



## The Importance of Choosing the Right ERP Software

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As we discussed in a recent article, once a business reaches a certain size, it needs to make sure that a solid financial and operational infrastructure is in place if it wants to be successful and progress to the next level of growth. A key component of this infrastructure for most small and mid-sized companies is the ERP software.

We've also looked at the challenges that accompany outdated software and options for upgrading them in our article, [\*Is Your Business Software System Helping — or Hindering — Your Company's Growth?\*](#)

When the decision has been made to move forward with an evaluation of new business software options, it's unfortunate – but not uncommon – for Los Angeles and Southern California business owners and entrepreneurs to choose the wrong ERP software. This can lead to wasted time and money being spent by employees trying to fit a round peg into a square hole.

### Costs of Choosing the Wrong System

There are a number of adverse consequences that can arise from choosing the wrong ERP software. These include the following:

- Overpayment for the system in terms of both the initial software cost and the consultant fees paid to get the system up and running.
- Frustration and wasted time on the part of employees who are trying to work with a system that is not right for the company.
- The inability to obtain the most current and accurate information that is necessary to run the business smoothly and efficiently.
- The need to invest in expensive manual recoding or upgrades due to the system's shortcomings.
- The inability of employees to securely connect with the system remotely in order to access needed information.

In short, choosing the wrong business software will likely lead to overpayment for a system that is not the right fit for your business. This makes it critical to perform extensive due diligence and research when choosing your ERP software — because the most expensive or extensive system is not always the best system for your company.

### How an Outsourced CFO Can Help

An outsourced CFO services provider can play a valuable role in helping make sure that you choose the right business software. The benefits of working with an outsourced CFO when choosing your system include the following:

1. The outsourced CFO will be able to suggest ways you can expand your system so you are using it to its full potential and taking full advantage of its scalability.

2. The outsourced CFO will help make sure that your ERP software meets your operational needs and is aligned to your strategic goals.
3. The outsourced CFO will help ensure that your business software leads to an interactive finance team that is capable of meeting both the financial and operational needs of the company. Such a finance team can be a key driver in helping your company achieve its financial and operational objectives in the most efficient manner.

In addition, you will gain the knowledge and experience of a CFO who has worked in many different industries and with many different types of business software. As a result, the outsourced CFO will be able to identify and recommend the most optimal ERP software for your business.

When your company chooses the right business software, you will realize a host of benefits, including the following:

- The finance team will become an integral part of your business, totally ingrained in all the operational aspects of the company.
- The cost of the finance function will be maintained at an acceptable level while still allowing world-class performance.
- Your system will be able to grow along with your business and be adaptable to your changing business needs.
- There will be a seamless integration between the financial, operational and strategic needs of the company.

### **Concluding Thoughts**

A key component of the financial and operational infrastructure for most businesses is the ERP software. Unfortunately, it's not uncommon for owners to choose the wrong system, which can lead to a number of adverse consequences. An outsourced CFO can identify and recommend the most optimal business software for your company, while also sharing the knowledge and experience he or she has gained from working in many different industries and with many different types of systems.

### **About CFO Edge**

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