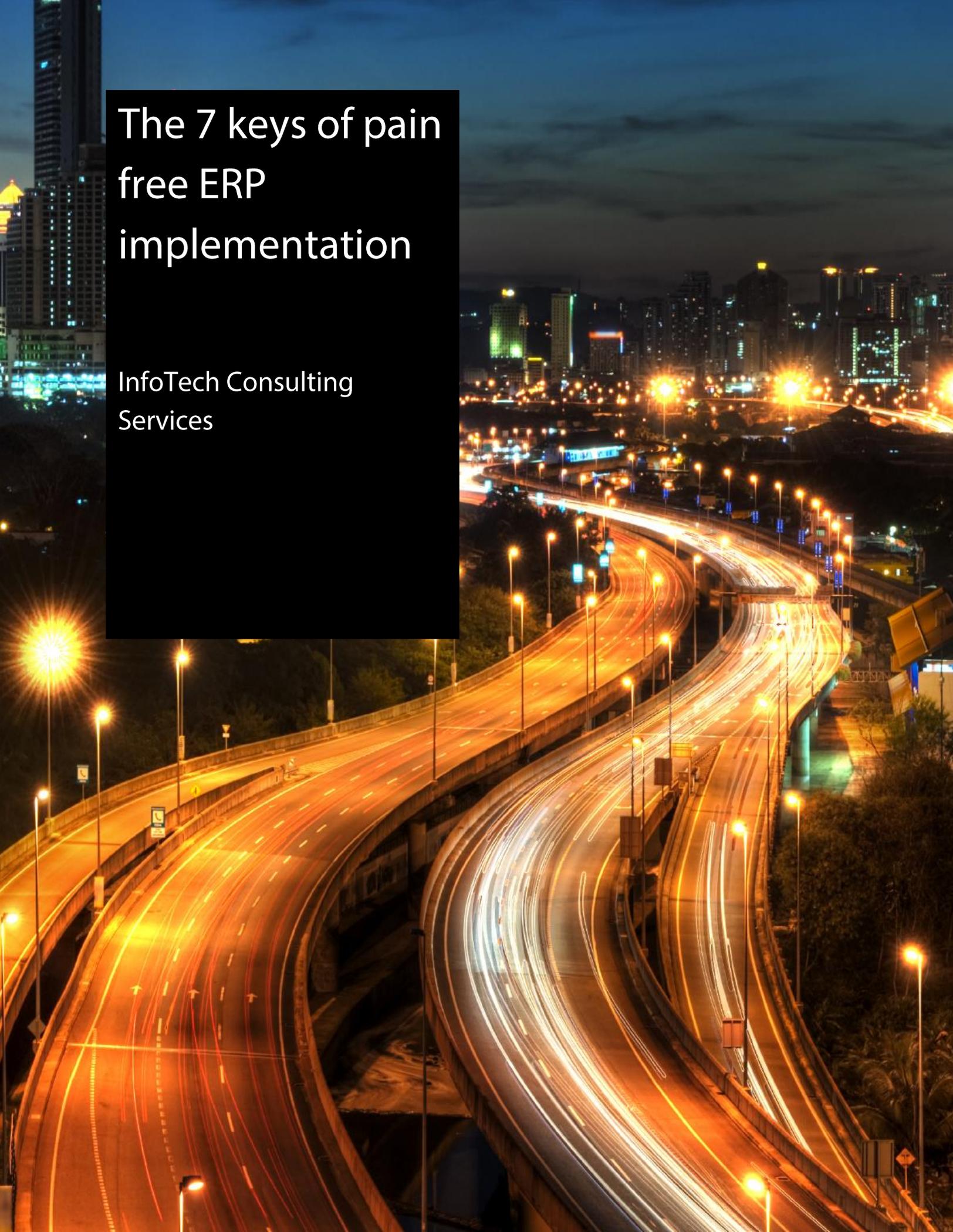# The 7 keys of pain free ERP implementation

InfoTech Consulting Services

Whether you're upgrading from a legacy based system or automating from scratch, selecting and deploying the right ERP solution is something organizations must get right. An ERP pervades through the entire enterprise making it a cornerstone for future growth and profitability. Having done dozens of ERP implementations here are InfoTech's seven keys to getting ERP selection and implementation right:

1. Get Executive Support

Without robust hands on executive support an ERP project will be more expensive, finish later and not give all the benefits envisioned. Getting executive support for an ERP implementation is the most critical key for project success. In emerging markets often we come across company cultures where open communication is challenged. In such cases we have seen ERP projects get approvals without all key executives on board and supporting the project wholeheartedly affecting its success.

> In an ERP implementation how the entire organization works changes forever

Executive support is not just sign off and a willingness to get involved in escalations. Executive support requires consistent C level engagement and deep involvement. This will only come when C level executives realize that an ERP implementation is not an IT project. In an ERP implementation how the entire organization works changes forever. It touches everyone. It has direct immediate impact on productivity, often dipping before consistently increasing until project benefits are realized. As project owner you must evangelize the project until full executive support is guaranteed. In our experience there is a direct

correlation between the level of CEO involvement and level of ERP project success.

Open and frank communication is key to get the support needed from the right executives. Communicating the importance of your project's role in the organization achieving key financial and business metrics will be important. When interdepartmental conflict arises and you need executive authority to push needed actions through, it is helpful to refresh the basics. Give consistent and candid updates and build this communication into project's corporate governance with the CEO as a required attendee on weekly meetings.

> This holy trinity of Core, Processes and Data is at the heart of project success.

2. Focus on the core

An ERP project is expensive and disruptive. The pain is easily worth the powerful business advantages down the line in business growth, strategy and operations. Project owners sometimes feel the need to show gain with fancy Graphical User Interfaces and dashboards, or "nice to have but not essential" features, or by trying to cover everything the organization does in the scope and doing everything in one go.

Focus on the core modules and do them right the first time. This means Financials, HR & Payroll, Supply Chain and Reporting. Get them up and running. Make sure the core processes are based on global best practices and triple check that they deliver the right data. This holy trinity of Core, Processes and Data is at the heart of project success.

3. Get cross functional input to define project scope

Take your time defining the scope. Working from CEO down to functional heads works well. Stay on message consistently by telling them this is not an IT project but one that will fundamentally and forever greatly improve the organization and how they work. This will help get informed and thoughtful feedback from the various functions.

The scope of an ERP implementation needs to reflect the most important requirements of the core functions that govern an organization. Only deep analysis using long informed and interested discussions with function heads will flush this out. Put in the time and get them to put in the time. Make sure the solutions to challenges identified are measureable.

> Defining project scope by reverse engineering them from mission critical requirements must be driven by the project owner.

Executives, functional heads, the CEO, third parties and vendors will own multiple things in the project. Defining project scope by reverse engineering them from mission critical requirements must be driven by the project owner.

4. Partner smartly

Partner smartly because everything depends on it. Successful ERP implementations requires prior experience, selection of the right solution, selection of the right ERP software vendor, deciding on the right delivery

model, deciding on the right implementation approach, and the ability to impart training. Getting anything on this checklist wrong can derail the ERP implementation and dilute the expected benefits from ERP. Thousands of collected hours of expertise are needed to perform all these tasks well. Organizations understandably do not have that prior experience under their belt. We often see large organizations with expensive and very smart IT resources believe they can go with a low cost implementation partner as they can fill in the gaps themselves. This never works out.

> Select a company that understands your business objectives, strategies, competition and growth plans

Select a company that understands your business objectives, strategies, competition and growth plans. It should have proven expertise in deploying complex ERP programs and relevant modules. Ensure they have the ability to show strengths and weaknesses of different ERP vendors in your industry so they present the vendor landscape to you intelligently in a matrix. This should include focus on often over looked aspects of configurability, flexibility, desired user interface and integration with other existing systems.

The partner will also help with the key decision of the amount of cloud in the solution. Many ERP packages have cloud extensions and in built mobility. Some cloud platforms are entirely cloud based with often a tradeoff between the robustness of feature sets for cost and flexibility.

Lastly make sure the partner has a good reputation and capability of imparting training to your core group of users. Change management and Training capability is essential in the partner you select.

5. Data pre-work is essential

When we do infrastructure projects often the most frustrating aspect is when all the Data Centre and networking equipment is ready but the site is not. The applications equivalent of this scenario is when customer agreement and alignment on re-engineered processes internally is not complete and the master and transactional data needed for successful ERP deployment is not gathered and clean. Dovetailing partner milestones with the readiness of data pre-work activities is critical to on time project delivery as this in our experience is the number one project delaying factor. Too many customers lose focus after partner and vendor selection and do not own and drive the data pre-work tasks. As the ERP project owner it is critical that you do.

> Dovetailing partner milestones with the readiness of data pre-work activities is critical to on time project delivery

6. Service & support decisions can ruin good implementations

Modern ERP programs are complex, have a pervasiveness of always-on features that require regular security upgrades, and thousands of developers consistently improving existing features and adding new ones. It is imperative that organizations electing to undergo ERP implementations build the service and support model costs up front into the business case and that they maintain an even more rigid criteria of excellence for partnering then the original ERP presentation.

An ERP partner is not just someone who lends expertise during the implementation but a smart strategic initiative that allows you to focus on your core business as they manage the dynamic aspects of an application led automation strategy. An ERP implementation is often the beginning of change that is iterative and never really ends. Smart post implementation relationships will ensure that this dynamic becomes a competitive edge. Whether this relationship encompasses upgrades, support and strategic road map consulting or full-fledged out sourcing of the ERP ecosystem, it needs to be part of your strategy from the get go and not an afterthought. "We'll tackle that when we get there" can result in reduced ERP implementation benefits.

> An ERP partner is not just someone who lends expertise during the implementation but a smart strategic initiative that allows you to focus on your core business

7. Use ERP score cards

Or as our Implementation Team Lead likes to call it "Metrics! Metrics! Metrics!" Contrary to popular belief being held accountable and measurement against metrics is something good implementation partners prefer. It means they are dealing with the best kind of client: The informed one. It's something that drives constant communication and healthy discussion and allows for a deeper level of interaction and more learning for the project owner.

Metrics need to encompass one clear and one often ignored area and they need to be decided up front with room for evolution at pre-determined milestones. Firstly they should clearly show how the ERP implementation relates to and is delivering against business deliverables. This should

include improved profitability as a measure of project success. In the interest of fairness and clarity the project owner needs to ensure that the baseline metrics are collected accurately and agreed upon by everyone involved including the implementation partner.

The often ignored area is that of soft metrics that often see improvements with successful implementations. Areas such as customer satisfaction, employee morale, speedier decision making should not be ignored to identify the impact of ERP. But identify how to measure this up front.

A holistic view of business benefits from ERP is critical because that is the true measurement of a successful ERP implementation. A simple cost versus productivity efficiency ROI misses the point of how a successful ERP implementation super charges the business.

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We hope these seven keys can help you unlock your own successful ERP implementation. The road is less travelled and rocky but it is the way to the Promised Land of a productive competitive business that has clarity into its own processes and workings, and uses that information to transform itself into a winning, growing and agile business.

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