

The 7 Deadly Sins of ERP Implementation

The 7 Deadly Sins

A modern ERP solution can supercharge your organization, enable extraordinary efficiencies and deliver valuable insight. But implementation is one of the most complex, expensive, time-consuming and high-risk projects your organization will ever undertake. And it's easy to make mistakes that will result in failure.

Some mistakes are just bad decisions: Selecting the wrong software solution. Choosing an unworkable deployment strategy. Setting an inadequate budget. Eliminating training.

Some are the inevitable consequence of situational or organizational factors: Lack of in-house expertise. Limited internal resources. Poor organizational energy. Messy data.

And some are the result of process-oriented or people-centric choices – and are easily avoided.

These are The 7 Deadly Sins of ERP Implementation.

#1

Poor Project Planning

It's not possible to overstate how essential proper project planning is to success. And, in our experience, most organizations significantly underestimate the time and resources required to do it methodically and comprehensively.

Here's why it's important: For a complex project like an ERP implementation, lack of process understanding, forgetting a critical task or overlooking a key decision point can cause frustrating delays, time-burning rework, expensive fixes or even failure.

A plan is not just a schedule. You need to set priorities, determine objectives, assess business requirements, develop a budget, and map all future processes.

Every part of your organization, every aspect of operations, every process and every person will be affected by your new ERP solution. It's not possible – or smart – to start without knowing where you are, where you want to be, and how you're going to get there.



#2

Less-Than-Thorough Requirements Gathering

Organizations invest in ERP to enable greater execution and efficiency. So it makes no sense to implement a solution that simply automates your existing processes.

It's easier and faster to take that approach. But as business process improvement experts say, automating a bad process just makes the bad process faster.

Your ROI will be better and time-to-transformation shorter if your implementation team and users make the effort to analyze current core processes, identify pain points, chokepoints and problems, determine needs, and then clearly define a future state.

Comprehensive requirements gathering is the foundation on which successful implementations are built. Shorting or eliminating this vital step is how organizations end up with limited gains or a clumsy, unsuitable partial-fit solution.

Do not start implementation without setting clear objectives, determining specific requirements, and knowing exactly how you want your core processes to look.



#3

Excluding Critical Users from the Process

The IT department and the C-suite do not own (and may never interact with) your core business processes. So the project team should include key people – end users and functional managers – from across your organization that are regularly involved in those processes.

When the right people are involved from the beginning, you're more likely to get hundreds of crucial decisions correct, you significantly improve the odds that your process changes are spot-on, and you help ensure the success of the implementation. Plus, you'll have a group of employees who are engaged with the implementation process and who will have an investment in its success.

Failing to involve users can have a huge downside: Technology-only decisions that ignore the human element often result in the selection of an unsuitable solution, poor user buy-in, resistance to change, misdirected efforts and costly rework. The implementation of a solution that fixes little, breaks proven processes and creates new operational complications can have a devastating impact on an organization.

Engage stakeholders in ERP selection and in decisions – big, medium and small – that will affect the processes they use.



#4

Not Prioritizing the User Experience

Lack of attention to the user interface can result in under-utilization of the solution.

The new generation of technology users expects an Amazon- or Apple-like user experience from their ERP system. Some enterprise solution providers have invested billions of dollars in re-developing and upgrading their user experience. But others have not. UX should be a key criterion in the solution selection process.

A poorly designed, difficult-to-use interface can be a productivity-killer. And when you force people to conform to technology, instead of the reverse, the result is diminished buy-in, reduced compliance and heightened resistance to change.

Include users from all levels of the organization in the ERP solution demo and selection process. Remind the project team that software needs to serve both the goals of the organization and the people who use it.



#5

Failing to Consider an Industry-Specific Solution

Most organizations start ERP selection with a list of the big names in the ERP software marketplace, research features, functionalities and total cost of ownership, and then schedule multiple rounds of sales presentations and demos.

Often overlooked in this process are the smaller solution providers that may better support particular industries and their specialized needs.

There are ERP vendors with exceptionally strong experience and domain knowledge in your vertical – and that understand your business and processes at a deep level. They offer important industry-specific features that bigger ERP solutions do not. Many times, they may be the best choice for your organization and your unique requirements. You'll never know, however, if you don't include them in your evaluation, listen to their pitches and see how their software works.

Think harder. Expand your search to include smaller ERP vendors with a solution built for your industry.



#6

Providing Inadequate Internal Support

There's no debate. A successful ERP rollout can only be achieved with strong organizational buy-in.

Too often, organizations focus on C-suite sign-off. But to persevere through the long process and to reach the desired future state, everyone at your company must understand the case for change. Key stakeholders from all levels of the organization must be involved, and management must be committed to providing the time, resources and budget required.

Here's why a top-to-bottom commitment is absolutely necessary: Lackluster executive support sends the message that the desired changes are not important and, worse, that failure is an option. Weak IT commitment shows that the project is not a priority. An unfocused project team wastes time and will deliver a half-solution. Uncooperative employees will resist necessary change and slow progress.

Secure and maintain organizational commitment. Name an executive project sponsor to be the face of the project and the driving force.



#7

Neglecting Change Management

Poor change management is perhaps the most avoidable cause of project problems and failure. Resistance to change, even positive change, is normal and expected human behavior – and plans must be made to minimize its impact.

It's important to understand that change management is not a discrete phase of the project. Instead, it should be woven throughout the project, embedded in the methodology and infused in the project team culture.

Ultimately, the key to effective change management is communicating project scope, rollout strategy and schedule, and, most important, clearly and persuasively articulating the case for change. Then repeat and reinforce this messaging to ensure all levels of your organization stay focused on the benefits that will come with the future state – and not on the disruptions and uncomfortable changes that come with ERP implementation.

Analyze the impact of every change, and communicate often. Ensure every person at every level of the company understands why it is vital to remake processes and implement an ERP solution.



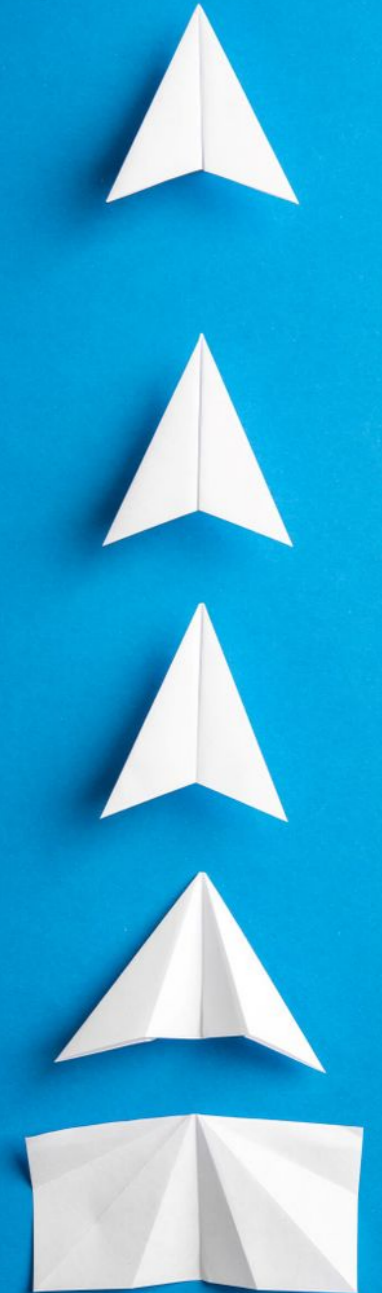
Focus on Processes to Achieve Transformation

When you avoid committing any of The 7 Deadly Sins, your project team can laser-focus on business process improvement. At the most basic level, the primary function of an ERP solution is to help your organization efficiently and effectively execute core business processes.

It's easy to lose sight of that fact and get distracted by complex software comparisons, cloud vs. on-premises debates, deployment strategy discussions, budget negotiations and other important considerations. But when you keep management, project teams and stakeholders concentrated on streamlining and integrating your processes, you virtually ensure that you will realize improved productivity, accelerated workflows, lower operational costs and a better bottom line.

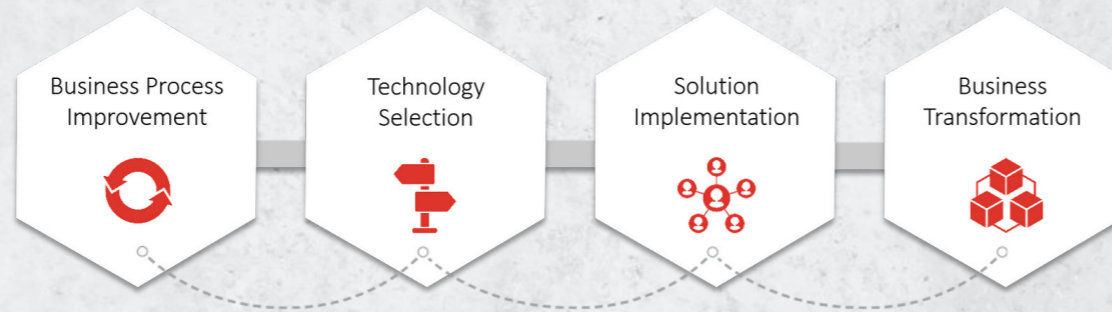
Which is not to say that your ERP implementation will be a walk in the park. In fact, the journey from your current state to your future state will be difficult. Every aspect of operations will be disrupted. Delays will be inevitable and frustrating. New and significantly altered business processes will be necessary. And the fundamental changes it brings will be uncomfortable.

Know that, although the process will be challenging, the outcome – business transformation – is worth the trouble.



About Ultra Consultants

Ultra's approach is unique in the industry – an end-to-end, four-phase approach that drives improved business performance by transforming processes, enabling technology and increasing efficiency while managing and mitigating risk.



Proven Methodology

Business Process Improvement

Ultra establishes a foundation for each project by analyzing issues in the current state, educating the team on best practices and constructing a future state.

Technology Selection

Ultra guides organizations through the evaluation of technology options that have been successful in their specific industry.

Solution Implementation

Ultra resources provide the expertise and knowledge implementation teams require to ensure project success.

Business Transformation

A critical success often overlooked at go-live, transformation is required to facilitate the realization of the benefits and business case for the project ROI.



CONTACT US

Take a moment to explore how Ultra Consultants, as a trusted advisor with exclusive industry expertise, can guide your organization to sustained business process improvement.



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