

Software *as a service*

In uncertain times and with credit increasingly a problem, the arguments for renting your production management system couldn't be stronger, says Guy Amoroso

As the credit crunch continues to spiral out of control, uncertainty is gripping not only the financial markets, but increasingly also the real economy. And this at a time when fuel and materials prices are still rising, growth is faltering, customers are tightening their belts and global competitiveness continues to harden. It's not pretty out there.

In practical terms, however, that means manufacturers' management teams are forced to pay even more attention to everything they do – particularly when it comes to any kind of investment. As Guy Amoroso, managing director of Rent-IT Systems, says: "It's not only the cost of borrowing that's hurting, it's can you get a loan at all – and that's killing investment, whether it's for new machine tools or that new ERP system."

Unless, of course, you go for the rental ERP option – which is precisely what increasing numbers of manufacturers in all sorts of industry sectors are doing, he says. Why? Quite simply, because there's zero capital outlay: in fact, implementing a new ERP/MRP system doesn't affect the balance sheet at all, beyond the monthly outlay.

As Amoroso puts it: "With 123mrp.Net, there's no set-up fee; the training element is just five days; and then you're ready to start reaping the rewards of one of the best and easiest to use production management systems money can't buy – such as reduced inventories, shorter lead times, better, more flexible use of resources and so on."

And we don't have to take his word for it. Automotive trim supplier Cobra Design Centre and engineering specialist Quelch Engineering both went for Rent-IT. "The system was far more cost effective – even leased-based products were working out three to four times more expensive than 123mrp.Net," says Cobra director Keith Griffiths. And Quelch managing director Alan



See adds: "The renting aspect made it a much easier pill to swallow."

Amoroso's is a well-rehearsed argument, but one that's increasingly gaining appeal – and for several other reasons that have to do with uncertainty. He asserts that renting software slashes risk at several levels, not least because, right from the start, there's no commitment. "It's always possible to make the wrong choice – the world is littered with failed ERP systems that prove that point," he explains. "But look at our selection process: there's a two and a half hour free evaluation workshop and that's it. No-one is locked in."

Zero commitment

Paul Harris, operations manager at Rent-IT user and satellite equipment manufacturer Global Invacom, makes Amoroso's point for him: "If we'd spent £50,000 on a system, we would not be able to walk away from that if it didn't work out – we would be tied in." And Chris Hills, director at operator interfaces maker RH Technical Industries (another Rent-IT user), adds: "When evaluating a previous MRP system, it required nearly a month of consultancy time, plus the time of various staff. After this we did several site visits in the UK, and four of us then travelled to the company's US HQ, seeing six or seven more

customers while we were there. With Rent-IT, it was just two trips to the local workshop."

But it doesn't stop there. Manufacturers seem to draw comfort from the fact that even the implementation process is de-risked. "Customers only spend money when they've been through the five-day training period and decide to go with the system. There are no hidden costs and if they don't like it, they can walk away – but we have a success rate of 99%," explains Amoroso.

Nick English, operations director at Rent-IT user Cobra UK Automotive Products, puts it thus: "The beauty of 123mrp.Net is that you don't have a large up-front cost burden at the start of the implementation when you have the greatest risk of failure."

What's more, once the system is in, the licensing is flexible. IT vendors are typically more than happy to upgrade user licences, but downgrading is a different story, says Amoroso, indicating that when it comes to Rent-IT's rental solution, it's a very different story. "When you need to adapt your running costs, you can do that with us any time."

Darryl Hylands, managing director of incinerators manufacturer Masterburn, confirms the assertion: "With one phone call ... we were able to reduce to four licences. I am quite sure that if we had opted for a traditional system and tried for a refund, we would have been politely refused." And Cobra Automotive's English adds: "With the business expected to double each year, the flexible licensing of 123mrp.Net plays a big part. We can bring in licences when we need them." ■

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