

ERP IMPLEMENTATION STRATEGIES THAT YIELD ULTIMATE ROI

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Successful ERP implementations are not as common as one may think. This is largely due to poor planning, unclear expectations, and lack of alignment around business objectives. In our more than 35 years' experience supporting hundreds of successful ERP implementations, VAI has seen firsthand which projects have yielded immediate value and breakthrough return-on-investment ratios. Here are some secrets on "what works" and "what doesn't work" as well as insights on how to revitalize existing ERP investments – specifically best practices on evaluating new technologies and scaling up systems.

Proper Planning from the Get-go:

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

Thorough understanding of not just 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 understanding of which business processes need to be re-engineered versus which ones don't

The vendor partner must hold up their end of the bargain here, but there is still plenty of work for the customer to do in the early planning stages. First, the customer must get their senior executive team 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 achieve this is to form a small internal team of senior stakeholders who set the project expectations and ensure that all team members are aware of all stages of the plan – from initial blueprint to completed implementation – and when each specific plan milestones will be delivered.

Eight Key Best Practices:

Once that early alignment is built, customer/vendor teams need to follow eight best practices to ensure a successful ERP implementation that delivers a stellar return-on-investment. First, organizations must build a strong internal implementation team by finding and empowering a qualified project manager with strong technical and communications skills. From there, the team must refine business requirements before the actual software implementation begins to avoid



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confusion. This can be easily done by conducting workshops with the internal team and vendor partner to finalize the necessary process requirements in advance. The third best practice – getting buy-in from the executive team on the project – is especially critical to ensure short- and long-term success. We also suggest having regular check-ins with the executives to keep them apprised of ongoing progress. In addition, we recommend that internal teams actively identify areas of their business where ROI can be best achieved, particularly where the new ERP software can make the most difference.

With those four best practices in place, the team should develop a detailed implementation plan that outlines all resources required to complete the project along with a timeline and budget. They should also offer training programs to employees at all levels to uncover efficient solutions for workflow gaps that arise during the implementation phase. Once the implementation phase is completed, organizations should have a change management plan in place to track changes to project tasks and ensure that the changes are not the result of end-user resistance to the new software. Lastly, we believe

that everyone should commit to conference room testing prior to go-live where end-users can test process flows and integrate with all external applications.

New Technologies That Enrich ERP Implementations:

There are four new technologies that will immediately revitalize existing ERP applications or invigorate brand new implementations by having a very positive 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, analytics and metrics, and mobile.

Cloud computing has become increasingly important to the mid-market, saving 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.

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

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 intelligent data that can be used to make better business decisions faster. And, a good business intelligence tool will empower end-users to build the necessary unique reports or dashboards required that the standard ERP software offering does not provide.

As more organizations rely on tablets and smartphones as their primary devices, executives and end-users must have real-time access to ERP information from those devices when they are in remote locations in order to make the best possible business decisions as quickly as possible. Moreover, the use of mobile



devices by employees allows them to capture data remotely while unleashing the limits of modern ERP systems.

Adding these new technologies will not only make a world of difference to your ERP implementation, but will also greatly improve the overall

business performance of your organization.

