

SIX POINTS OF CONSIDERATION

FOR ERP IMPLEMENTATION



JOE TIMMINS

INTRODUCTION

Enterprise Resource Planning (ERP) systems play a vital role in the global economy. ERP companies worldwide service a \$60 billion market providing systems that help companies of all sizes with transactions and reporting on vital business information. This includes costs, prices, inventory availability, customers, suppliers, financials, assets, history, budgets and forecasts. The focus of this eBook is the Small to Medium Enterprise (SME) space. ERP solutions promise increased efficiency, better data management, and enhanced decision-making capabilities, but to work they must be well implemented. This can be a challenge for SME companies. But with careful planning, risk can be greatly mitigated, and rewards will be realized.

Welcome to "6 Points of Consideration for ERP Implementation." In this eBook, we will embark on a comprehensive journey through the critical stages of ERP implementation. Whether you are considering replacing your current ERP system, selecting the right team to implement it, preparing for a vital ERP demonstration, navigating the complexities of project execution, or ensuring a smooth transition post-go-live, this guide is designed to be your compass.

ERP implementation is a significant undertaking that requires careful planning, strategic thinking, and excellent execution. The decisions made at each juncture can have far-reaching implications for your organization's success and future growth. Therefore, it is imperative to navigate these considerations with precision and foresight.

This eBook is your roadmap to success in the world of ERP implementation. Each chapter will delve into one of six key points of consideration, providing valuable insights, practical tips, and real-world examples to guide you on your journey. By the time you reach the final page, you will be equipped with the knowledge and confidence to tackle your ERP implementation project head-on and achieve the transformative results you desire.

CHAPTER 1

WHY REPLACE YOUR ERP?

Enterprise resource planning (ERP) systems are critical to the smooth functioning of many businesses, managing vitals such as financials, customers, and supply chain. As technology and business needs evolve, it may be necessary to replace your old ERP system. Here are five considerations that might influence the decision to change:

01. LACK OF AN API - APPLICATION PROGRAMMING INTERFACE

In today's connected world, having an API is essential for integrating your ERP system with other business applications and data sources. Older ERP systems often have no API (or a weak one). If that's the case, you'll likely miss out on valuable integrations like eCommerce platforms, EDI and warehouse management. Also, well integrated partner solutions rely on API's and certifications by the ERP publisher (like SAP). This will protect you.

02. THE PRESENT ERP PRODUCT HASN'T BEEN IMPROVED AND LIKELY WILL BE SUNSET

Technology and software are constantly evolving, and it's essential to stay up-to-date with the latest advancements. Or, perhaps your business needs have changed and the old ERP is no longer a fit. If your current ERP system has not been improved or updated in some time, it's possible that it will soon be sunset by the vendor, leaving you without support or upgrades. This is a scary situation if your business heavily depends on a system with no improvements, no future and one day will stop working.

03. LACK OF SUPPORT

A critical component of any ERP system is support, both from the vendor and the wider community. If your current ERP system does not have this “ecosystem”, it can be difficult to resolve issues and implement new features. This can lead to frustration and decreased efficiency, ultimately impacting your bottom line. When help is needed do you have someone to call?

04. CLOUD NOT AN OPTION

The cloud is increasingly becoming the preferred deployment model for ERP systems. If your current ERP system cannot be cloud deployed, you may be missing out on the benefits of cloud computing, such as increased flexibility, scalability, and security. You also will incur IT infrastructure needs that require specialization and on-premise support.

05. TOO DIFFICULT TO GET MEANINGFUL REPORTS

One of the primary benefits of an ERP system is the ability to generate meaningful reports that provide insight into business operations. If your current ERP system makes it difficult to get the information you need, it may be time to consider a replacement.

Replacing your ERP system will be challenging, but it may be necessary to keep up with changing technology and business needs. By reviewing the top five considerations outlined above, you can make an informed decision about whether it's time to make a change.



CHAPTER 2

WHO WILL IMPLEMENT YOUR ERP?

Enterprise Resource Planning (ERP) systems are essential for distributors and manufacturers in the highly competitive current economy. Well-implemented ERP systems, streamline business processes, improve efficiencies, and enhance decision-making. But with a multitude of options available in the market, selecting the right ERP may not be simple. Let's explore some factors when selecting an ERP for the SME.

01. WHO IS THE PUBLISHER?

ERP systems are feature rich, but complex software products, which should help, not hinder you. In other words, the user experience should be positive. Large software companies (publishers), like SAP, can deliver such products. There are many ERP software publishers, especially in the North American market. To evaluate them consider: Install base, partner solutions, an active road map, and the functional depth of the product. These become clearer when there is a solid company behind the product. It is especially important to look at the publisher's long-term track record. ERP systems have evolved over time, and many publishers have come and gone. Pick one who has longevity.



80

A significant majority (80%) of organizations achieve a return on investment (ROI) from their ERP implementation, whether it's early, on schedule, or on time.*

*Source: <https://scoop.market.us/erp-software-statistics/>

02. WHO IS THE IMPLEMENTER?

The success of an ERP deployment depends on the skills and expertise of the implementation team. Considering “who” will do the implementation (likely a Value-Added Reseller) is the number one priority. Make sure to evaluate their track record, experience, and references. Things you want include knowledge of the software, experience in learning your business, and the ability to work with your internal people. Ask your VAR lots of questions and make sure they also ask you questions too! On your side, you'll need good people to implement. These folks will “learn to fish”, ensuring that the project stays on track, the software works in your business, and progress is communicated to the stakeholders.

03. PRODUCT FUNCTIONS - THE OVERWHELMING MANY – VERSUS THE VITAL FEW

ERP systems come with a range of features and functions. However, not all functions will be relevant to your business. It is essential to identify the critical ones, essential for your business. Then, ensure that the ERP system you select has those functions and that they have been demonstrated. For example, if your business relies heavily on alerts and approvals, ensure that the ERP system you choose has automation capabilities.

04. CAN GROW - SCALABILITY AND FUTURE DEVELOPMENT.

When selecting an ERP system, it is essential to consider whether it can accommodate your business's future growth. As your business expands, your ERP system should be able to scale and adapt to meet your changing needs. Additionally, consider the publisher's track record of releasing updates and enhancements to their ERP system to ensure the ERP is up to date with changing business requirements.

05. YOUR BUDGET - PRICE...YES, IMPORTANT. VALUE ...ABSOLUTELY MORE IMPORTANT THAN PRICE!

While price is an important consideration when selecting an ERP system, it should not be the only factor. It is essential to consider the overall value that the system will provide to your business. A lower-priced ERP system may seem a more attractive option initially, but it may not offer the same level of functionality or support as a more expensive system. It is important to evaluate the cost, but also the return on your investment. Try to create a vision of the ERP deployed in your company – the so-called “future state”.

In summary, selecting the right ERP system requires careful consideration of various factors, including the publisher, the VAR, your implementation team, product functions, scalability, budget, and installation base. Include these considerations and select an ERP accordingly.

CHAPTER 3

PREPARE FOR AN ERP DEMONSTRATION

Like a good paint job, it's all about the prep. If you're considering investing in an enterprise resource planning (ERP) system, it's wise to get a demo and see the system in action. This is the best way to learn about software capabilities and potential benefits to your organization. In this chapter, we'll go over a few tips for ERP demo preparation.

01. VETTING THE PUBLISHER AND THE VAR

Make sure the solution presented is a good fit for your budget and industry. Make sure the Value-Added Reseller (VAR) is capable of providing a demo – and that the demo is tailored to you (not generic). Ask if the person doing the demo is actually an implementer who will work with your team. Ask about his/her experience and industry knowledge. Have they toured your operation?

02. ASSEMBLE THE RIGHT TEAM

Your team should include individuals from different departments who have a stake in the ERP implementation. For example, you may want to include IT, finance, sales, purchasing, and manufacturing. By having a diverse team, you'll be able to evaluate the ERP system from different perspectives and ensure that all key stakeholders have a voice in the decision-making process.

03. IDENTIFY YOUR NEEDS AND GOALS

Make sure you understand “must haves” – these are software capabilities that are vital to you – and justify the investment you are considering. Do not worry about the narrow aspects of the software (e.g. how to print a check) – many such capabilities are given, don’t need to be demonstrated and distract from what’s vital.

04. SET EXPECTATIONS

Make sure attendees are expecting a demo and not a training session. If the solution is eventually chosen, the VAR will propose extensive training and enablement of all users. Also, limit the demo to 2 hours – otherwise, people will reach a saturation point. Attendees should clear their schedules and not be interrupted. Going to the VAR’s office for the demo can help reduce distractions too.

05. ENVISION THE PROJECT TO SWITCH TO THE NEW ERP

Make no mistake, an ERP project is involved. In advance of the demo, participants should be picturing what data conversion and clean up will entail. They also should think about organizational skill sets. For example, if your material planners have never used MRP, how will these new capabilities benefit you? Is additional training (such as APICs certification) needed? Or, do you need to hire? Think also about the critical reporting needs of your business that the ERP must provide.

During the ERP demo, you'll have the opportunity to ask questions and get answers from the VAR. To make the most of this opportunity, it's essential to prepare a list of questions in advance. These questions should be based on your organization's needs and goals, and should cover topics such as implementation, customization, and support.

To get the most out of the ERP demo, it's important to provide the VAR with relevant data about your organization. This data may include information about your current processes, like order to cash and purchase to pay. By providing this process information in advance, they can tailor the demo to your specific needs and provide you with a more personalized experience.

Attending an ERP demo is an essential step in selecting an ERP system for your organization. By preparing in advance, you'll be able to complete a robust evaluation and make an informed decision.



CHAPTER 4

PROJECT PLANNING

Some companies have robust Enterprise Resource Planning (ERP) systems that are well deployed. Other companies have ERP systems that are underutilized. Still other companies have ERP systems that don't fit their needs. No matter where your company is at, ERP systems can be complex. That aside, when properly deployed, they will streamline your business processes and improve overall efficiency. The key to achieving this goal is a well planned and executed project. Picturing the replacement of your ERP system should include excellent project execution. Solid and careful planning and preparation will make the future state achievable. In this chapter, we discuss five considerations to get an ERP "project" started.

01. COMPANY ROLE VS. CONSULTANT (VAR) ROLE

One of the first decisions is to define the roles and responsibilities of both the company and the ERP consultant. The company's role is to provide the necessary resources and support for the project, while the consultant's role is to provide expertise and guidance throughout the implementation process. It is important to establish clear communication channels and expectations from the beginning of the project to avoid misunderstandings and delays.

02. CHAMPION

Having a champion for the ERP project can make a significant difference. This individual should have a strong understanding of the company's business processes and should be able to articulate how the ERP system can improve efficiency and productivity. The champion should also have the ability to gain support from steering committee stakeholders and to communicate effectively with the project team.

03. INFRASTRUCTURE PLAN

Before implementing an ERP system, it is important to evaluate the existing IT infrastructure and determine if any upgrades or changes are necessary. This includes hardware, software, and network infrastructure. A solid infrastructure plan will ensure that the ERP system runs smoothly and is accessible to all users. With technology advancements, an in-depth review of cloud versus on-premise and which is suitable for your company is now a must.

04. QUALITY AND SIZE OF THE DATA

The success of an ERP project relies heavily on the quality and quantity of data available. It is essential to review and cleanse the data to ensure accuracy, completeness, and consistency. A robust data management strategy is crucial to ensure that the ERP system can effectively process, store, and retrieve data. This data should be relevant and old customers, suppliers and items need not be moved to the new system.

05. AN HONEST LOOK AT YOUR PEOPLE'S SKILL SETS

ERP implementation requires a team effort, and it is essential to have the right people with the right skill sets involved in the project. A thorough evaluation of the existing team's skills and capabilities can help identify gaps and training needs. Investing in training and development can help ensure that the team has the necessary skills to support the ERP system in the long term.

Preparing for an ERP project implementation demands thorough planning and meticulous attention to detail. While the points mentioned are crucial, they are not exhaustive, and additional factors should be considered when planning your project.



But, with a solid plan in place, the implementation process can be smoother and more successful, leading to improved business processes and greater efficiency.



The pandemic has **accelerated digital transformation efforts for 69% of private organizations, including adopting ERP solutions. ***

*Source: <https://scoop.market.us/erp-software-statistics/>

CHAPTER 5

PROJECT EXECUTION COMPONENTS

Implementing an ERP successfully can be a game-changer. It really will help your organization streamline operations and gain control. This complexity is most manageable in phases. Project execution, in an ERP project, is critical. If done properly, you will move to a better system and realize benefits. If done improperly, well, we won't go there. In this chapter, we provide a short list of key project execution components.

01. SET ASIDE AN ERP DAY

It's a good idea to set aside time and block off calendars. Consider "a weekly ERP Day" or some other appropriate schedule commitment. Maintaining momentum is essential to the success of the project. Don't lose sight of the fact that key people are needed, and those key people are ALWAYS busy. An ERP Day should be uninterrupted, free from any other meeting distractions and a help (not a hindrance) for managing people's time. The ERP Day is for the team to focus solely on aspects of the implementation.

02. PLAN, PLAN, PLAN

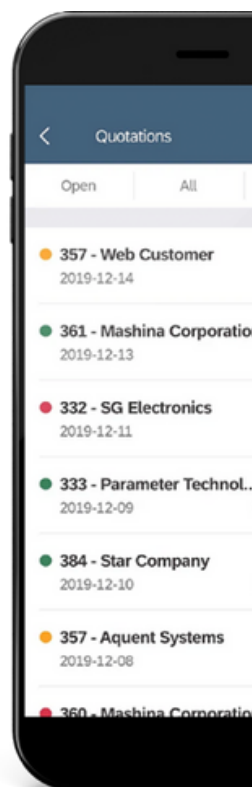
Planning is the backbone of any successful ERP implementation project. The project execution phase is no exception. The team should review a project plan regularly and adjust as needed. Use your VAR to develop the plan. Why? Because she does several implementations a year while you do one implementation every several years. The VAR will keep the implementation on track. This is a good place for classic project management tools, techniques and communication.

03. GATHER AND GET READY ALL CRITICAL FORMS, AND REPORTS

At the outset of the project, all critical forms and reports from the old system should be inventoried. The project team should understand information that keeps the business going day in day out. Even common things like invoice forms, order acknowledgements, purchase orders and checks should be vetted and re-designed as needed. Any necessary changes should be made and proven well in advance of the system Go Live. As for reporting, chances are the new system will be different. What is critical is that key information is understood, along with where to get that information in the new system. The team should have total familiarity with forms and reports, old and new.

04. TWO CONVERSIONS – A TEST AND A LIVE

Plan on two conversions – test and live. The test conversion involves bringing data from the old system into the new system, but well in advance of going live. This will allow for user training, data clean-up and mitigation of problems at cutover in a safe environment. Data is a huge consideration and mostly falls on your company – as you will know customers, vendors, items, and open balances. The live conversion is when people begin to use the new system to do their daily jobs. Game on! Lessons learned from the test conversion will help with the success of the live conversion.



05. USERS MUST BE ENABLED IN ADVANCE OF GO LIVE....PRACTICE, PRACTICE, PRACTICE

Training is critical in any ERP implementation. Users must be enabled so they can do their jobs daily. Without adequate practice and preparation in a test environment, you should not go live. Otherwise, disruption, possibly chaos is likely. The project team should develop a training plan. Resources include VAR facilitated hands-on training and access to training materials like manuals and videos. Users should also practice using the new system to process work. Hands on will make them familiar with features and functionality and make them ready for Go Live.



**User
Enablement
is Key to
ERP Success**

CONCLUSION

As we draw the curtains on the "Six Points of Consideration for ERP Implementation," we hope it's evident that implementing an Enterprise Resource Planning system is a transformative journey that demands careful planning, unwavering commitment, and a keen understanding of intricacies. The decisions made at each juncture, from evaluating the need for ERP replacement to navigating the post-go-live phase, are pivotal. Through this eBook, we have delved deep into these critical considerations, providing insights and guidance to help you navigate the complexities and challenges successfully.

Remember that ERP implementation is not merely a technological endeavor; it's a strategic initiative that has the power to redefine how your organization operates, collaborates, and thrives. As you move forward with your ERP project, always keep in mind that it's not just about the software – it's about enhancing your processes, empowering your people, and ultimately achieving your business objectives. By focusing on these six key points and applying the knowledge gained from this eBook, you are well-equipped to embark on your ERP journey with confidence, and to steer your organization toward a future filled with greater efficiency and competitiveness.

The road to successful ERP implementation may be challenging, but it's also full of opportunities for growth and improvement. Embrace this journey, learn from each step, and let your organization reap the rewards of a well-executed ERP implementation. Your commitment to excellence and continuous improvement will undoubtedly be the driving force behind your success in the world of Enterprise Resource Planning.

CHAPTER 6

ERP - POST GO LIVE

Congratulations on successfully going live on your new ERP system! You have been forward-thinking and have made a significant investment. With investments, the question is always – what is the return? So be sure you continue to consider (and reap) benefits. The Post go-live phase is an essential part of the ERP journey. It is crucial to make sure you're off and running and in a good place.

In this final chapter, we discuss five post ERP go-live considerations along with a short list of benefits from a well deployed ERP system.

01. ROUTINES AND DOCUMENTATION

Establishing routines and documenting processes is helpful in ensuring that users run things smoothly Post go-live. Documentation can include formal user manuals, step by step instructions, and videos that explain transactions, processing, and report generation. Your documentation should be accessible to all users and regularly updated to reflect any changes in your deployment.

Establishing routines also ensures that the system is running optimally. This includes setting up regular maintenance and monitoring (like backups). Routines also help create a predictable business cadence, for important requirements like payables, sales order entry, creating financials, inventory, and invoicing. With regular routines, you will identify issues in manageable increments which prevents them from turning into larger problems.

02. VALUE ADDED RESELLER STEPS BACK – HAVE THEY TAUGHT YOU TO FISH?

During the ERP implementation, your Value-Added Reseller likely played a critical role in guiding your team. Post go-live, your VAR should take a step back and your team should be enabled. The VAR should remain available to provide guidance and support as changes are needed.

Pre Go Live, your VAR should have trained your team to use the system effectively. This includes working in a pilot company to achieve comprehensive training on system features, processes, and configurations that were made during implementation. Your team should be 100% ready to use and operate the ERP independently.

03. SELF SERVICE – MANUALS, WEBSITES, USER GROUPS

Providing self-service options is essential post go-live. This includes manuals, websites, user groups, and other resources that enable your team to troubleshoot issues and learn new features independently. These resources can also help you stay up-to-date on system enhancements and industry best practices. “Self Service” Resources should be easily accessible.

04. PLANNED ENHANCEMENTS

ERP systems are dynamic. As your business evolves, so should your ERP deployment. Post go-live, it is essential to identify enhancements. These may include new modules, new addons, new configurations to the system, and new functionality that the software publisher releases. By regularly seeking improvements, you'll have a better ERP deployment which will benefit your company.

Planning for enhancements is an ongoing process. It is essential to have a clear understanding of your present deployment and your evolving business requirements. Engage with your users and work with your VAR to plan these enhancements.

05. BE PATIENT – TAKES....PERHAPS....A YEAR

Finally, it's essential to be patient post go-live. An ERP implementation takes time to mature. With this maturation, the benefits of the system will be realized. It's not uncommon for it to take up to a year to fully realize the benefits of the deployment. During this time, processes become familiar, users improve at their jobs and a buildup of internal knowledge transpires. These are all good things for your business and benefits start to show.

As a beacon of optimism, here's a short list of the benefits of a well deployed ERP system we've seen at our clients:

- Clean financials
- Great reporting
- Higher productivity – would have had to hire more people with the old system.
- Better quality
- Quicker answers
- More “pro-activity” – both with alerts and freeing up people from routine tasks.
- Better inventory accuracy
- Better material planning
- More dashboards – less guess work, less formal reports
- Quicker training time
- Entry into an ERP community
- Your business is more attractive.
- Higher user satisfaction – and employee retention



Acuity Consulting Group LLC

125 Whipple Street, Suite 3
Providence, RI 02908

Phone: 401.243.8480
Toll Free: 877.361.6534
Fax: 401.633.7750

Joe Timmins
joe@teamacuity.biz

CONTACT US
TODAY!

