Integrating an ERP system with your CMMS
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Integration should be a no-brainer

Integration between enterprise resource planning (ERP) systems and CMMS applications lets organizations connect procurement and inventory information, providing an up-to-date overview of inventory spares and purchase orders.

In the past, these kinds of integrations were really complicated. They often resulted in software that required a dedicated team of IT expert to install, configure, secure, and upgrade. As a result, integration projects have generally been met with skepticism.

Luckily, technology has changed all that. Data exchange protocols have been standardized, making integration much easier, and cloud software means there’s custom coding or configuration necessary. Integration can be completed in as little as five minutes, and both systems are always up-to-date.
Why integrate?

Now that we’ve dispelled some myths about the complexity of integration, here are a few ways it can help your facility.

1. **Eliminate redundancy**

Integration between two systems increases productivity by eliminating the redundancy of managing two separate systems. Data in one system is automatically synced and updated in the second system, removing the need to input the same data twice.

2. **Improve decision-making**

The information available in one system can be used to improve the decision making of users in the other system. For example, parts usage information in the CMMS can be used to optimize inventory and automatic reorder levels in the ERP.

3. **Invoice all suppliers through one system**

Integrating your CMMS and ERP software means that all payments happen in one system, which streamlines purchasing.

4. **Simplify reporting**

Trying to reconcile data from separate systems can be a slow, error-prone process. Integration simplifies reporting by syncing the data between the two systems.
5. Maintain accurate inventory levels

When parts are ordered and received through the ERP, the data is automatically synced with the CMMS to ensure everyone has real-time visibility on the status of replacement parts. In addition, if maintenance has upcoming preventive maintenance that requires replacement parts, they can check part availability in their CMMS and trust that inventory levels are accurate.

6. Increase productivity

CMMS software is designed specifically for the maintenance industry with purpose-built interfaces and optimized workflows. The maintenance team manages all activities within their CMMS, which means they don’t need to enter the same data into two systems, and they don’t need to be cross-trained on how to use an ERP.

7. Ditch human error

It may sound trivial, but a simple typo could mean ordering the wrong part through the ERP, leading to extended equipment downtime, missed orders and soured business relationships. With integration, you’re letting your software talk directly to each other, which seriously decreases the chance of errors.

8. Improve timeliness

Integration can eliminate the time lag between entering the data into one system and taking action in a second. There’s no waiting for the information to be manually extracted from the CMMS and entered into the ERP, resulting in faster decision-making.
Integration basics: What to consider

Despite the many advantages of integration, it’s not for everyone. Our experts gathered 9 things to consider when looking at CMMS and ERP integration:

1. ERP and CMMS integration is not practical or cost effective for every organization

Decide ahead of time how integration will impact the organization both operationally and financially, and prepare a business case that defines the goals in terms of cost savings, efficiency gains, inventory optimization, and return on investment. This will determine whether the integration is worth implementing, and the corresponding budget.

2. Create a project plan and stick to it

Establish the project framework early on by assigning a project manager, defining the scope of work, and setting a timetable for completion with milestones and deliverables.

3. Get buy-in from key stakeholders right from the start

The decision to integrate usually comes from higher up, so it’s important that everyone understands that integration is a positive change for the organization. Include all the stakeholders when identifying the business benefits and impacts, as they can help identify the issues. It will also give stakeholders an opportunity to plan ahead.
4. Evaluate the ongoing total cost of ownership of the integration

The total cost of ownership includes the initial purchase price of the application, integration, and operating costs from purchase to disposal. Cloud software has a major advantage here, since hosting, security, upgrades, support, licensing, backups, virus software, and the integration adapter are bundled up into one simple monthly subscription. Additionally, the vendor manages the complex IT hardware, servers, network configuration, upgrades, patches, security, and daily backups so you don’t have to.

5. Clearly define your processes, data mapping, and reporting requirements ahead of time

Decide whether your organization wants to do a full or partial integration by determining what data needs to be shared between the two applications. A simple integration could include assets, inventory levels, parts costs, suppliers and vendors, purchase orders, etc. Identify what data needs to be shared to deliver the expected efficiencies. There’s no point sending data back and forth if it’s not needed.

6. Integration development costs can consume IT resources so choose trusted off-the-shelf solutions

These solutions reduce the cost of integration and deliver an enterprise-grade solution quickly and easily. In addition, integration of two cloud-based SaaS applications ensures the availability of ongoing maintenance and system updates going forward.
7. Make sure integration is actually possible between your two target applications

Both systems must have an API (application programming interface) so they can exchange data with another system. A number of other technical details such as network architecture, IT limitations, corporate firewall, and database mapping must also align before an integration can proceed. If you don’t have the in-house expertise to manage a complex integration, then the best low-risk solution is to go with an ERP and CMMS that already integrate.

8. Don’t get taken in by niche CMMS applications or ERP systems specific for your industry

This is most likely just a marketing ploy to disguise hard to use and outdated technology. It may be difficult and costly to integrate niche applications when standard, off-the-shelf applications will suffice.

9. Make sure you get a system that’s intuitive and easy to use

In addition to ensuring that both systems can be integrated, you should also make sure that both the ERP and CMMS are simple and intuitive. Usability can have a huge influence on how much your team actually uses the system and ultimately what you get out of it.
One more thing...

We briefly touched on why you should choose a CMMS that integrates with ERP systems, but how do you find the right one for you? Check out our guide to buying a CMMS that meets your business needs:

Other resources:

> Choosing a CMMS: A short guide