



Back Office Functions

June 2007

It is easy to see the impact on a firm that usage of the web and e-commerce can have - but what goes on behind the scenes is just as vital for business success.

Our E-Business Advisers discuss:

1. What does the term “Back Office Functions” mean?

The “back office” is a term used to describe the part of a firm where tasks dedicated to running the company itself take place, and the software that aids these functions.

Examples of back office tasks include inventory management, production planning, accounting and human resources.

Firms face an ongoing range of challenges, from changing legal / regulatory requirements and accountancy rules, to the need for new product developments.

At the same time, they must improve their efficiency and provide a better service for their customers.

Back office functions play a key role in successful performance for any firm.

Forward-thinking firms look for tools that streamline their operations.

Systems that automate and integrate different systems, from the front office customer-facing functions through to the back office help firms reduce their running costs.

They eliminate time-consuming duplication of data entry, and because they reduce manual

operations, they reduce the possibilities for both fraud and human data entry error.

For example, a Client Relationship Management (CRM) system (front office), tied into your accounts system (back office) can improve information across both functions. (See “Client Relationship Management - CRM” Fact Sheet in this series for more information.)

2. Integrating back and front office

Many larger firms integrate front and back office functions by using ERP (Enterprise Resource Planning) systems.

As ERP tends to be of greatest benefit in firms with a manufacturing /distribution function, many ERP systems tend to cater for this kind of firm.

ERP software providers include BAAN, Oracle, PeopleSoft and SAP. Unfortunately, all these systems tend to be beyond the financial means of smaller firms.

However, ERP is also now being extended to the growing number of E-Business applications being developed by firms on the Internet.

They effectively connect customer, supply chain and other activities: front and back office.

There has also been a growth in the last few years of software firms providing less expensive suites of ERP software, more affordable for the small or medium sized firm, again particularly suitable for firms with a manufacturing /distribution function.

If your firm isn't in this sector, don't dismiss the concepts of Front Office / Back Office



Fact Sheet

integration. There are systems that will allow this for almost any type of firm.

For some firms, benefits could accrue from something as straightforward as buying and integrating the Sage CRM system to link into your Line 50 or Line 100 Sage accounting system.

For other firms, the requirements may be much more complex. As this can have a profound impact on how your firm functions, it is recommended that you discuss this with an appropriate consultant.

Your local Business Link can help you find the right person. (See “Useful Links” section below for contact details).

You can, of course, also contact us about how you can gain the benefits of linking your front and back office functions. Contact us via our web site, www.360e.co.uk.

3. Useful Links

See “Client Relationship Management Systems - CRM” Fact Sheet

www.businesslink.gov.uk - National Business Link web site, with contact details for your local Business Link.

www.manufacturingtalk.com/guides/erp-systems.html - Web site for Production Engineers, with many useful resources on ERP

www.sage.co.uk - UK Sage web site

www.sysoptima.com/erp/erp_definition.php - Web site with useful definitions of ERP, CRM etc.

Searching on Google.co.uk “ERP software for smaller firms” will also provide many references.

Disclaimer: we have no commercial links with these organisations or their products, and their appearance in this fact sheet is not an endorsement.