The Four Imperatives of ERP Implementation

Considering a new ERP system? Be sure to put these four items at the top of your to-do list.

1 Dedicate the right resources.

Adopting a new ERP system typically takes at least a year, or often longer. Your team is likely already busy with day-to-day tasks, so asking them to take on extra work for a new systems project can be challenging. However, they are the subject matter experts in your business, and their experience is crucial for the success of the project. We recommend identifying at least one "champion" in each functional area and agreeing on a work plan to implement the new system. Consider offering incentives for a job well done, especially during the go-live testing phase when the pressure is on.

But don't stop there. Dedicate a project manager to ensure that all the bases are covered during the entire project, resources are well-managed, and vendors are held accountable. Hire this out if needed, but a strong project manager is essential for ensuring a favorable outcome of the project. While your implementation partner may have their own project manager, we've found that it's not a sufficient substitute for having someone from your team take on the responsibility for delivering the project. This individual will serve as the main point of contact, coordinate internal efforts, and act as a liaison to management. Ultimately, your project manager should be the one making sure every question has been asked and answered, every work process defined, and every business rule implemented.

2 Consider not just who you are, but who you want to be.

In other words, don't just implement a new system that does what you do today, but one that can accommodate your growth aspirations and the needs of tomorrow. Your new ERP system should allow you to expand in ways that support that vision by adding new modules and scaling the use of the system across the business. You won't want to go through the effort again for quite some time, so making the right choices the first time – difficult as that may be – will pay dividends later.

Also, take some time to consider how revamping some of your processes today might contribute to enhancing efficiency tomorrow. A new operating system is a prime opportunity to keep what works and change what doesn't, so take advantage of it. We encourage a conservative approach here, though. An ERP system change is already a significant disruption. Make process changes judiciously and consider fallback plans where appropriate.

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3 Consider consolidating your systems.

Most businesses today have one "primary" operating system along with numerous ancillary applications, documents, and processes to support it. These ancillary solutions often grow organically over time and are usually a response to a technical debt (a function your current system doesn't provide), preferences, lack of training, or a combination of these factors. For example, it's common for companies to have accounting, quoting, and order processing in the main system, while marketing automation, customer relationship management, and internal sub-processes are contained in other, discreet solutions.

The issue is the data amongst all these solutions are related. Having them separate means difficulties in reporting, duplicate data entry, and even conflicting information between systems. We recommend exploring ways to consolidate ancillary systems into the main system when considering a new solution. It requires extra effort, but the benefits of data consolidation and having a "single source of truth" generally outweigh the initial challenges.

If you decide to keep the ancillary systems separate, we recommend considering automated integration between them and your new system. This will eliminate some of the issues mentioned above and reduce some of the bumps in the road that you inevitably encounter when dealing with multiple systems.

4 Know your business rules.

This sounds obvious initially, but you might be surprised at the number of special cases, contingencies, or customer-specific directives that could exist within your business. These directives might be highly unique to your business and are often contained in tribal knowledge with little or no documentation. However, these fundamental business rules can cause problems during the ERP go-live day within the first week if they haven't been fully implemented. For example, do you process receivables differently based on whether a customer orders via PO or a credit card? Do you use a specific shipping carrier for certain destinations? Does your biggest customer have unique requirements for submitting invoices compared to other customers?

This is where your internal team will deliver the most value. Before implementation begins, gather your team, and map out your order-to-cash and procure-to-pay workflows. Document all the details and review them carefully. Then review it again. Fundamentally, these are the functional requirements for your business, and they need to be right. Your initial efforts in this process will pay off on the go-live day.

One more thing: Ask your implementation partner what their methodology is for eliciting and understanding these requirements. Listen carefully to their answer and ensure that you're comfortable with it. Not only is it critical for you to be able to articulate your needs clearly, but for them to understand your specific business and how you operate.

ERP To-Do List

- ☑ Dedicate the right resources.
- ☑ Consider not just who you are, but who you want to be.
- ☑ Consider consolidating your systems.
- ☑ Know your business rules.

Need Help?

Our consultants can help provide the extra support you need to implement a new ERP solution.

Contact us today for a no-commitment evaluation.