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growth and profitability

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

## Lesson 5 of 5 – Executive Management must be involved the right way.

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Regardless of what your company's annual revenue and profits 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 the business processes and peoples' resistance to change. In these series of articles we will outline five critical elements to ensure your ERP implementation is successful and that it provides the efficiencies promised. Interestingly, none of these elements have much to do with the technology, but are directly tied to the information needed by your company to run its business efficiently and to make solid decisions. A bad ERP implementation can paralyze the company.

***In our previous issues we covered:***

**Lesson 1 of 5 -** Fitting the ERP Implementation Process to the Company**.**
**Read more.**

**Lesson 2 of 5 -** Who should do implementation management and why it is critical to success.
**Read more.**

**Lesson 3 of 5 -** Train everyone that has to touch the system on concepts as well as functionality.

**Read more.**

**Lesson 4 -** Ensure everyone has the information they need to run their respective business unit.

**Read more.**

**Lesson 5 - Executive management must be involved the right way**

Once an implementation effort commences, it is sometimes easy to forget about the members of the C-Suite. After all, your efforts and success are focused deep within the organization units. However, the members of the C-Suite can be important allies all during the course of the project. A continuing stream of information will be sent to them from their respective reporting units on the frustrations of the implementation project, i.e. this blew up; they are requesting more resources; "we cannot make the deadline because of the effort on the implementation project; etc".

Having scheduled periodic meetings with the key members of the C-Suite will ensure the proper context is set and the right messages about the implementation progress are being delivered. It will also provide a forum to discuss changes in scope, direction and levels of cooperation from the organization units. This is a key stakeholder in the project management process.

**How the environment usually looks** – The Company's CEO, CFO and other executives are very busy staging the company for growth and success. While they talk about the project often and set goals for completion, they do not pay enough attention to the implementation to ensure its success. They do their project management and oversight via remote control. They do this by setting goals and providing bonus dollars for the timely completion of assigned tasks. With these incentives, the top management team feels the project will take care of itself. Because of this, the organization finds itself with:

1) A large number of informal meetings to make key decisions about functionality and customizations, as such, there is not a full representation of the stakeholder interests;
2) A lackadaisical attitude in several groups; the levels of assistance and focus are merely "lip service";
3) Invariably one organization's Business unit head refuses to participate in any of the sessions; and
4) A team that in many respects goes through the motions to achieve the goals in terms of timely delivery of the system, but there are no measure of the quality of what is being delivered. Everyone collects their bonuses and proceeds to complain about how bad the system is.

**What the environment should look like** – You should create an environment that allows executive management to help drive the project with the same priority across the many organization units. Here is what that looks like during the execution of a successful implementation:

1) We organized a Steering Committee that consisted not only of the C-Suite executives; but had representation from our Board of Directors as well. The head of Operations was also required to be present at these regularly scheduled meetings.
2) We discussed issues with this group and made all of the controversial decisions at this level. This group also mitigated the risks of the project and made functionality, schedule, and budget decisions that other organizations could not optimally make individually.

Through these meetings all excuses for lack of functionality, too much cost or late implementation were eliminated as everyone was involved in the decision making process throughout the project.

We hope that you have enjoyed these series of articles that focused on critical elements to ensure the investment spent on ERP implementations yield the correct ROI in terms of future cost savings and efficiencies.