

WHITE PAPER



Gaining a Competitive Edge in Business Process Management with Odoo Open ERP





The following is an excerpt from the book “Open ERP, a Modern Approach to Integrated Business Management,” Release 6.0.0, by Fabien Pinckaers Geoff Gardiner, and Els Van Vossel, authors of the original work, Jan. 21, 2011.

Forward

Information Systems have played an increasingly visible role over the past several years in improving the competitiveness of business. More than just tools for handling repetitive tasks, they are used to guide and advance all of a company’s daily activities. Integrated management software is today very often a key source of significant competitive advantage.

The standard response to a need for responsiveness, reliability, and rapidly increasing expectations is to create an organization based on departments with a clear linear structure, integrated around your operating processes. To increase efficiency amongst salespeople, accountants, logistics staff and everyone else you should have a common understanding of your problems.

For this you need a common language for shared references, policies and communication. An ERP (Enterprise Resource Planning) system provides the ideal platform for this common reference point.

Chapter Seven: Guided Tour

Products

In Open ERP, product is used to define a raw material, a stockable product, a consumable or a service. You can work with whole products or with templates that separate the definition of products and variants (extra module).

For example if you sell t-shirts in different sizes and colors:

- + The product template is the “T-shirt” containing information common to all sizes and colors
- + The variants are “Size: S” and “Color: Red”, which define the parameters for that size and color
- + The final product is thus the combination of the two—t-shirt in size S and color Red

The value of this approach for some sectors is that you can just define a template in detail and all of its available variants briefly rather than every item as an entire product.

NOTE: EXAMPLE PRODUCT TEMPLATES AND VARIANTS

A product can be defined as a whole or as a product template and several variants. The variants can be in one or several dimensions, depending on the installed modules.

For example, if you work in textiles, the variants on the product template for “T-shirt” are:

- + Size (S, M, L, XL, XXL)
- + Color (white, gray, black, red)
- + Quality of Cloth (125g/m2, 150g/m2, 160g/m2, 180g/m2)
- + Collar (V, Round)

This separation of variant types requires the optional module *product_variant_multi*. Using it means that you can avoid an explosion in the number of products to manage in the database. If you take the example above it is easier to manage a template with 15 variants in four different types than 160 completely different products. This module is available in extra add-ons.

Open a product form to see the information that describes it. The demonstration data show several types of products, which gives quite a good overview of the options.

Price lists (Sales > Configuration > Pricelists) determine the purchase and selling prices and adjustments derived from the use of different currencies. The Default Purchase Pricelist uses the product's Cost Price field for the Purchase price to be calculated. The Public Pricelist uses the product's Sale Price field to calculate the Sales price in quotations.

Price lists are extremely flexible and enable you to put a complete price management policy in place. They are composed of simple rules that enable you to build up a rule set for most complex situations: multiple discounts, selling prices based on purchase prices, price reductions, promotions on product ranges and so on.

You can find many optional modules to extend product functionality, such as:

- + *membership*: for managing the subscriptions of members of a company
- + *product_electronic*: for managing electronic products
- + *product_extended*: for managing production costs
- + *product_expiry*: for agro-food products where items must be retired after a certain period
- + *product_lot_foundry*: for managing forged metal products

All of the above modules are found in extra add-ons, except for the *membership* and the *product_expiry* module.

TIP: CONSUMABLES

In Open ERP a consumable is a physical product which is treated like a stockable product, with the exception that stock management is not taken into account by the system. You could buy it, deliver it or produce it but Open ERP will always assume that there is enough of it in stock. It never triggers a procurement exception.



Boost Your Sales

Open ERP provides many tools for managing relationships with partners. These are available through the Sales menu.

Through Customer Relationship Management, Open ERP allows you to keep track of:

- + Leads
- + Opportunities
- + Meetings
- + Phone calls
- + Claims
- + Help-desk and support
- + Fund raising

Open ERP ensures that each case is handled effectively by the system's users, customers and suppliers. It can automatically reassign a case, track it for the new owner, send reminders by email and raise other Open ERP documentation and processes.

All operations are archived, and an email gateway lets you update a case automatically from emails sent and received. A system of rules enables you to set up actions that can automatically improve your process quality by ensuring that open cases never escape attention.

As well as those functions, you have got tools to improve the productivity of all staff in their daily work:

- + An email client plugin for Outlook and Thunderbird enabling you to automatically store your emails and their attachments in the Knowledge Management (previously Document Management System) integrated with Open ERP
- + Interfaces to synchronize your Contacts and Calendars with Open ERP
- + Sync your meetings on your mobile phone
- + Build a 360° view on your Customer
- + Integration with Google applications

You can implement a continuous improvement policy for all of your services, by using some of the statistical tools in Open ERP to analyze the different communications with your partners. With these, you can execute a real improvement policy to manage your service quality.

TIP: CRM & SRM

Customer Relationship Management (CRM): a standard term for systems that manage client and customer relations.

Supplier Relationship Management (SRM): commonly used for functions that manage your communications with your suppliers.

Manage Your Books

The chapters in Manage your Books in this book are dedicated to general and analytic accounting. A brief overview of the functions to introduce you to this Business Application.

Accounting is totally integrated into all of the company's functions, whether it is general, analytic, budgetary or auxiliary accounting. Open ERP's accounting function is double-entry and supports multiple company divisions and multiple companies, as well as multiple currencies and languages.

Accounting that is integrated throughout all of the company's processes greatly simplifies the work of entering accounting data, because most of the entries are generated automatically while other documents are being processed. You can avoid entering data twice in Open ERP, which is commonly a source of errors and delays.

So Open ERP's accounting is not just for financial reporting – it is also the anchor point for many of a company's management processes. For example if one of your accountants puts a customer on credit hold then that will immediately block any other action related to that company's credit (such as sales or delivery).

Open ERP also provides integrated analytical accounting, which enables management by business activity or project and provides very detailed levels of analysis. You can control your operations based on business management needs, rather than on the charts of accounts that generally meet only statutory requirements.

Open ERP added a flexible, easy invoicing module allowing you to keep track of your documents and payments, even when you are not an accountant. This will allow smaller business to keep track of their payments without having to implement a complete accounting system.

Keep track of your cash moves by using the new Open ERP Cash Box.

Lead & Inspire Your People

Open ERP's Human Resources Management Business Application provides functionality such as:

- + Manage your employees, contracts, and staff performance
- + Talent acquisition
- + Keep track of holidays and sickness leaves
- + Manage the evaluation process
- + Keep track of attendances & timesheets
- + Track expenses

Most of these functions are provided from optional modules whose name starts with "hr_" rather than the core "hr" module, but they are all loaded into the main Human Resources menu.

The different issues are handled in detail in the fourth part of this book *Effective Management of Operations*, dedicated to internal organization and to the management of a services business.

Drive Your Projects

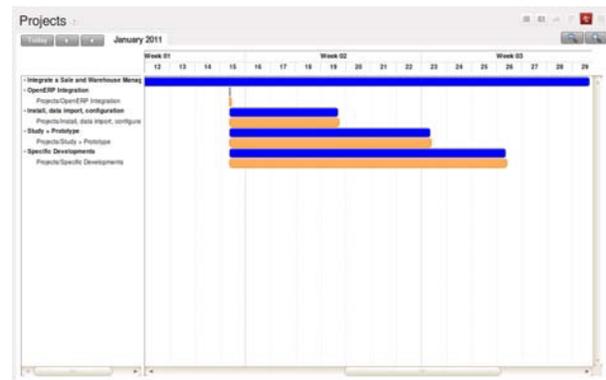
Open ERP's project management tools enable you to define tasks and specify requirements for those tasks, efficient allocation of resources to the requirements, project planning, scheduling and automatic communication with partners.

All projects are hierarchically structured. You can review all of the projects from the menu Project > Projects.

Then select Gantt view to obtain a graphical representation of the project.

You can run projects related to Services or Support, Production or Development – it is a universal module for all enterprise needs.

Project management is described in Drive your Projects.



Driving Your Sales

The Sales menu gives you roughly the same functionality as the Purchases menu – the ability to create new orders and to review the existing orders in their various states – but there are important differences in the workflows.

Confirmation of an order triggers the delivery of goods, and invoicing timing is defined by a setting in each individual order.

Delivery charges can be managed using a grid of tariffs for different carriers.

Driving Your Purchases

Purchases enables you to track your suppliers' price quotations and convert them into Purchase Orders as you require. Open ERP has several methods of monitoring invoices and tracking the receipt of ordered goods.

You can handle partial deliveries in Open ERP, so you can keep track of items that are still to be delivered on your orders, and you can issue reminders automatically.

Open ERP's replenishment management rules enable the system to generate draft purchase orders automatically, or you can configure it to run a lean process, driven entirely by current production needs.

You can also manage purchase requisitions to keep track of quotations sent to a multitude of suppliers.

Organize Your Warehouse

The various sub-menus under Warehouse together provide operations you need to manage stock. You can:

- + Define your warehouses and structure them around locations you choose
- + Manage inventory rotation and stock levels
- + Execute packing orders generated by the system
- + Execute deliveries with delivery notes and calculate delivery charges
- + Manage lots and serial numbers for traceability
- + Calculate theoretical stock levels and automate stock valuation
- + Create rules for automatic stock replenishment

Packing orders and deliveries are usually defined automatically by calculating requirements based on sales. Stores staff use picking lists generated by Open ERP, produced automatically in order of priority.

Stock management is, like accounting, double-entry. So, stocks do not appear and vanish magically within a warehouse, they just get moved from place to place. And, just like accounting, such a double-entry system gives you big advantages when you come to audit stock because each missing item has a counterpart somewhere.

Most stock management software is limited to generating lists of products in warehouses. Because of its double- entry system Open ERP automatically manages customer and supplier stocks as well, which has many advantages: complete traceability from supplier to customer, management of consigned stock, and analysis of counterpart stock moves.

Furthermore, just like accounts, stock locations are hierarchical, so you can carry out analyses at various levels of detail.

Get Manufacturing Done

Open ERP's production management capabilities enable companies to plan, automate and track manufacturing and product assembly. Open ERP supports multi-level bills of materials and lets you substitute subassemblies dynamically, at the time of sales ordering. You can create virtual subassemblies for re-use on several products with phantom bills of materials.

NOTE: BOMS, ROUTING, WORK CENTERS

These documents describe the materials that make up a larger assembly commonly called Bills of Materials or BOMs. They are linked to routings which list the operations needed to carry out the manufacturing or assembly of the product. Each operation is carried out at a work center, which can be a machine or a person.

Production orders based on your company's requirements are scheduled automatically by the system, but you can also run the schedulers manually whenever you want. Orders are worked out by calculating the requirements from sales, through bills of materials, taking current inventory into account. The production schedule is also generated from the various lead times defined throughout the system, using the same route.

The demonstration data contain a list of products and raw materials with various classifications and ranges. You can test the system using this data.

Share Your Knowledge Through Efficient Document Management And Being Mobile

Open ERP integrates a complete document management system that not only carries out the functions of a standard DMS, but also integrates with all of its system-generated documents such as Invoices and Quotations. Moreover, it keeps all of this synchronized. You can define your own directory structure and tell Open ERP to automatically store documents such as Invoices in the DMS.

Open ERP provides an FTP Interface for the Document Management System. You will not only be able to access documents from Open ERP, but you can also use a regular file system with the FTP client. FTP is just a way of getting access to files without needing to use an Open ERP client, to allow you to access files from anywhere. You can also add documents to be stored in Open ERP directly through the FTP system in the corresponding Open ERP directory. These documents will automatically be accessible from the form concerned in Open ERP.

The Knowledge system is also well-integrated with e-mail clients such as Thunderbird and Outlook. It also allows you to sync your calendars (CalDAV).

NOTE: DASHBOARDS

Unlike most other ERP systems and classic statistically-based systems, Open ERP can provide dashboards for all system users, and not just managers and accountants.

Each user can have his own dashboard, adapted to his needs, enabling him to manage his own work effectively. For example, a developer using the Project Dashboard can see information such as a list of open tasks, tasks delegated to him and an analysis of the progress of the relevant projects.

Measure Your Business Performance

To measure your business performance Open ERP provides two interesting features:

- + Dashboards
- + Statistical reports

On a single page, Dashboards give you an overview of all the information that is important to you. In Open ERP each application has its own dashboard which opens by default when you select the specific application. As for example Administration Dashboard will open when you click the Administration menu.

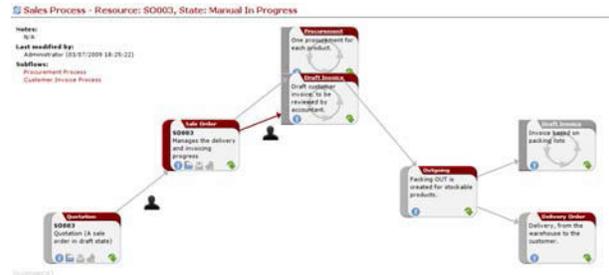
NOTE: CUSTOMIZING OR CREATING DASHBOARDS

Open ERP contains a Dashboard Editor. Create your own dashboard to fit your specific needs in only a few clicks. Go to the Administration > Customization > Reporting > Dashboard Definition menu to define your own dashboard.

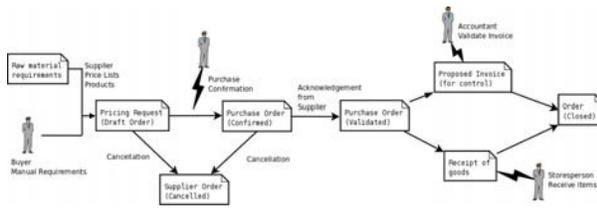
The Statistical Analysis is one of the crucial thing for decision making process in any business. The Open ERP provides Statistical Reports for each application. As for example you can access the statistical analysis of Sales- related information from the menu Sales > Reporting > Sales Analysis. You can search and group the data using this Statistical Report.

Track Your Process Flows

Many documents have a workflow of their own, and also take part in cross-functional processes. Take a document that could be expected to have a workflow, such as a Sales Order, and then click the “?” button above its form to see the full process.



You can see where a particular document is in its process, if you have selected a single document, by the solid bar on one of the process nodes. You also link to documents and menus for each of the stages.



There is a clear distinction between a cross-functional process (that is currently only shown in the web client) and the detailed document workflow (that is shown in both the web client from a process node, and the GTK client from the Plugins > Execute a Plugin... menu and clicking either the Print Workflow or the Print Workflow (Complex) option.

Alongside the document management system, the process visualization features make Open ERP far better for documentation than similar systems.

(End of Chapter Seven)

Odoo Open ERP Optimizes Business Process Management

Optimizing tracking and document workflow is essential to effective business process management. Odoo Open ERP allows all aspects of business process management to be integrated seamlessly, accounting for every action.

Odoo Open ERP helps companies achieve business process optimization. Integrated business management requires the Odoo Open Source ERP solutions from USA Odoo, a division of Open Source Integrators (OSI). Greater responsiveness and reliability occurs from USA Odoo's perfectly right-sized, user-friendly platforms with highly reliable and insightful planning and forecasting systems.

The competitive edge in business occurs when information systems are optimized with USA Odoo's accounting-centric Odoo Open Source ERP solutions. Business process reengineering can be accomplished in collaboration with OSI's team of Open ERP cross discipline experts who develop best practices from scratch that are dovetailed to existing or disparate systems, or augmented to empower compliance, growth, efficiencies and profitability.

Bottom line, with advanced Odoo ERP capabilities from USA Odoo, a company will instantly realize higher margins, less waste, and better customer experiences.

Top 10 benefits for Business Process Management (BPM) with USA Odoo

1. Robust framework for modeling business processes
2. BPM ability covers modeling, automation, execution and control, reporting, and optimization
3. Ability to integrate processes across modules, e.g. accounting, warehousing, manufacturing, etc.
4. Encourages accountability via reminders, alerts, and to-do lists
5. Facilitated communication via messaging, email creation, document integration, and follower management

6. Dashboards are configured to provide visibility, metrics, and control
7. Process life cycle support via coupling of modules and quick adjustments to inter-and intra-process tool
8. Integration capability to external process tools (BI, GIS, optimization algorithms, etc.)
9. On-premise and cloud support
10. Highly secure enterprise platform

About USA Odoo

As a top Odoo open source software integrator in the US, USA Odoo provides enterprise Odoo integration customers with a unique combination of open source business process consulting and turnkey implementation. As an Odoo Gold partner, we help your enterprise synchronize and integrate manufacturing as well as e-commerce, including the aggregation of processes and decentralized and/or independent systems. Our veteran team of Odoo ERP consultants works hands on with your team to help drive your ability to connect your organization end to end with accounting, customer, and big-data-driven centrality.

USA Odoo was created to provide Odoo-powered open source accounting, CRM, e-commerce platform, and logistic integration including real-time big data and business process improvements leading the way. Our Odoo open source software consultants work personally with each of our clients to analyze the challenges facing their operations, unleash the power of their data, and achieve their specific competitive advantage and ROI business goals.

For greater insight into the power of Open ERP, read the entirety of [“Open ERP for Accounting and Financial Management, Release 1.0.”](#)

We invite you to continue exploring the pages of [USA Odoo](#) and [Open Source Integrators](#) to see what we mean about “Open Source Done Right” and how we can help your company scale with harmony.

About the Authors

Fabien Pickaers is CEO and Founder of Odoo SA, the world's #1 business apps suite.

Els Van Vossel is the owner of Foxy Consulting bvba and works as a functional ERP consultant and a technical communicator

Geoff Gardiner founded Seath Solutions to provide services in the use of Open Source software, particularly Open ERP, for business management.



usa
odoo.com

Contact us

 opensourceintegrators.com

 contact@opensourceintegrators.com

 1.855.877.2377