



Enterprise Resource Planning (ERP) / Electronic Data Interchange (EDI)  
 Supply Chain Vendor Compliance  
 Internal Controls / Fraud Detection & Reduction  
 Business Analysis / Data Analysis / Systems Analysis

Since January 1996

**Buyer beware: You cannot simply “tech” your way out of your business problems.**

My consulting straddles both operations and software, and I often find myself giving the same advice – and repeating it over and over again – to my clients who are software shopping.

Inasmuch as newer technology offers legitimately better tools to do the task at hand, I caution that technology alone will not cure a company’s ills: it takes good business practices, procedures, and people to complete the picture. And my clients need to be skeptical shoppers when it comes to the sales pitches by software sellers who promise their technology will correct all of their company’s bad behaviors, because time and time again the realities are far from the promises.

I was therefore delighted to read the quotes by Ali Sankur in the article “State of Global Logistics: Delivering Above and Beyond” in the February 2018 edition of Logistics Management magazine in describing logistics technology, as I acquainted Sankur’s comments to business software in general:

*“Since the development of the first mainframe computers, companies have pursued technological solutions for their logistical challenges. Their search has led them up plenty of costly dead ends.”*

Inasmuch as Enterprise Resource Planning (ERP) systems have evolved from MRP systems, Sankur’s comments about MRP systems can be applied to ERP systems and still ring largely true:

*“Manufacturing-resource-planning (MRP) systems, for example, promised a fully automated solution to difficult production-scheduling activities. In practice, their mechanistic, inflexible approach often struggled to cope with the uncertainties and volatilities of the real world in which machines break down, suppliers fail to deliver, and customers change their minds.”*

Sankur also highlights that other solutions – such as radio-frequency identification (RFID) – were more like solutions in search of a problem. RFID suffered from high costs and implementation difficulties that have significantly restricted its use, a significant downfall from the one-time prediction that RFID would replace barcode use.

My clients engage me to help them select and implement software to improve their business. But software alone is not a panacea to a problem. While it is true that software such as an ERP system will have a prescribed methodology to perform a business task, such as enter a sales order, these objective steps are meaningless if it is not evolved into a subjective business process. How software solves a situation for one company may be different than how it solves the same situation for another company.

And software alone is just the tool: people are the users of the tool, and they must be trained and educated on how to wield this tool effectively. Showing someone how to walk through steps is not the same as truly educating them on how to effectively understand and use the software.

Companies that understand the differences are the companies that are successful in their software implementations.

Thanks for reading.

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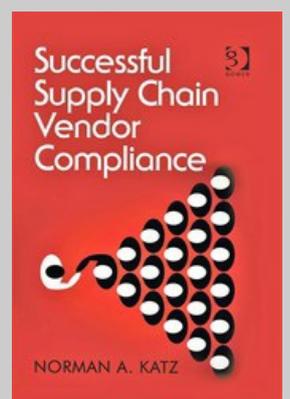
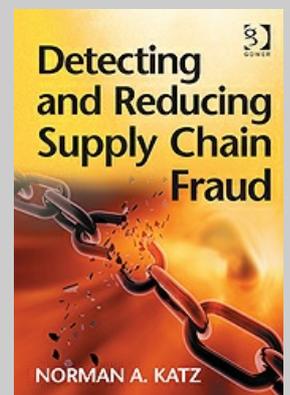


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