

ERP vs. EPM

Which should you choose?

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Discretion | Integrity | Delivery

Introducing how each system works together



ERP and EPM differ in several ways. Learn how the individual systems work alone, how they compliment each other and how they can increase an organisations efficiency.

While the acronyms ERP and EPM are similar, the two systems serve different purposes, and company leaders should learn about each to determine if their organisation should purchase enterprise performance management software in addition to their enterprise resource planning platform.

An ERP system helps a company manage its business and integrates multiple processes and systems. For example, ERP software can automate financial approvals and reporting. Meanwhile, an EPM's reports and dashboards are much more comprehensive than those from an ERP, and EPM software enables a deeper level of analysis.

Here's more about each software type and the situations in which companies may find it useful to purchase EPM software to use in conjunction with their ERP system.

What is ERP...

ERP software helps companies manage data across multiple departments, such as finance, purchasing and HR. Using an ERP enables an organisation to automate and standardise processes, and an ERP stores data from multiple business functions in one location.

Once used primarily by large organisations, ERP systems are now used by many companies of all sizes. Organisations sometimes add modules to make sure their business needs are met. For example, a company might choose to include a supply chain management module.

What is EPM...

EPM software provides a deeper analysis of the information from ERP software and other systems. A company uses EPM software to gain a richer understanding of how the organisation is performing and to make plans for the future.

For example, a company could use EPM software to analyse multiple potential outcomes of a business situation, carrying out more complex planning than is possible with an ERP system alone. However, EPM software can't capture data on its own, so it relies on data from external systems.

When should companies implement EPM Software...

An organisation's typical path would begin with purchasing an ERP system. However, after an ERP implementation, users may find the organisation's current ERP system is not meeting their needs.

For example, a multinational company might find that it requires EPM software to carry out financial planning with multiple currencies, or it might need to carry out more complicated budget analysis than its ERP software can perform. Using an EPM platform would also help users who want to create a report using data from multiple systems, such as their ERP software and their warehouse management system.

An EPM system can help users conduct more thorough analysis of various processes, potentially improving overall business performance.

ERP and EPM Together they are a great fit!

Most organisations start off by implementing an Accounting or ERP system to handle day-to-day transactions. However in many cases large enterprises will often use Excel spreadsheets to manage EPM processes such as budgeting, forecasting, and financial reporting. However, as the organisation grows and expands, they quickly outgrow spreadsheets and will need to implement EPM applications as a replacement.

Optimally, the enterprise will invest in both an EPM and an ERP to ensure they have solid transactional as well as management processes and systems.

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