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5 Selection Mistakes in ERP Projects

in the Cosmetics Industry
and How to Avoid Them

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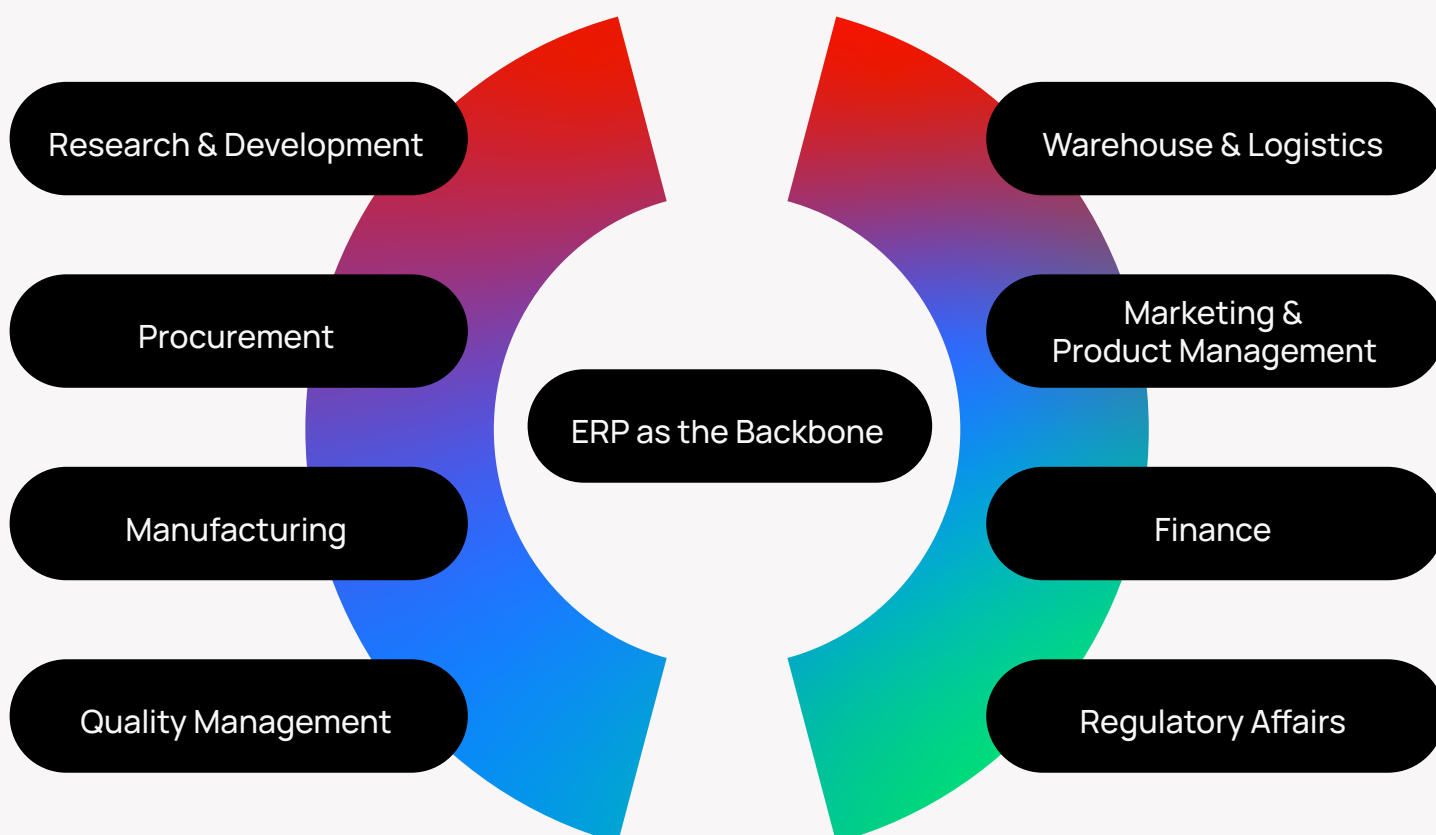
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Why ERP Selection Makes All the Difference in the Cosmetics Industry

An ERP system forms the strong backbone of your entire business processes. Especially in the cosmetics industry, this system largely determines whether you can map and fully document formulations, ingredients, and labeling.

Anyone who makes compromises in this critical decision often ends up having to painstakingly correct not only individual workflows, but deep structural issues as well. Take a look at the typical stumbling blocks of ERP implementations and learn how to avoid them from the very beginning.





Mistake 1: Requirements Remain Too Superficial

Many cosmetics projects start with structure but without the necessary depth. They often describe requirements, but fail to accurately reflect the real day-to-day work behind them. The result is a concept that seems plausible during the selection process, but quickly reaches its limits in later operation.

It is only in day-to-day practice that the missing details become apparent:

- How exactly do we manage product variants and formulations?
- How are changes and approvals for new products handled?
- How do we document ingredients and labeling?

This creates a system that appears perfect in theory but requires significant additional effort in practice.



Mistake 2: The Focus on Cosmetics Is Underestimated

A standard ERP system offers flexibility, but it cannot be bent without limits. Anyone planning to add complex cosmetics-specific requirements to the system afterward simply shifts key challenges into the implementation project rather than resolving them.

This is often underestimated, especially when it comes to:

- Managing numerous product variants
- Adapting and versioning formulations
- Seamlessly linking development, production, and quality

Without a firm foundation in the standard system, isolated individual processes emerge instead of a smooth, end-to-end system. The direct consequence: complexity increases and errors creep in much more quickly.



Mistake 3: Compliance Only Comes Into Play Afterwards

Project teams often have compliance on their radar, but unfortunately not early enough. In many cases, it is only factored into the evaluation once an ERP system has already been preselected or the project is already in full swing.

The rude awakening comes when you realize that the new system does not consistently support the strict requirements of the cosmetics industry:

- Documentation is not seamlessly embedded in the system.
- Evidence for ingredients or labeling requires labor-intensive, separate maintenance.
- Changes cannot be tracked seamlessly.

Especially as demands for transparency and product declarations continue to grow, this creates additional effort in day-to-day work instead of establishing clear and stable processes.



Mistake 4:

A System Is Evaluated by Individual Features Instead of Processes

A demo impressively shows what a system can theoretically do, but the real stress test is practice. Far too often, major decisions are based on checking off rigid feature lists instead of walking through real cosmetics business processes step by step.

Only in practical use does it become clear whether the different areas really mesh seamlessly:

- Product development and production are not seamlessly linked.
- Important data has to be entered multiple times or transferred manually.
- Adjustments do not automatically flow into downstream processes.

Anyone who skips this practical comparison often ends up choosing a system that looks impressive on paper, but creates noticeable friction in day-to-day operations.



Mistake 5:

Price Dominates the True Value

The first thing many companies look at is licensing costs. These figures seem tangible and are easy to compare. But that first impression says little about the real added value a system will actually provide in everyday work later on.

The real, often invisible costs are hidden beneath the surface and usually only arise after the purchase decision:

- for customizations
- during integration into existing structures
- in ongoing operations and during updates

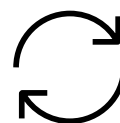
If software does not already support your core processes out of the box, it requires continuous rework. This is exactly where the effort often grows unnoticed into a lasting burden. A deliberate focus on long-term value protects you from saving money in the wrong place and paves the way for solutions that truly move your business forward.

Foundation Before Function: Your Key to ERP Success

Implementing a new ERP system is a far-reaching decision. Anyone who clearly defines their requirements, includes industry-specific details, and considers compliance from the very first minute is laying a strong foundation. Without this basis, painful compromises in live operations are inevitable. So how do you make the right choice? The key lies in a clearly structured approach:

Real processes instead of long lists

Define your requirements based on real work processes – not rigid feature lists.



Test workflows

Run through business-critical workflows early and specifically, for example in practical demos or a proof of concept (PoC).



Compliance from Day One

Anchor compliance requirements directly as a criterion so that you can carry out a suitable evaluation.



Everyday reality instead of glossy promises

Measure the systems offered against the reality of your company, not against polished presentations.



Value before price

Make your decision based on the long-term added value for your company instead of being guided only by initial entry costs.



This way, you are not just making a well-founded and secure decision. You are creating a stable foundation for an ERP system that supports your processes efficiently, reliably, and for the long term.

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