



7 ESSENTIAL STRATEGIES FOR A SUCCESSFUL ERP PROJECT

Implementing a new ERP solution is a difficult, risky and complicated project – and not one companies do often. So it's common for organizations to be unfamiliar with the best practices and potential pitfalls.

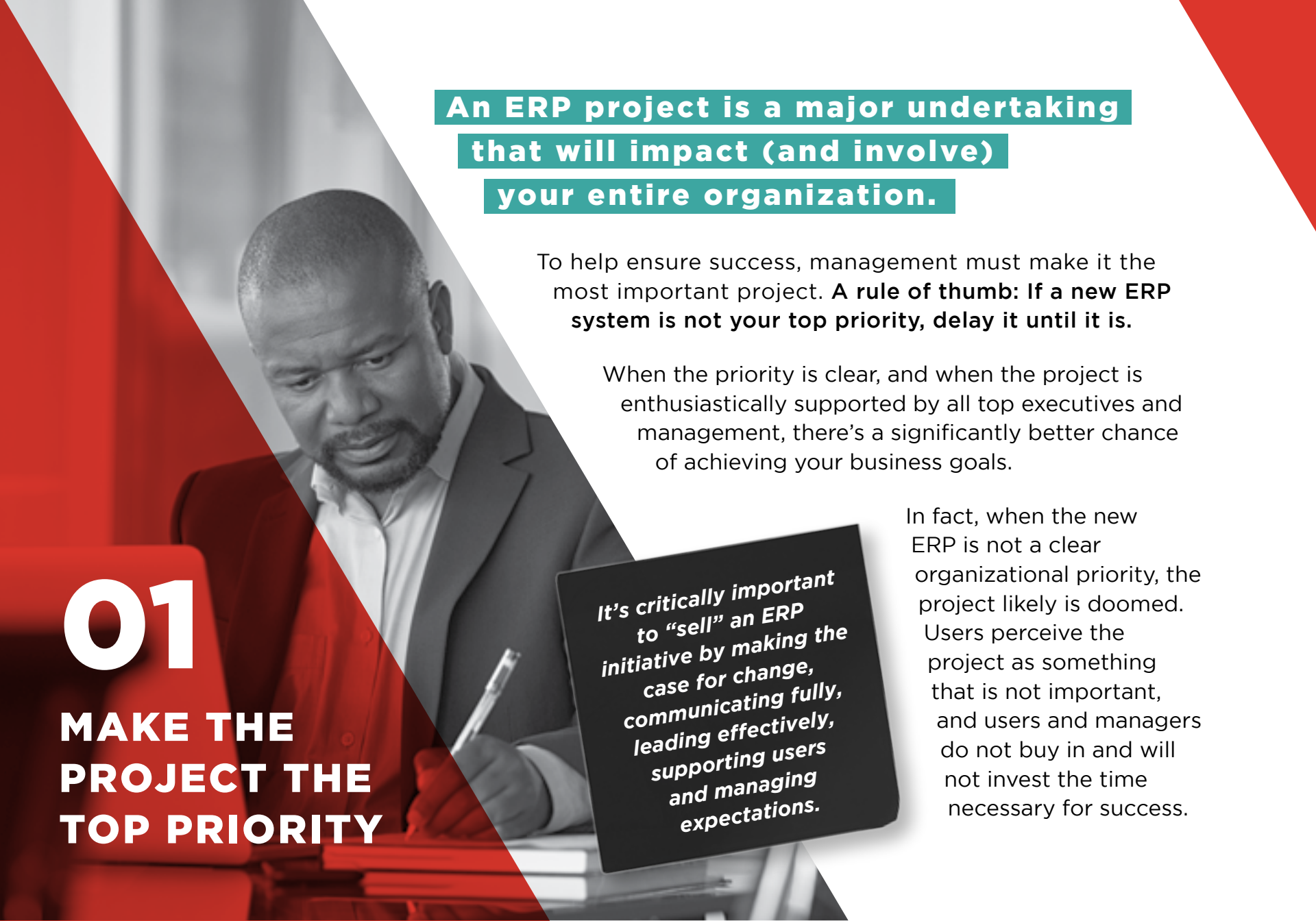
**We asked our expert consultants,
and they offered
SEVEN STRATEGIES
FOR SUCCESS.**

ULTRA
CONSULTANTS

How
can you
improve
the odds?

Which
considerations
are most
important?

What are
the keys
to effectively
managing this
enormous,
business-critical
project?



**An ERP project is a major undertaking
that will impact (and involve)
your entire organization.**

To help ensure success, management must make it the most important project. **A rule of thumb: If a new ERP system is not your top priority, delay it until it is.**

When the priority is clear, and when the project is enthusiastically supported by all top executives and management, there's a significantly better chance of achieving your business goals.

In fact, when the new ERP is not a clear organizational priority, the project likely is doomed. Users perceive the project as something that is not important, and users and managers do not buy in and will not invest the time necessary for success.

It's critically important to "sell" an ERP initiative by making the case for change, communicating fully, leading effectively, supporting users and managing expectations.

01

**MAKE THE
PROJECT THE
TOP PRIORITY**

The goal of the project is success. How quickly you can get your new solution live is not the most important consideration.

When you speed through or gloss-over the business process improvement and software selection phases, it's easy to make bad choices – mistakes that will negatively affect the way you do business for years to come.

The foundation of a successful ERP implementation is business process improvement. When you understand your requirements, know your current state, determine your desired future state and optimize your core processes, you ensure your new solution will deliver value. And with that critical insight in-hand, you can make an intelligent, informed software selection – and then implement a solution that will address your unique needs, deliver efficiencies and improve business performance.

02

**RESIST THE
URGE TO
GO FAST**

Companies must build the business case by conducting a thorough business analysis and current state analysis. This reveals where the organization can improve, and where an ERP system can help.

As an ERP project gets underway, you must know and understand the needs, cost, benefits and, most important, the return-on-investment that optimized processes will deliver to the organization.

Look at both direct and indirect benefits.

Optimized processes streamline ordering, eliminate physical inventory, improve production quality and enable more efficient scheduling. There also are other important efficiencies that will be the result of improved access to operational data, including more accurate materials planning, streamlined reporting, new dashboards and better, data-supported decisions. And there will be ROI achieved from increased customer satisfaction, enhanced supply chain communication, delivery performance, and more.

On average, companies that implement ERP see a return of more than \$7 for every dollar they spend on the project.
- Nucleus Research

03

**DETERMINE
THE ROI**

Your executive team needs to set the tone by communicating the importance of this project.

The project cannot be viewed by the organization as an IT project. It must be viewed as a productivity improvement investment that will make the company more competitive, profitable and successful. It should be communicated that the ERP investment is as important as a new plant or a new product line. And the executive team needs to give the project the same attention as any other top-priority project.

COMMUNICATING THE VISION

- 1. Initially communicate the vision**
- 2. Engage in continuous dialog with stakeholders**
- 3. Make sure all leaders and stakeholders can speak to the vision in their own words**
- 4. Enroll stakeholders in the change effort**

From John Kotter's 8-Step Change Model

04

SET UP REGULAR EXECUTIVE COMMUNICATIONS

Your ERP project requires the best resources from your organization.

You will need to create a steering committee, an executive sponsor, a project manager and a team of business users.

The **steering committee** should be made up of the CEO and the top executive from the functions of the business that will be impacted by the new system.

Give careful consideration to the **executive sponsor**. The executive sponsor should be a leader who will drive the project forward. Ideally, the sponsor has been through an ERP project before.

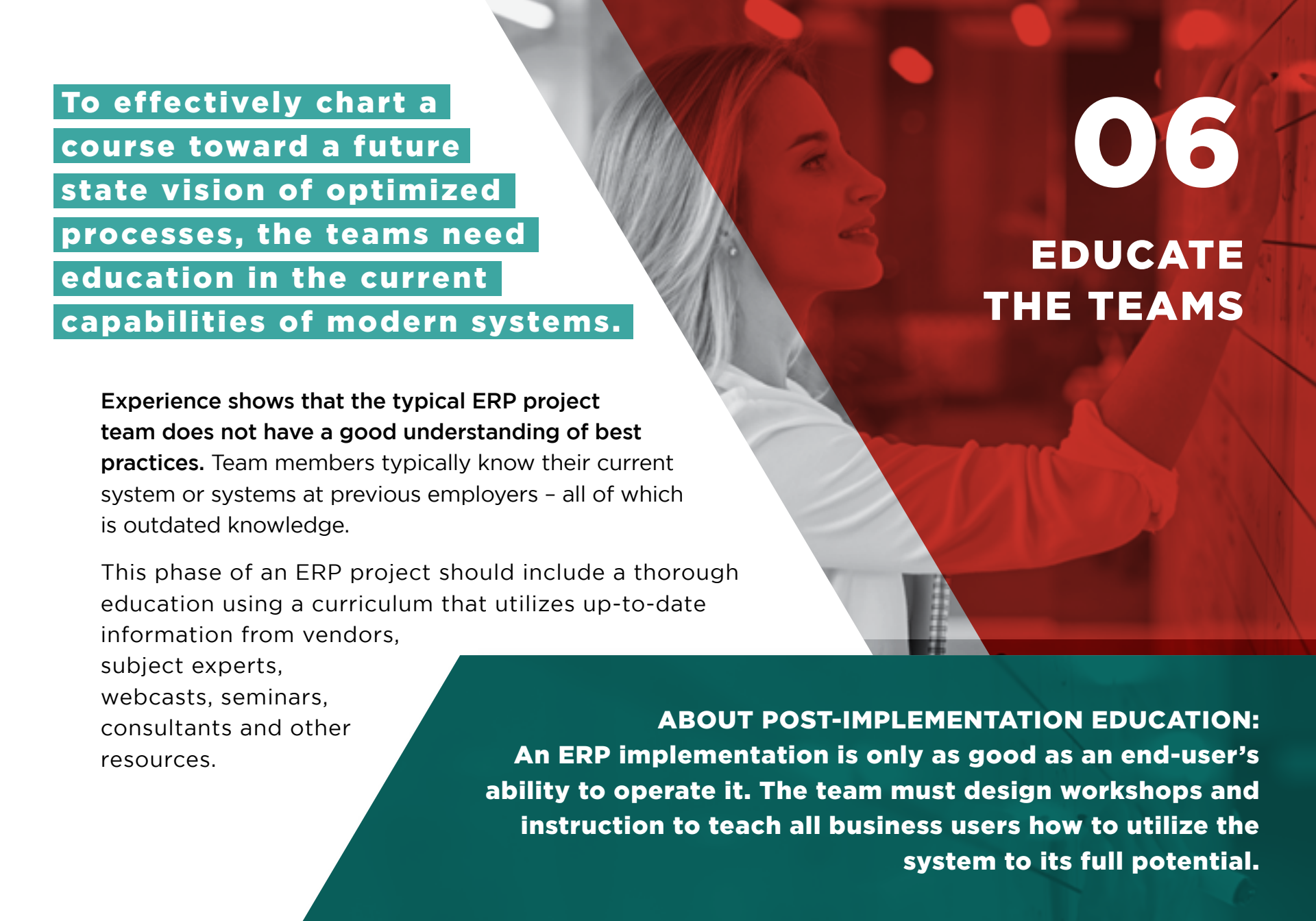
The **project manager** is a critical position that will quickly grow into a full-time role. The project manager should thoroughly understand all parts of the business that will be impacted. Previous ERP project experience is ideal. If a full-time resource is not available, it will be necessary to engage expert outside resources. The project manager reports to the executive sponsor.

The **project team** must consist of the most effective people from the functions impacted. They should be empowered to recommend the right system for the company. And this team will guide the rest of the organization to use the new system to improve the business. The team usually consists of up to 10 members representing sales/marketing, customer service/technical service, R&D/engineering, manufacturing and supply chain. The structure of the team can be more complex if there are multiple locations involved. Bring into the project key users and managers temporarily as needed.

An ERP project is not an IT project. It's a business project.

05

ESTABLISH TEAMS FROM ACROSS THE ORGANIZATION



To effectively chart a course toward a future state vision of optimized processes, the teams need education in the current capabilities of modern systems.

06

EDUCATE THE TEAMS

Experience shows that the typical ERP project team does not have a good understanding of best practices. Team members typically know their current system or systems at previous employers – all of which is outdated knowledge.

This phase of an ERP project should include a thorough education using a curriculum that utilizes up-to-date information from vendors, subject experts, webcasts, seminars, consultants and other resources.

**ABOUT POST-IMPLEMENTATION EDUCATION:
An ERP implementation is only as good as an end-user's ability to operate it. The team must design workshops and instruction to teach all business users how to utilize the system to its full potential.**

07

ESTABLISH A PROJECT CHARTER

The ERP project needs a well-defined charter that clearly states its mission and objectives, is endorsed by the entire project organization, and includes these topics:

- Project mission objectives
- Organization (resources)
- Organization responsibilities
- Scope
- Problems
- Needs
- Alternative solutions
- ROI
- Benefits of new system
- Costs (over 5 years)
- Expected Returns (over 5 years)
- Budget
- Schedule

One more piece of advice: When you need to bring in outside resources, it's critically important to choose an ERP consulting partner with a formal, proven ERP project methodology. In addition, you will want to work with a firm that is flexible and able to adapt its methodology to meet your company's unique needs.

For more than 27 years, Ultra Consultants has utilized its proven methodology, ERP expertise and industry knowledge to deliver measurable business performance improvements to manufacturers and distributors in virtually every vertical.

WHY ULTRA?

- Our services are built for your industry. **We understand your processes and requirements.**
- Our solutions leverage our expertise. **We help you choose software to meet your unique needs.**
- Our results reflect our ERP experience. **We maximize benefits and minimize risk - and deliver success.**