc.

## Why many organizations still prefer customized ERP over Vanilla Systems:

- **No change in the workflow:** The first thing a new ERP changes in the system is the workflow of the organization. The workforce needs to adjust their workflow according to the ERP solution being implemented. But, a customized ERP eliminates that need.
- **Per User Personalization:** A customized ERP allows the organizations to personalize the user interface of the ERP system at a per user level. This means every user can see only the information that is relevant to him and nothing else.
- **Allows them to remove unwanted features:** A customized ERP allows the organizations to remove features that are of no use. Removing the features help their ERP solution to work more optimally and be less obtrusive to other features/processes within the organization.
- **Customized ERP is tailored to their needs:** A customized ERP allows adding more processes to the business, having customized reports, and have a completely personalized product that best meets their needs.
- **Helps them retain competitive advantage:** If your organization strives on innovation and being different from the competition is its USP, you need an ERP solution that is different than the others and meant exclusively for your unique processes. A customized ERP gives you that comfort and helps you retain the competitive advantage.

### ...But 'verticalized' Vanilla is fast becoming the flavor of the day!

Despite all the advantages of a Vanilla ERP system, it is naive to believe that a large organization with multiple business units could fit their full processes into the standard Vanilla model. That leaves them with no other option but to customize their ERP solution. Or wait, do they have any other option? These days, almost all ERP providers are providing Vanilla ERP solutions targeting the specific verticals. Specialized products are offered to different industries for their varied micro-verticals such as dairy, beer, organic food, sweets, seafood etc. (food & beverages), API, pharma, nutraceuticals etc. (life sciences), enamel, primer, wall paints etc. (paint & coatings) and for different verticals of other industries.

Even within one industry, the requirements for ERP systems could be very different from one company to another. So, going vertical solution not just fulfills the specific business needs, but also reduces the customization requirements and cuts down on costs and duration of ERP implementation. It is hence safe to say that 'verticalized' Vanilla ERP system are fast becoming the flavor of the day.



## BatchMaster does it best

BatchMaster ERP solutions cater to a wide range of process-manufacturing industries and their micro-verticals. It understands that the business needs of a seafood manufacturer can be different from that of a beer manufacturer, even as they both fall under the food & beverages industry. Loaded with numerous industry-specific features, BatchMaster's Vanilla ERP solutions need little or no customization, and hence are the first choice of process manufacturers.

## Who We Are:

BatchMaster Software is one of the market leaders in offering enterprise software solutions for the process manufacturing industries. With an in-depth industry analysis, we clearly understand the unique industry challenges and help them address those challenges through our industry-specific ERP solution.



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