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ERP Systems: SAP vs. 1C

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Introduction

Investment in Russia and its neighboring countries requires good controlling tools. An effective ERP system is key in order not to risk the entire investment with poor transparency. Those who implement a full ERP system usually use either SAP or the Russian accounting program 1C (pronounced as "1S"), the latter also has the capability to go far beyond Accounting and Taxation.

Very often you hear that experience in implementing an ERP system in one of the other BRICS countries, or even Eastern European countries such as Poland or Hungary, does not necessarily convert to useful knowledge of ERP in the Russian market. Another common misunderstanding is the assumption that an

SAP team from the HQ office could fully manage the ERP-implementation in Russia, Ukraine, Kazakhstan, etc. If the stereotypical generalization that "Russia is different" is true at all, then it applies here for ERP systems. In the following pages, my colleagues will describe for you some specific processing features in Russia, looking at accounting matters, tax compliance issues, special features in invoicing processes, etc.

There is also something for those who have little hope for Russia's bureaucracy to shrink: quite a few "popular" tax forms such as Acceptance Protocol and VAT-invoices do not need to be printed out and signed on paper any longer, they can be exchanged

between business partners (B2B) in electronic form via the Internet. Automation and simplification has a chance in Russia!

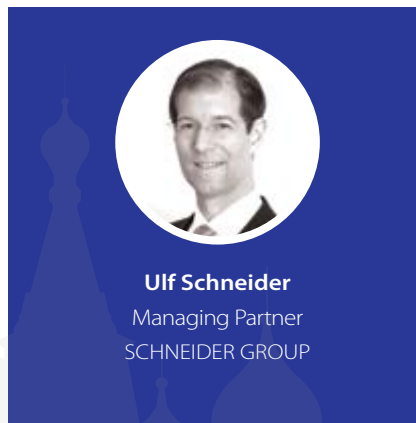
Implementation of SAP or 1C as your ERP system in Russia is not only a matter of cost but is also a

question of implementing the compliance rules and conceptual matters of the accounting and reporting systems you believe in. My colleague, Thomas Titsch, the responsible Director in our company for ERP systems, explains the different approaches of the various systems.

Before you decide which is the best ERP system for you in Russia and its neighboring countries, it is

important to properly compare the advantages and disadvantages of the different systems. Such a comparison should not end at implementation considerations, it should also comprise pluses and minuses after you start using it – expense calculation for ongoing use of the system as well as questions of fast availability of new versions, and also questions of its ongoing conformity with compliance rules should influence your decision for one system or the other.

And finally: Get advice from someone who does not only consult and implement ERP systems, but from someone who also actively uses the ERP systems.



Kind regards,

Ulf Schneider
Managing Partner
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Reference

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This Issue's Topic

Russian ERP Systems: SAP vs. 1C

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We at SCHNEIDER GROUP consult and provide our international clients with the back office services they need to expand their business into or within Russia, Kazakhstan, Belarus, Ukraine, Poland and Germany.

With 500 experts in 11 offices across six countries, we offer services like support for market entry, import, accounting, tax, legal consulting and implementation of ERP systems.

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ERP Systems

1C and SAP

When a foreign company begins its operations in Russia, Kazakhstan, Belarus, Ukraine and Poland, it is essential that the company conducts its accounting operations in accordance with local law. An appropriate system is necessary for this. To address this, one usually has to choose between the most common ERP systems: SAP ECC and the Russian 1C. We consult you on which system best suits your needs and can implement both SAP and 1C for your subsidiary in Russia, Belarus and Ukraine.

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