

Successful ERP: six golden rules

Systems which integrate processes and operations right across the business have the potential to deliver huge cost and service benefits but can be notoriously difficult to implement. How do you ensure success?

The Challenge

You want the benefits in customer service, cost reduction and management control which ERP systems can deliver, but know that such projects have a reputation as “difficult” with big budget and time overruns and negative impacts on business operations. How can you get it right?

We think there are Six Golden Rules.

1. Select on Supplier Experience

ERP systems come in many shapes and sizes. Selecting the right type for your business is important but what is really key is a supplier with solid experience of your type of business who can advise you on best practice and pitfalls. Test this out during selection, especially with references.

2. Sign Up to a Business Blueprint

Can you describe what your business is going to be like once the new system is implemented: service delivery, processes, organisation, roles? Every member of the senior team must sign-up to this and support the business changes which will be required.

3. Business Readiness

Those business changes need to be planned and driven through alongside the IT programme. Lead this through a business champion with the authority to make things happen. ERP systems enable new ways of working, but the business needs to be ready to exploit it.

4. Keep it Vanilla

Keep it simple for Phase 1. Resist bespoke configurations and integrations. They add complexity and risk and with hindsight often turn out to be wrong or unnecessary. What you need from the system will evolve and change as you learn how to use it effectively.

5. Plan your Management Information

Plan the delivery of the MI environment you will need post Go Live from the start. Despite what your vendor will tell you, it’s not “out of the box”. Bringing an experienced MI developer onto the team early will ensure you have the core MI you need rather than “running blind” whilst you catch up.

6. Resource it Properly

Most ERP implementations rely on supplier resources to make it happen but there are too many things they can’t or won’t do. Appoint your own Programme Delivery Manager - dedicated to the role, not shared with a day job - and an implementation consultant with experience of the package you’ve selected to give you an independent technical resource.

The Bottom Line

Review your ERP implementation plans and make the decisions needed to adopt the six strategies above. Monitor progress & compliance at key programme checkpoints.

Avendris is a specialist consultancy, providing independent advice on IT Strategy and IT driven business change. We work with organisations that depend on technology as a key enabler for the growth and development of their business.

Our core skills are in the use of technology to achieve major business change. Our services are equally applicable to new projects or to troubleshooting existing projects.

Our methodologies address IT Strategy and Architecture, Requirements Definition, Solution Design, Vendor Selection and Project Delivery.

Application areas in which we have strong expertise include eCommerce, CRM, Business Intelligence, Content and Knowledge Management.

Our capability extends to all aspects of Change Programme Design & Management including governance, communication, risk and supplier management.

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- *Managing Difficult Projects*
- *Green IT*
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What is an ERP System?

ERP -Enterprise Resource Planning - systems are IT applications which span the business, integrating customer management, order to billing, service delivery, finance, manufacturing, distribution and inventory across multiple customer channels and supply chains. The range of functionality they are designed to support means they are not “out of the box” systems. Every process, function and procedure is driven by a complex set of parameters, business rules and customer specific data which need to be designed and configured to suit each customer’s needs. This is where the time and complexity of implementation comes from. It’s also where vendors who have “done it before” in your industry can bring standard processing templates which will get you off to a flying start.

Well known examples of such systems include SAP, Oracle, Microsoft NAV and Dynamics, IFS and JD Edwards. There are also sector-specific ERP packages like Deltek (project management) or CIMS (retail) which come with integrated functionality specifically designed for those types of business.

Edinburgh Office

*1 St Colme Street
Edinburgh
EH15 1JN*

t: +44 (0)131 220 8203

info@avendris.co.uk

Inverness Office

*In Business Centre
24 Longman Drive
Inverness
IV1 1SU*

t: +44 (0)1463 259251

info@avendris.co.uk