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## The Perils of Overextending Your ERP

For manufacturers that manage packing operations, an ERP or basic accounting package is a necessity for managing some of the fundamentals of business operations. Many businesses, however, lack a software system that is capable of supporting the complex workflows that are inherent and specific to managing packing lines. Materials and inventory management, labour allocation, and production tracking are all key operational functions that an ideal software solution should be able to support.

For many manufacturing businesses transitioning from paper-based or spreadsheet-based processes, customising an ERP system to manage packing operations can be a tantalising option. A single system to manage everything from financials to production may appear to be the most economically attractive option. And ERP providers often promise the world when it comes to customising their systems for managing packing lines.

Unfortunately, too many businesses fall into the trap of attempting to stretch their ERP for their packing operations—and are ambushed by unplanned costs, delays, and risks during the implementation phase, when it is all too late to turn back the clock. Even if implementation is completed, these businesses are left with a system that fails to meet the functional requirements of their workflows.

The key ways in which a customised ERP falls short in supporting packing operations are:

## Hidden costs

Many businesses with packing production needs fail to consider the underlying costs and resources that come with implementing an ERP system for the production side of their business.

ERP customisation is expensive, and its costs can creep up without warning. According to the 2023 ERP Report by Panorama Consulting Group, almost half of ERP implementations escalated in cost beyond their initial budget.<sup>1</sup>

Implementation timelines can also get bogged down far beyond their initial completion date. In 2023, more than 40% of projects were completed late.<sup>2</sup> Companies can struggle for years to make ERPs work in a complex packing environment—ultimately without the success metrics they were looking for.

Why does this happen specifically to manufacturers with packing lines? Not only do ERPs lack the specificity and capabilities to meet the distinct needs of their operations, but ERP providers also lack the industry experience and expertise to understand and accommodate complex packing workflows.

As ERP providers spend onerous amounts of time trying to figure out a co-packer’s workflow requirements, costs will tick up and the clock will tick down.

ERP customisations have been attempted time and again in packing environments, only to result in a frustrating, costly, and laborious process for all involved.

## An Inability to Scale



The more severe and long-term consequence of ERP customisation for packing operations, however, is an ERP’s inability to scale with packing growth. A highly customised ERP is difficult and expensive to maintain, and configuring a software system not purpose-built for packing prevents an organisation from benefitting from the continuous innovation offered by software vendors, like Nulogy, who focus their development specifically on packing environments. And with SaaS based software, you also benefit from regularly released updates to their software that are geared for your business, rather than facing costly upgrades of a generic system.

Maintaining a customised ERP in the long term for an extensive packing operation can also pose challenges because customisations have cascading effects that one day may become overwhelming. What may seem like a small change can become a major undertaking as programmers uncover the details that need to be handled for an effective and comprehensive implementation. As a result, an ERP’s “feature set” will become smaller and smaller over time, while risks will continue to increase.

## The Dangers of Shortcuts

The sticker price of customising an ERP system for packing belies the true costs of implementing such a strategy. It is rarely worth taking the shortcut of adopting a one-size-fits-all approach to overstressing your ERP for your packing production.

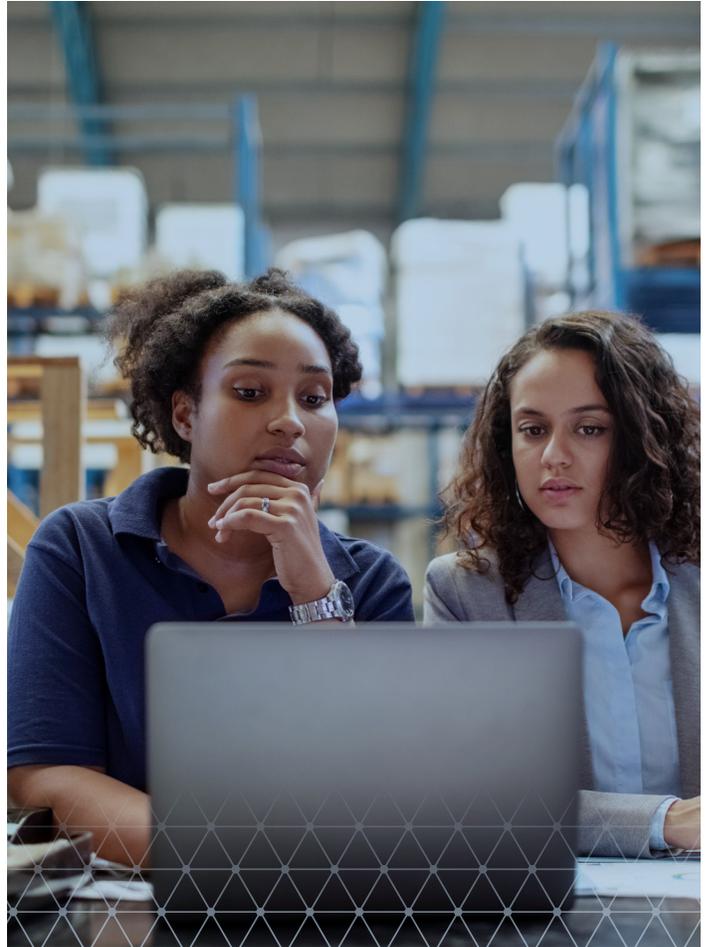
**Put another way:** your complex packing is staffed by experienced specialists and experts in their field. Why support these operations with a software system that fails to do it justice?

## Enter: A Software System Truly Built for Packing Lines

A true purpose-built software option exists for packing operations. Nulogy is the world's leading software provider for complex packing workflows, with hundreds of sites around the world using its product to support their production operations.

Nulogy's purpose-built software optimises your shop floor by enabling you to:

- Manage and optimise labour capacity
- Automate scheduling and planning
- Standardise operational workflows and processes
- Generate and process operational data in real time
- Digitalise traceability processes for stronger quality control



Worried about lengthy implementation times and extensive customisations? Nulogy's implementation teams have more than 20 years of experience working in packing environments, and the Nulogy software modules are purpose-built for packing production floors. With Nulogy, packing operations are working with proven experts who understand the ins and outs of the production floor. Our proven implementation methodology will have you up and running in weeks.



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Don't fall into the trap of overextending an ERP into your packing production. Choose the best of breed software solution that is purpose built for your business.

**Excellence demands excellence.**

Find out how you can digitally enable your shop floor for improved profitability, efficiency, and customer service.

[www.nulogy.com](http://www.nulogy.com)

[uk@nulogy.com](mailto:uk@nulogy.com)

+44 (0)1173 134432



Our decision to implement Nulogy was primarily a strategic one. While our existing systems had done the job when our business was smaller, they were simply not fit for purpose as we began managing much higher volumes and SKU complexity.

We needed a solution that would accelerate throughput, eliminate bottlenecks, drive down labour and material costs, and liberate us from over-dependence on key personnel.

Ultimately, we needed a solution that would allow us to scale. After a smooth 12-week Nulogy implementation, we are live on the system and already seeing benefits a few short months in. We should have done it years ago.

**Steve Tarrant**, Glowcroft Contract Packing



**Steve Tarrant**  
Chairman  
Glowcroft Contract Packing

