



7 QUESTIONS

YOU SHOULD ASK
ERP VENDORS

ERP CONSIDERATION: 7 QUESTIONS

Your company's needs are unique. And with so much information out there and companies vying for your business – how do you choose the right vendor? After you have done some preliminary research to narrow down your ERP system consideration list, ask these questions during your discovery process to become better informed and make better purchasing decisions.

What deployment options do you offer?

Depending on your IT strategy and requirements, you may need to deploy the software in your own data center, or a private cloud instance of AWS or Azure. Or you may want to move your IT infrastructure to the public cloud and eliminate the need to manage it yourself.

What is the licensing model?

There are several licensing models in ERP software subscriptions. Most people are familiar with the concurrent or named user model. However, with the advent of ERP SaaS (Software-as-a-Service), there are other licensing models that use transaction volume or company revenue. Each has its pros and cons, so it is good to understand how it will work for you.

The number of companies that offer a traditional, buy it once and pay maintenance, software license is getting smaller. If you are looking to make that capital investment once at the beginning; you will have to make that request keeping in mind some software companies don't offer it.

What is your cap on the annual price increase?

This is a hot topic in the subscription license. As companies look to the annual software subscription revenue stream instead of the maintenance, they need to make sure their revenue keeps pace with the cost of the server infrastructure used to support their SaaS product as well as continue to develop it. Some software companies will offer a cap on the annual increase, others use generic language saying there won't be any "dramatic" price increases, others don't offer a cap at all. Understanding how this cap, as well as any promotional or incentive discounts affect your future pricing is important.

What options do I have for technical support?

How you are supported after the implementation is as important as who helps you with the implementation. Some software publishers require you to use their team for support, some implementation partners don't offer support and sometimes you have the option to choose between the two.

Describe your ISV ecosystem to me.

It is hard for a software company to build and support a complete solution that works in all areas of a business. Sales tax compliance, payroll, transportation management, data analytics, ecommerce and many other needs are complex and require specialization to be a viable business solution. Independent Software Vendors (ISVs) or 3rd-party products are key to building out advanced functionality in most ERP systems.

A strong ISV community means you have access to specialty solutions that have been integrated to work with an ERP system. Some ERP publishers require their ISV solutions to meet strict quality standards and undergo a certification process.

Is your API an Open API? What is your development environment?

Sometimes there is no existing solution to meet specific needs you have. You may

need to develop a special application or want to integrate another 3rd-party software product. The API is the gateway for custom development and integrations. Some software publishers limit the end user ability to personalize or customize the software and have a proprietary development environment that uses their programming language. If you think you are going to need to integrate or customize and you have internal software development resources, this may narrow the field.

What is your implementation methodology?

An established vendor should clearly define the implementation project, its stages, what is expected at each stage, and how following their methodology will ensure a successful go live, the first time. They should also have company references should you want to ask other businesses about that process and methodology.

Need ERP pricing? [Visit Algorithm's ERP pricing page](#) for a detailed cost overview.

About Algorithm, Inc.

Manufacturers, distributors and wholesalers look to Algorithm for the deep industry and software knowledge from their experienced team of advisors, consultants, engineers, and business professionals, each with the highest-level partner certifications for Acumatica and Epicor. They are the algorithm, the winning approach combining best practices and documented implementation methodology for the planning and deployment of cloud services, the network and devices used to access them, improvement and customization services, and all the support needed to maximize customer success.

Algorithm is celebrating their 30th Anniversary and a 98% implementation success rate on their customers' first ERP go-lives.

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