

ERP IMPLEMENTATION STRATEGIES THAT YIELD ULTIMATE ROI

With the tools and process put forth in this article, hopefully you'll feel armed and ready to make ERP decisions for ultimate ROI.

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Considering that an ERP solution is one of the biggest IT investments, organizations must work closely and collaboratively with their ERP partner during implementation. The litany of high-profile failures that squandered significant resources can be blamed on implementation challenges. To yield the ultimate return on investment (ROI), ERP solution implementation success starts with proper planning, open communication, and careful selection of the best technical features that fits the organization.

Proper Planning from the Get-Go

While the failures grab headlines, successful ERP implementations are more common than you may think. Most notable about the failures is that they're largely due to poor planning, unclear expectations, and lack of alignment around business

objectives. Case in point: a recent Panorama Consulting Solutions study found that, while 21 percent of ERP projects were considered failures, more astonishingly, another 21 percent of respondents could not determine whether the project was a success or not. Proper planning and having a partner (not just a vendor) that is invested in the success of the implementation is imperative to achieving ROI.

Having experienced firsthand which projects have yielded immediate value and breakthrough ROI ratios, here are some secrets on what works and what doesn't as well as insights on how to revitalize existing ERP investments, specifically best practices on evaluating new technologies and scaling up systems.

The best ERP implementations rely on proper planning from the

beginning, which involves getting the customer and vendor partner tightly aligned on what both parties hope to accomplish. Customers must demand that their vendors have a thorough understanding of the following:

- *Overarching business objectives for the implementation*
- *Specific customer requirements that they must fulfill*
- *A thorough understanding of not only the customer's business but also their industry*
- *Intimate knowledge of their existing internal resource and requirements—what can be changed versus what must stay the same*
- *Clear comprehension of which business processes need to*



be re-engineered versus those that don't

The vendor partner must hold up their end of the bargain on these requirements, but plenty of work still remains for the customer in the early planning stages. First, the customer must get their senior executive team actively involved in the planning from the start, particularly when it comes to agreeing on the overarching business goals for the implementation. An effective method to guarantee this involvement is to form a small internal team of senior stakeholders who set the project expectations and ensure that all team members are aware of each stage of the plan—from initial blueprint to completed implementation—and when each specific plan milestone will be delivered.

Eight Key Best Practices

Once that early alignment is cemented, customer/vendor teams need to follow eight best practices to ensure a streamlined ERP implementation that will deliver stellar ROI.

1. *First, getting buy-in from the executive team on the project is especially critical to ensure both short- and long-term support and success. We also*

suggest having regular check-ins with the executives to keep them apprised of ongoing progress.

2. *Organizations must then build a strong internal implementation team by finding and empowering a qualified project manager with strong technical and communications skills.*
3. *The team must then refine business requirements before the actual software implementation begins to avoidThis step can be easily achieved by conducting workshops with the internal team and vendor partner to finalize the necessary process requirements in advance.*
4. *From there, the internal teams, with refined business requirements determined, should actively identify areas of their business where ROI can be best achieved, particularly where the new ERP software can make the most difference. This requires establishing baseline metrics to measure against down the road.*
5. *The team should then develop a detailed implementation plan that outlines all resources required to complete the*

project, along with a timeline and

6. *The team should offer training programs to employees at all levels to uncover efficient solutions for workflow gaps that arise during the implementation*
7. *Once the implementation phase is completed, organizations must have a change-management plan in place to track changes to project tasks and to ensure that the changes are not the result of end-user resistance to the new software.*
8. *Lastly, prior to go-live, everyone involved should commit to sandbox testing, where end-users can test process flows and integrate with all external applications.*

New Technologies That Enrich ERP Implementations

Four new technologies will immediately revitalize existing ERP applications or invigorate brand new implementations by providing a positive bottom-line impact on the business. The trick is to know which technologies your organization truly needs based on its business requirements and growth path as well as the best ways to implement them. The four technologies that are significantly

impacting mid-market users today are cloud computing, social media and digital marketing, mobile, and analytics and metrics.

ERP and the Cloud

Cloud computing has become increasingly important to the mid-market, decreasing IT costs while making data more readily available to users. Today's ERP buyers must decide which model fits best for their organization: on-premise or hosted cloud solutions. This decision depends largely on factors such as budget, IT personnel resources, and time allotted to manage complex projects as both approaches offer distinct advantages and disadvantages.

For on-premise solutions, the organization must have dedicated resources to drive customization of the solution and implementation. Data lives locally, which has its pros and cons as it relates to security (the pro: there is ultimate chain of custody of data) and business continuity (the con: a natural disaster could destroy data if it's not backed up properly). Cloud solutions offer many benefits in terms of time and cost for implementation because organizations do not require as many ERP-specific resources. Data is in the cloud; therefore,

providers must be compliant with the latest security standards.

From a business-continuity perspective, the cloud solution enables organizations to maintain operations even if the physical location becomes compromised.

ERP and Social Media

Social media tools are now part of mainstream ERP applications, and organizations will become more dependent upon them as digital marketing continues to grow in influence. Moreover, social information is becoming more essential to helping companies share information, receive notifications, and engage in two-way conversations with their customers.

Social media has also had an impact on the culture of communication across organizations. We are sharing data and communicating in new ways, and these new channels are having a profound impact on IT systems and policies, which puts pressure on the ERP system to accommodate a modern-day user.

ERP and Mobile

As more organizations rely on tablets and smartphones as their primary devices, executives and end-users—regardless of their physical location—must have real-time access to ERP information

from those devices in order to make the smartest possible business decisions quickly. Moreover, the use of mobile devices by employees allows them to capture data remotely while leveraging the computational power of modern ERP systems.

As the Internet of Things trend continues to grow, mobile will play an even larger role in organizations and will create new complexities. Therefore, IT staff will have to manage and configure existing systems to connect to these devices and handle the vast amounts of data that will be generated.

ERP and Analytics

Most ERP software vendors are now offering standard analytical reports and dashboards that are preloaded within the analytics tools and overall software offering. These tools provide real-time information that can be used to make better business decisions faster. Adding a powerful business intelligence tool, however, will empower end-users to build the customized reports and dashboards that standard ERP software cannot provide.

Analytics is a final game-changing feature in ERP systems, especially in those that incorporate all



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of the above technologies. Mobile empowers users to update information in real time while the cloud gives users ubiquitous access. Social and digital tools create a more user-friendly interface and bolster communication. A proper analytics engine sitting on top of the system will empower executives to make the most informed business decisions supported by the most up-to-date data.

The New Tech

Adding these new technologies will not only make a world of difference to your ERP implementation, but

also greatly improve the overall bottom-line performance of your organization.

Embracing ERP

An ERP solution can be a very powerful and strategic tool that delivers tremendous ROI for an organization. Understanding clear and concise goals of the project, as well as new technologies impacting today's ERP systems, will drive even greater value. The lessons learned from failed implementations are how smart business leaders will escape the negative implementation stats that have plagued even

the largest enterprises. For every implementation that is not considered a success, there are hundreds more that are. New technology has created many new opportunities for organizations to leverage ERP as a tool to support growth. ERP is a strategic investment, and a partner that understands the value ERP brings to the organization will be the partner that ensures a successful implementation.

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