Mint Jutras

Making Enterprise Business Systems Pay Dividends

ROOTSTOCK DELIVERS ON THE VALUE PROPOSITION OF THE SALESFORCE MANUFACTURING CLOUD

PROVIDING THE MUCH SOUGHT AFTER 360º VIEW

About Rootstock

Launched in 2008, Rootstock Software® provides Cloud ERP for Manufacturing, Distribution and Supply Chain organizations. Built on the Salesforce Platform and offered excusively in the cloud, customers require minimal IT infrastructure investment. The company serves customers throughout North America, Europe and Asia Pacific. Available through the salesforce.com Appexchange, Rootstock partners with industry leaders such as Salesforce, FinancialForce, Avalara, and ZenKraft.

The Rootstock Cloud ERP for Manufacturers supports requirements for many modes of manufacturing, including:

- *Build to Order ERP*
- *Build to Stock ERP*
- *Engineer to Order ERP*
- *Configure to Order ERP*
- *Project Based ERP, or*
- *Hybrid ERP (any combination of the above)*

How do you achieve a 360º view of your customer? While this has been a popular catch phrase for solution providers offering Customer Relationship Management (CRM) systems for years now, there have always been missing pieces to this panorama. A good CRM, as the acronym implies, can indeed help you manage the relationship with your customers, often starting at a point when the customer is still a prospect. CRM solutions do a good job of managing a pipeline from initial contact to quote, and perhaps even to the point where the quote is turned into an order. If this is all it does, it might be more appropriately classified as Sales Force Automation (SFA). But of course, some CRM solutions extend beyond this. But no CRM, on its own, really manages an order, creates an invoice or manages accounts receivable and collects cash – all necessary for that 360º view. That is the domain of Enterprise Resource Planning (ERP).

Salesforce CRM is indeed one of the most mature CRM solutions on the market today. While lighter versions exist for even the tiniest companies, those that tap into its full and extended functionality are able to effectively digitize marketing, manage diverse channels, connect sales and service and derive business insights and intelligence about all things customer-related. This may be sufficient for some types of businesses, but manufacturers face some additional challenges. If sales and operations are not properly aligned, if revenue forecasts can't accurately predict demand at a detailed product level, then manufacturing can't deliver completely and on time without inflating inventory. And even with padding inventory, can it deliver the kind of customized or personalized product many markets demand today?

In order to address these specific challenges of manufacturing, Salesforce recently introduced its Salesforce Manufacturing Cloud to "deliver transparency and predictability across your ecosystem… Align sales and operations, unify account planning and forecasts, and deliver greater transparency with a tailor-made CRM for manufacturers." But in order to make good on this promise, Salesforce itself must tap into its own ecosytem. Enter Rootstock, providing Cloud ERP for Manufacturing, Distribution and Supply Chain organizations. As such, Rootstock plays a key role in helping Salesforce deliver on its declared value proposition of delivering the much sought after, but often elusive, 360º view of the manufacturer's customer.

WHAT SALESFORCE HAS ADDED

The introduction of the Salesforce Manufacturing Cloud is now its first step in making sales (and the account teams) better corporate citizens by helping them contribute more directly to sales and operations planning.

Over the course of its evolution, Salesforce has done a good job of helping the account team manage its relationship with the customer. The introduction of the Salesforce Manufacturing Cloud is now its first step in making sales (and the account teams) better corporate citizens by helping them contribute more directly to sales and operations planning. Success in today's global, digital economy demands speed and agility. And for manufacturers, the key to speed and agility lies in an accurate forecast. And you know the old saying: When it comes to forecasts, the only thing you can be sure of is that it will be wrong. While your forecast will never predict with 100% accuracy, that doesn't mean you shouldn't continually strive for it, and engaging the right participants in that continuous and collaborative conversation is crucial.

All too often today that conversation is neither continuous nor collaborative. In fact, it may not even be a conversation. Sales teams may provide a forecast, but do they even engage with manufacturing? Or is the manufacturing planning process completely disengaged? And does that manufacturing planning even attempt to reflect what actual customers intend to purchase? Hopefully your sales teams generate an account plan, but when they do, is that taken as input to the manufacturing demand plan?

In order to continually improve the accuracy of the forecast, it is necessary to close the loop and compare forecasted quantities with actual sales. Managing the order falls into the domain of ERP. And so, continuous improvement requires integration with ERP. Of course, Salesforce CRM could be integrated with any ERP, but Rootstock, built on the Salesforce Platform, makes this integration much easier and completely seamless.

In order to bridge this potential, disconnect, Salesforce has added a Sales Agreement business object to its CRM. The account team bears the responsibility for populating the forecasted demand, on a product by product basis, and the Sales Agreement is for a specific customer. But in order to continually improve the accuracy of that forecast, it is necessary to close the loop and compare forecasted quantities with actual sales. Managing the order (as well as the manufacturing, shipping, invoice and cash collection) fall into the domain of ERP. And so, continuous improvement requires integration with ERP.

ROOTSTOCK ADDS MORE

Of course, Salesforce CRM could be integrated with any ERP, but Rootstock, built on the Salesforce Platform, makes this integration much easier and completely seamless. And it is available right out of the box. But, of course, full integration "right out of the box" is only available if Rootstock is the only source of manufacturing data.

While most enterprises have defined corporate standards for enterprise applications today, this has not always been the case. For decades, corporate finances were run on a single administrative ERP (or accounting solution), which often didn't meet the operational needs of its divisions or subsidiaries. As a result, subsidiaries were left on their own to select and implement a solution that would then feed financials up to a corporate system, often in aggregate. This spurred a proliferation of applications that is still creating challenges for many companies today.

Even when all subsidiaries run the same solution, different implementations and definitions of master data introduce a level of variability that makes it difficult for these different divisions or business units to interoperate. This also makes it difficult for corporate to have consistent and comparable visibility. But Rootstock's ERP Data Framework is a set of data objects that can be populated through popular tools like Jitterbit and Mulesoft to consolidate the view and interface directly with Salesforce CRM. And the [acquisition of Mulesoft by Salesforce](#) in 2018 certainly doesn't hurt the cause.

JUST THE BEGINNING

Salesforce and Rootstock are well positioned to continue this journey by tapping into the predictive capabilities inherent in Salesforce Einstein.

While this is certainly a good first step, there is much more that can be done to ease the burden of sales and operations planning for manufacturers. But Salesforce and Rootstock are well positioned to continue this journey by tapping into the predictive capabilities inherent in Salesforce Einstein.

The whole purpose of a forecast is to predict the future, usually based on past and present data, often analyzing trends. Planners might use any number of forecasting methodologies, such as weighted moving average, exponential smoothing, regression analysis, extrapolation or trend estimation as a function of time. New artificial intelligence (AI) technologies, including predictive and cognitive analytics, enhance these capabilities and data science can take this analysis to a whole new level. But AI typically involves projects that require both data scientists and developers trained in the technology. Neither sales teams nor manufacturing planners typically have these skills. And the typical (midsize) Rootstock customer doesn't have the deep pockets necessary to build them out.

Salesforce Einstein is a set of platform services that bring advanced AI capabilities into the core of CRM, but Salesforce and/or Rootstock will need to embed these capabilities directly into their applications before most manufacturers will be able to make a quantum leap in forecast accuracy.

In the meantime, however, Rootstock customers using the Salesforce Manufacturing Cloud will have a significant advantage in completing that much sought after, but often elusive, 360º view of the manufacturer's customer.

About the author: Cindy Jutras is a widely recognized expert in analyzing the impact of enterprise applications on business performance. Utilizing over 40 years of corporate experience and specific expertise in manufacturing, supply chain, customer service and business performance management, Cindy has spent the past 13+ years benchmarking the performance of software solutions in the context of the business benefits of technology. In 2011 Cindy founded Mint Jutras (www.mintjutras.com), specializing in analyzing and communicating the business value enterprise applications bring to the enterprise.