

## “Choose your vendors based on how they approach your pain points and not on what services they offer”

Ragunathan Perumal, Director and CEO, Agile Labs, shares his views on technology deployments for SMBs and Agile's strategy for the SMB market



■ Vishnu Anand

### What is the biggest mistake SMBs tend to make in terms of technology deployments?

SMBs do not need an ERP package. This might be a shocking statement but Agile has observed from its study on the Indian SMB industry, that they do not require to invest in the so-called 'world class processes' and expensive ERP packages that promise to do 20 things for you. In most cases, what an SMB needs is the control on its inventory. Unlike a larger enterprise, the maximum expenditure for a mid or small sized company goes into material costs. If a company of this nature can have a mechanism to know how much material needs to be procured, how much is already in store, and how much is being utilized, it can do wonders in increasing productivity and in turn, profits. In other words, most features that come with expensive ERP packages are 'nice to have' applications as far as SMBs are concerned.

### The single biggest concern for any SMB is the ROI for their technology deployments. What's your advice to SMBs?

Unlike bigger enterprises, most SMBs go in for a technology deployment only when an existing component of the business has gone wrong. In other words, recovery of their investment in technology needs to be quickly justified. The most common problem lies with the sales and production department. In an ideal scenario, purchased goods need to be used and translated into products, which in turn need to be sold. In most cases, the ratio goes haywire.

If too much goods are purchased, you need to keep a tab on what is unutilized and how many units are pending.

### How should an SMB approach a technology deployment?

The first step is to create a checklist of 5 pain points on the basis of 'you know your business best' philosophy. Instead of paying a vendor to give you an entire bouquet of offerings, approach a vendor with the list of problems you have. Put targets like 'I want my current expenditure of excess goods wastage down by 50% in the next 12 months', and finally, choose your vendor based on how they approach your pain points not on what services they offer.

“SMBs do not require to invest in the so-called 'world class processes' and expensive ERP packages. What an SMB needs to look at is control over its inventory”

### What is Agile's strategy for the SMB market?

Agile Labs' offering to the small and mid sized companies is called Material Management System (MMS), a module within, what Agile calls, an Enterprise Collaboration System. This offering takes care of the three most vital aspects of business – what goods are required at what time and in what quantity. Agile also ensures that, unlike bigger ERP suites, the deployment can be carried out within 10 working days, and any additional personalization and upgrades are a matter of days. We realize that SMBs cannot afford to spend 6 months in deployment, 2 months in training and 1 and a half months to get results. Agile ensures that the number of individuals the client keeps in touch with, is minimized and as the company grows it can seamlessly upgrade to our products.

SMB