Evaluating the Compiere System

Managing an integrated business that requires an ERP system, which is a challenged one to introduce in your organization, so the default question when one starts to look at an ERP system is:

Will "ERP" add value to the business and be worth to make such investment?

ERP systems costs money, they require new skills, they require employees and business to adapt and takes time to implement it.

ERP system has the purpose of providing integrated information and streemlined transaction processing environment. This will provide the required financial and non-financial data and information for insightful reports. These reports and information will help on decision making to management.

Information systems must measure the effective and optimum use of enterprise resources, whether they are defined as people, products, services, or assets.

Here we will evaluate the Compiere system. The Compiere system is suitable for the following organizational circumstances:

Circumstance	Compiere advantage
Outgrowing existing system The business is outgrowing its existing systems. Generally, the business was doing fine on a small accounting package, but now requires additional functionality. It may also require a more scalable enterprise database, or the number of users and the complexity of the business is expanding.	Compiere's technology stack offers a growing company the enterprise scalability platform required. Functionality and transactions volumes can be scaled based on specific user needs.
Existing system is old technology	Compiere offers the

Circumstance	Compiere advantage
The existing system is so old that support cannot be easily obtained and the technology is just hanging by a thread. This is usually the case with long-standing or older generation management. For example, a family business that has been in existence for many years and the legacy system has just always worked, but finally a decision has to be made as to a new system.	current Java and web technology platform, which is based on open architecture and standards, throughout its offering.
Dynamic system requirement More progressive and dynamic management where the underlying technology is as important to the business as the business itself.	Due to its open source nature, Compiere offers a flexible and transparent technology platform.
Value proposition Large businesses that are evaluating ERP vendor systems and are analyzing the costs versus return.	Compiere provides a competitive licensing model up to large-scale Enterprise levels.

Compiere's core ERP functionality

In differentiating the Compiere product offering from the traditional ERP offering, Compiere is known for its multi's:

- Multi-language for Documents and User Interface
- Multi-currency for transacting in or reporting in foreign currencies
- Multi-tax, supporting different tax systems (Sales, VAT, and combinations)
- Multi-costing in parallel (for example, Standard Costing, Average, and Lifo)

- Multi-accounting for legal reporting using different accounting principles (Selecting Cash, Accrual, or International GAAP principles)
- Multi-Tenant and Multi-Organization for different branches, and legal entities, reporting and dimensional structures

The Compiere Core Functionality includes a rich dynamic business functionality framework, and we shall cover some of these aspects in detail in later chapters.

Compiere system administration: System administration functions are the normal administrator functions that you would expect in a system. These functions include:

User administration: Manages the users that can log on to the system, password management, date control, and user preferences.

Role management: What users can do in the system, who can access which windows and processes, and ultimately what users can see into the system.

Tenant setup: Managing the detail of the main legal entities, departments, cost centers, and sales regions.

Document settings: Document formats, document types, and document sequences.

System utilities: Back-up and restore of critical system settings, although mostly this is handled through external database scripts.

System settings and parameters: Includes database location, licensing, user defined control parameters, and formats.

Functional settings: Set-up includes Tax, currencies, units of measure, and payment terms.

The Compiere Application Dictionary (AD): The application dictionary refers to meta-data in the application that determines the context and behavior of windows and data elements across all aspects of the Compiere application. For the non-programmer,

this meta-driven model greatly reduces application core program-level customization requirements, and also gives system administrators the power to interact on a business logic point of view.

Typical functionalities of Compiere includes:

Sales cycle to accounts receivable
- Preparing quotations and sales orders
- Sales order to customer invoicing
- Sales order to delivery (shipment to customer)
- Batch invoicing and printing
- Preparing purchase orders from sales orders
- Payment receipts at the time of ordering or invoicing

Purchase cycle to accounts payable
- Preparing requisitions and purchase orders
- Purchase order to vendor invoicing
- Purchase order to material receiving
- Vendor invoicing (including expense creditors)
- Processing payments to suppliers

Business partner management
- Business partners include customers, vendors, and employees.
- Creating and editing business partners
- Classifying and grouping business partners
- Creating locations, contacts, and banking information
- Credit limit management
- Allocating different types of discount schemas to business partners

Financial Accounting Management
- Setting up and maintaining multiple accounting schemas and currencies
- Creating, editing, and grouping account elements, and general ledger management
- Posting actual and budget entries to accounts through journal entries
- Running financial reports, trial balances, and accounts details
- Account at various activity and low-level cost detail

Cash management
- Allocating payments and receipts to accounts receivable / accounts payable orders or invoices
- Processing cash journal entries
- Managing, correcting, and viewing historic allocations
- Open item reporting and aging
- Accounting for actual bank statement transactions
- Reconciling system entries to the bank statement
- Dunning (statement) processing

Customer Relationship Management
- Capturing leads and sales opportunities
- Opportunity reporting
- Converting leads to business partners
- Processing requests to action for sales representatives

Inventory and material management
- Creating and editing of product and service items
- Grouping of products
- Managing product pricing and discount schemas
- Transactional listing reporting
- Serializing of products (lot control)
- Creating additional product attributes (size, length)
- Costing products to warehouse locations
- Accounting for various costing methods (standard, average, and LIFO)
- Inventory moves, adjustments, valuations, and write-offs
- Auto generation of replenishment orders

Production Management
- Defining and editing Bills of Materials
- Planning and Forecasting
- Creating or editing kits
- Processing production work orders

Integrated advanced ERP functionality
Due to its open source nature, all modules or components of Compiere are seamlessly integrated and are available separately or as part of the entire offering:

Advanced Functionality	Description
Request Management	Services Request Management is an integral part of the system.
Workflow	Compiere includes document level and process level workflow at its core.
eCommerce / WebStore integration	An integrated Java JSP webstore is included in the core release.
Data and SOA	Transacting with different systems than

Advanced Functionality	Description
Integration	your own through Electronic Data Interchange (EDI) or Web Services. Compiere offers this as part of its Enterprise Edition release, and his functionality can also be purchased through the Compiere Exchange.
In-house Programming and Customization	Usually, an end-user has to pay for the privilege of doing in-house programming on their purchased ERP systems. Being open source, this is given with Compiere.
Advanced Material Resources Planning (MRP / MRP II)	This is an additional paid-for Compiere component and offers an integrated MRP process. Functionalities including, route planning, resource scheduling, standard operations, and multi level Bills of Materials.
Advanced Warehousing and Distribution	This is an additional paid-for Compiere component and encompasses advanced warehousing and distribution systems.
Human Resources	This is an additional paid-for Partner component.
Government ERP	Fund Management is an additional paid-for Partner component.