



*The Alternative
to Over-Complicated
ERP Systems*

Have You “Hit the Wall” with Spreadsheets?

How to Boost Efficiency and Increase Profits without the Cost & Complexity of ERP

Fellow Businessman:

When it comes to your manufacturing efficiency, operating with general accounting software and spreadsheets cannot begin to compare with plugging into the process workflow of a well-designed manufacturing system.

In this letter, I explain how you can effectively use manufacturing software without risking your business on an over-complicated ERP system that is not appropriately scaled for your size company.

So who am I and why should you listen to me?



My name is Mike Hart. I’m the President and co-founder of DBA Software. At DBA we’ve been providing manufacturing solutions to small businesses since 1992.

Over the years we’ve worked with thousands of small companies, including proprietary, custom, contract manufacturers, and job shops. We’ve dealt with virtually all core manufacturing and accounting issues that affect small manufacturing businesses.

What is a small manufacturing business?

According to the Small Business Administration, a small business is a company with fewer than 500 employees. For purposes of this letter, I do not use that definition because it is way too broad.

By “small manufacturing business”, I mean companies with well under 100 employees that only need up to 25 computer users. The majority of our customers have fewer than 50 employees.

Why do so many companies start with QuickBooks?

Many small manufacturing companies start out using QuickBooks for accounting, supplemented with spreadsheets to handle manufacturing functions. This is understandable because QuickBooks dominates the market for small business financial software.

Another reason small manufacturing companies use QuickBooks is because of the perception that manufacturing software requires investing in an ERP system, which is “too much system” for a small business. Sensing no alternative, they struggle along with spreadsheets.

DBA is the small business alternative to ERP

DBA is a “small business” manufacturing system that gives you a clear alternative to mid-market ERP systems. DBA provides the same core functions you get with an ERP system, but without the complexity that makes ERP systems so difficult to learn and use.

Running your company with manufacturing software does not require investing in a risky ERP system designed for larger enterprises. DBA provides the core manufacturing processes you need without the cost and complexity of ERP.

What does DBA offer that accounting software lacks?

There are five basic manufacturing functions you get with DBA that are not available in general accounting software packages such as QuickBooks:

Manufacturing Inventory

Manufacturing companies have unique inventory requirements -- such as absorption costing of labor and overhead, unit of measure conversions, lot and serial control, multiple locations, allowable suppliers, and item labeling – that are often lacking in general accounting systems.

Manufacturing Specifications

Manufacturing companies need multi-level bills of material to define component and subassembly requirements and routings and work centers to define labor and subcontract service processes. Costs are rolled up through all levels to establish the estimated costs for your manufactured items.

Manufacturing Planning

MRP generates your jobs and POs automatically in response to demand from sales orders and job requirements. Jobs and POs are scheduled backwards from requirement dates to insure that material is on hand when needed. Item planning settings are used to keep inventory and WIP to a minimum.

Manufacturing Jobs

Jobs are used to handle work in process, including material issues, labor tracking, subcontract services, and finished item receipts. Job costs are broken out for material, setup, labor, services, and overhead.

Manufacturing Purchasing

POs are automatically generated by MRP for raw materials and components, backward scheduled from required dates to arrive “just in time.” POs are also generated for job subcontract services. PO features include sufficient decimal places for small parts, supplier unit of measure conversion, and manufacturer part number cross-reference.

These five manufacturing functions give you the tools you need to deliver on time, with high quality, while keeping inventory and WIP to a minimum.

Is there a “one size fits all” manufacturing solution?

Some companies feel they have unique processes that cannot be accommodated by an all-purpose manufacturing system like DBA. Is this a valid concern?

The basic process workflow – combining material, labor, and services to make items – is universal to all manufacturing companies. The details and emphases may vary, but the basic process workflow can be applied to all industries and company types.

Can you be too small for a manufacturing system?

Manufacturing is manufacturing, regardless of company size. Small companies can make highly complicated products and large companies can make simple products.

No matter your size, the process of combining labor, material, and subcontract services to make a product is highly complex. Any complex process is more efficiently performed using software designed for that purpose.

Any company that makes things should use manufacturing software. The better question to ask is not whether to use manufacturing software or not, but which type of software is most appropriate for your size company – ERP or the DBA alternative?

What do ERP systems and DBA have in common?

- DBA and ERP system both provide these core manufacturing and accounting functions:

**Inventory
Product Specifications (BOMs)
Planning (MRP)
Sales Orders
Jobs (Work Orders)
Purchasing
General Ledger
Accounts Receivable
Accounts Payable
Banking**

- DBA and ERP systems both offer robust SQL relational databases. Many ERP systems use Microsoft SQL Server. DBA uses the Firebird SQL database.
- Virtually all ERP systems, as well as DBA, charge an annual maintenance fee (typically 15-22% per year) to cover the cost of product updates.

Keep in mind that DBA’s 15% annual fee is based on a much lower price point and is a fraction of the actual cost.

How does DBA differ from ERP systems?

- ERP systems typically offer a variety of “peripheral” modules, such as Payroll, CRM, Project Management, Fixed Assets, and others.
- Many ERP systems can handle multiple factories and divisions.

DBA is designed for a single factory and main office with the ability to connect to remote warehouses over the Internet using Microsoft Terminal Services®.

- Most ERP systems are priced by a combination of user licenses and modules purchased.

DBA is sold for a single package price for each 5-user increment that includes all modules.

- With ERP systems, the database is usually a separate purchase.

The Firebird SQL database used by DBA is included in the package price.

- ERP systems are targeted at larger companies and compete primarily on feature comparisons. Accordingly, a great many configuration and process options are included.

DBA’s process workflow is simpler and optimized for the smaller company environment.

- Because of their complexity, ERP systems require implementation services, the cost of which can often equal or exceed the cost of the software itself.

DBA is designed for self-implementation, which means that it is capable of being implemented without requiring outside help.

The sales process is totally different.

ERP systems are sold using a "high touch" process that involves salespeople, resellers, needs analysis, presentations, proposals, references, site visits, contracts, and consultants.

By contrast, at DBA we provide self-help evaluation tools that enable you to explore the software on your own. In return, we pass the savings along to you with dramatically lower product prices and ongoing costs.

How do DBA and ERP compare on total cost?

In my “Mike on Manufacturing” blog, which you can link to from our website, is a post entitled “How Much Does a Manufacturing Software Package Cost?” In this article I compare prices among three mid-market ERP systems. My analysis yields the following conclusion:

You can safely assume that the total cost for a mid-market ERP system, including software and implementation, will range from \$3,200 to \$5,700 per user.

By contrast, the total cost for a DBA system, assuming self-implementation, is \$599 per user.

How do you evaluate manufacturing software packages?

Comparing ERP systems is a long and arduous process that involves salespeople, resellers, consultants, and may include needs analysis, RFPs, sales presentations, site visits, and proposals.

By contrast, DBA easy to assess because you can download our free evaluation system, which is the actual software bundled with the DBA Demo Library of video presentations.

Using the Free Evaluation System

Our free evaluation system includes the DBA Demo Library, which is your best source for product information. Video presentations within the software itself provide context that makes screens and reports more meaningful than looking at raw software without any guidance. After reviewing demos, you are welcome to make entries and run reports.

The best way to get started with DBA is to become a customer so that you can implement and experience the system under actual user conditions, complete with access to data import, video training courses, and support.

This is where our 180-day return option comes into play.

With DBA you get 180-days to return the software for a full refund. ERP systems cannot match this offer because they have too much money invested in pre-sales activities and implementation services for it to be practical to return your money.

DBA is the only company in the manufacturing software industry that gives you 180-days to return the software for a full refund of all monies paid – including support – if for any reason the software is not for you.

Can you outgrow DBA?

DBA is the ideal solution for startups and newer manufacturing companies. It is much more efficient to start with DBA from day one than it is to start out with QuickBooks and have to convert to a manufacturing system down the road.

Even though the majority of our installations are in the up to 5-15 user range, we have many sites with 30-50+ users. There is no embedded “ceiling” in our technology that prevents you from growing with DBA over the life of your company.

Are you downsizing from a bigger system?

Not everyone coming to DBA is a startup or a company that has outgrown its general accounting system. Many companies using ERP systems have downsized in recent years and are looking for a smaller-scale alternative.

If you are stuck with an old ERP system that is obsolete or no longer affordable, DBA provides a modern solution scaled to fit your present size and can slash your annual maintenance costs.

Can DBA be used as a stand-alone manufacturing solution?

If you are a branch office connected to a corporate ERP system for financial applications, but wish to use DBA as your manufacturing solution, we offer a Financial Transfer option that enables the core manufacturing system to be used with any outside accounting system.

Whenever possible, use DBA's integrated financial modules for maximum efficiency and convenience. When this is not possible, the Financial Transfer option provides a practical means for using DBA with an outside accounting system.

How does self-implementation work?

Any company willing to put in time and effort can follow the steps in our Implementation Planner to get up and running without requiring outside help.

Self-implementation is essentially a series of specific tasks that are performed in sequential order, all leading up to a startup day when you stop using your old system and begin operating exclusively in DBA. Implementation tasks are completed in four phases:

- **Installation**
- **Setup**
- **Rehearsal**
- **Startup Day**

Most tasks are accompanied by video training courses. If you are on a task and it's not clear from our documentation and video training what you need to do, submit a support ticket and we will help you.

As each task is completed, your users are learning the product in a building block fashion so that by startup day, using DBA will be second nature.

Is special expertise required?

No special manufacturing or accounting expertise is required beyond basic fundamentals. The key to success is to perform the implementation tasks in the exact order specified and to use support whenever a task is not fully understood.

DBA is the only manufacturing system that is pre-configured with a standard chart of accounts and account assignment settings, which vastly simplifies system setup and makes self-implementation a practical option.

Can implementation be done with outside help?

Even though DBA is capable of self-implementation, it does not mean that you are required to implement it yourself.

If you choose to get outside help, you don't have to find a local DBA expert to get the job done. Any accountant or consultant with general experience can follow our self-implementation process and give you more for your service dollar.

Worldwide Sales & Support

Small businesses in a long list of countries operate using DBA software. Our support is delivered worldwide via a state-of-the art ticketing system.

With our self-help sales model, self-implementation process, and direct sales over the Internet, DBA is the ideal small business manufacturing system no matter where you may be located.

Is there an ideal time to get started?

Is there ever a time when you are not busy? There never will be, so consider this:

If you've decided that DBA is your manufacturing solution of choice, the ideal time to get started is now, because each day you postpone action prolongs the operating inefficiencies that are harming your business.

Manufacturing software is not just for larger companies. With DBA, any size company can use manufacturing software to dramatically boost its efficiency and increase its bottom line profits. So why not get started today?

Sincerely,



Michael Hart
President
DBA Software, Inc.