Shared Lessons from a "Seasoned" CIO in implementing an ERP system.

Lesson 1 of 5 - Fitting the ERP Implementation Process to the Company

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Regardless of what your company's annual revenue and profitability may be an ERP system can help improve both of these critical business drivers. However; ERP implementations are often marred with cost and schedule overruns. In most cases Value Added Resellers who are very familiar with the technology ignore the importance of business processes and people's resistance to change. In these series of articles we will outline five critical elements to ensure your ERP implementation is successful and provides the efficiencies promised. Interestingly enough none of these elements have much to do with technology but they are directly tied to the information needed by your company to run its business efficiently and make solid decisions. A bad ERP implementation can paralyze the company.

Lesson 1 - Fitting the ERP Implementation Process to the Company

Before any major system implementation, especially an "ERP" system that ties all your company operations together, it is important to have all in the organization committed and bought into the implementation process.

How the environment usually looks like - The software is typically purchased to enforce process discipline in order to improve profitability. Typically the company has just experienced growth and the present systems or spreadsheets are not efficient in running the company. There is a lack of resources to focus on business and system process. Orders are stacking up on Order Entry desks and just waiting. When you announce the start of the implementation of a new ERP system, every organization unit groans. When you ask for resources to assist with the

implementation process, you are told that in the choice between getting orders out the door or helping with an IT project, there was no real choice. The orders had first priority.

All of the various organization interest groups and system stakeholders are not on board with how certain business processes should work. Several interest groups are very vocal and have the system designed to their specifications. The more passive stakeholders do not participate. Their needs are not fulfilled. As a result, the system works well for very few, but the overall solution is dysfunctional In addition to the system being improperly tuned, the business processes surrounding the system are ignored. ERP is an integrated system that ties all of your business functions together. This is great if you have discipline in transaction processing. However; if the surrounding process structure is missing, bad data will make its way into operating and financial reports.

What the environment should look like – One should create an environment where all stakeholders are given an equal voice and heard, even the passive ones. And, you should focus on business processes surrounding the application. Here is what that looked like during the execution of a successful system implementation

1. The balanced voice environment is created and maintained through a set of meeting conventions. Here are several:
    a. Users were introduced to the software capabilities through JAD (Joint Application Design) sessions. These sessions showcased the functions and features of the application to focused groups of users and solicited inputs which were tracked and disposed of.
    b. We made it clear in the JAD sessions that there were tradeoffs involved in making system design and set-up decisions. We held separate sessions to ensure the cross-functional implications of set-up and design questions were vetted. One outcome was the identification and sourcing of a separate software solution to meet the needs of one group.
2. The required focus on business process was managed and ensured in two separate forums.

a. A weekly business process forum was established. In this forum, business processes across the company were reviewed and commented on by a cross-functional group of managers. A full view of the particular business process was represented. The embedded business process appropriate to each particular session was focused on so as to understand any significant gaps.

b. Separate sessions were held with key managers in each of the major organization units to discuss at a low level of detail just what business process issues they were experiencing and how the process interfaces from other business units were impacting their work productivity. Suggested changes were formulated and aired at the weekly business process forum.

In later series of this article we will outline four other elements to help ensure maximum efficiency is gained from your major investment in ERP software.