leverage technologies

THE ULTIMATE GUIDE

# HOW TO IMPLEMENT AN ERP SYSTEM- HASSLE FREE

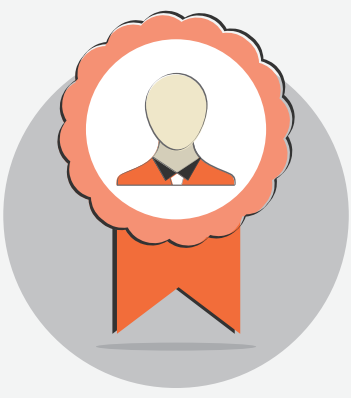
Choosing an Enterprise Resource Planning and a Customer Relationship Management (ERP / CRM) system is one of the major decisions a company makes regarding operations.

## CHAPTER 1

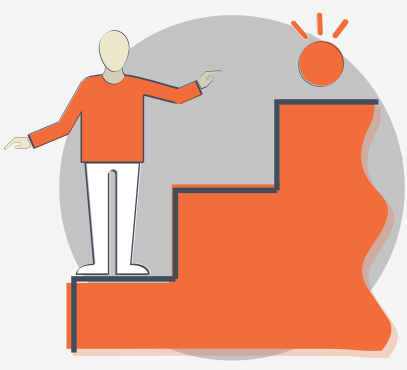
## GROWTH OR GRAVEYARD - ERP AND CRM SYSTEMS CAN DRIVE GROWTH OR FAILURE

### LESSON #1

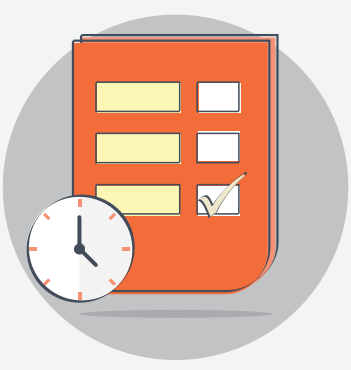
**Set realistic expectations and work with an experienced implementation partner**



**Work with an experienced, professional implementation team.**



**Expect challenges which will test implementation timeframes, business, industry application and technical knowledge.**



**Having realistic implementation timeframes and schedules will allow time for problem solving.**

### LESSON #2

**Only a truly tried and tested, mainstream ERP / CRM solutions should be implemented**

AN ERP/CRM IMPLEMENTATION WILL AFFECT ALMOST EVERY ASPECT OF YOUR BUSINESS:

CUSTOMER

FINANCE



FUNDING



SUPLIER

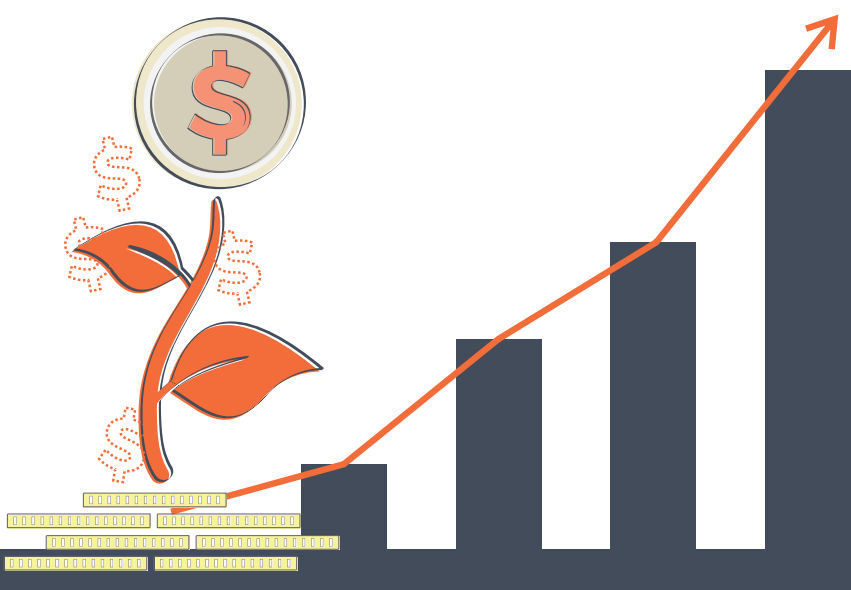


EMPLOYEES

### LESSON #3

**Investment is everything. A solution with a higher initial cost can often provide the highest ROI because the solution allows for improved business processes and scalability.**

BENEFITS FROM A SUCCESSFULLY IMPLEMENTED ERP/CRM SOLUTION ACCRUE QUICKLY AND GROW YEARLY.



CHAPTER 2

# Defining Your Destination before Starting the Journey

## *Setting realistic objectives*

**We can think of setting objectives as identifying either *"pain"* or *"efficiency"* bumps within our business. We might say that our key objectives for a new ERP implementation are:**

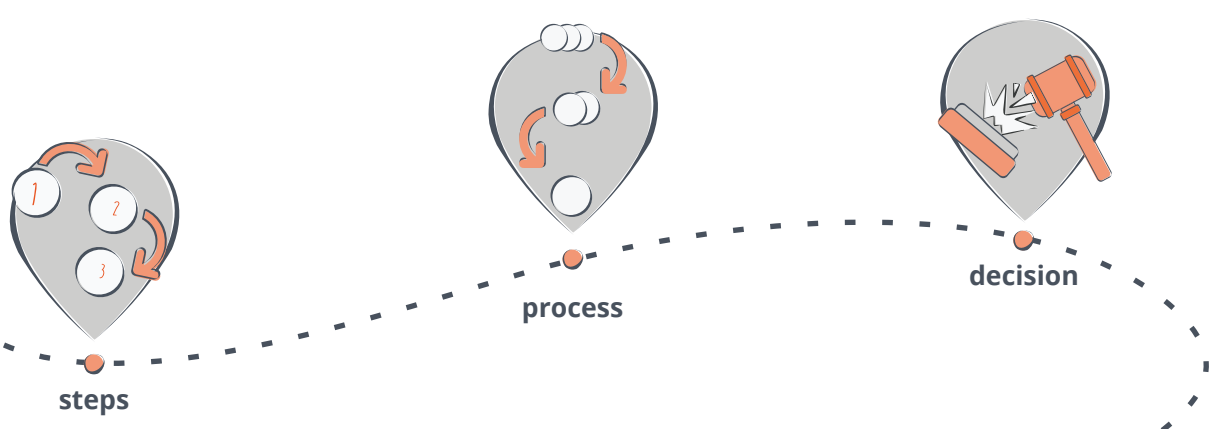

**98% On time in full deliveries for our customers**

**Mobility applications for our sales teams to allow better customer service and order taking in the field**

**Integration of our existing website to our ERP solution for automatic picking.**

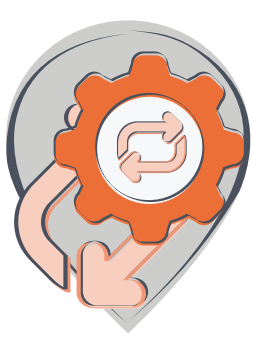
## *Start with defining existing business processes*

**Using an organisation chart, work flow diagram, or a processing chart document all major operating functions and data inputs and outputs for each step.**




**The success of creating the original business process documentation or charts, and the ability to optimize processes, depends on bringing together all the company departments.**

Each department must clearly define their steps, their processes, and their decision criteria.



### re-engineering

Once all the current processes are in the chart or step-by-step documentation, then the re-engineering can launch with good information.

## *Redefine and optimise for the most efficient business processes within the ERP / CRM implementation.*

The easy temptation is to adapt the new solution to the old problems. This has been the downfall of many implementations. To avoid this trap first re-engineer the operations for maximum efficiency and quality – what business objectives do you want to achieve (without the limitations of your old ERP system?). Then overlay the new enterprise software onto the newly optimized business processes.

## *Determine key bridges to success*

**Make sure you understand the key elements required for a successful project. Some common ERP project mistakes include:**

Lack of buy-in from key employees or whole departments.

Inadequate resources allocated (internal resource and / or implementation partner resource).

Unrealistic expectations for ROI or overall benefits.

Poor communication to consultants.

Lack of timely and correct project information leading to poor planning or project management.

**The list could go on and on. Without solid management backing, and all cards on the table from every department, a company wide solution will have obstacles coming from all directions. As long as all departments perceive benefits from the new system, and not threats, the change process will be easier to achieve.**

## *Some benefits of a new ERP solution that can be "sold" to department heads include:*

**1. Reduced paperwork.**

**2. Reduced processing errors from manual data entry.**

**3. Simpler report development.**

**4. Real-time information across all departments. Guessing inventory or walking back to check stock will become unnecessary.**

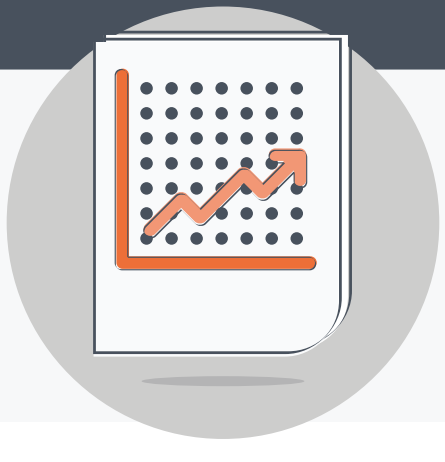
**6. Purchasing, accounting, manufacturing, and engineering can review current and forecast workload with a well-designed ERP solution.**

**5. Transparency across all departments. Each function can see what the other department requires.**

**7. Sales to accounting transparency can help avoid credit issues, shipping problems, and customer service issues.**

**8. Executives can track quoted, closed, in-process, and shipped orders without any delays.**

**9. Data re-entry and duplicate tasks are reduced or eliminated across all functions.**



**This is a small sample of benefits for "selling" the changes an ERP / CRM system brings. Once everyone is behind it, an organization can quickly move towards fully integrating their new software solution without having to deal with internal conflict.**

CHAPTER 3

# Selecting your Software Partner/Vendor and Software Application. Keeping the Relationship in Heaven, Not the Other Place.

## Lesson #1

**Make sure someone else was the guinea pig. Get a tried and tested ERP solution installed in companies with requirements similar to yours.**

### Key criteria for software include:

#### Technical / architecture criteria:

- What database is required to run the ERP solution?
- Is the database mainstream and globally supported?
- Is the solution scalable?
- Can the system be customised and if so what programming frameworks and languages can be used?
- Can third party applications be integrated to the application?
- What add-on solutions are available?
- Can user defined fields and tables be easily added to the solution?
- Is Cloud an option?
- How is remote access achieved?

#### Functional requirements:

**Functional requirements are usually specific to each company's requirements – some examples include:**

- Does the solution include multiwarehouse functionality?
- Is Customer Relationship Management integrated to the rest of the ERP solution?
- Is recurring invoicing available?

#### Reporting

- Which reporting applications are integrated?
- How easy are the table and field names to understand?
- What standard reports are available?
- Is ODBC integration to MS Excel Pivot Tables available?

#### Data Conversion

- How much data will be converted?
- Will only master data be converted?
- What format will data need to be presented in for data import?

## Lesson #2

**Vet the company, code, and implementation team. A checklist for assuring a successful consulting relationship.**

### Main criteria for choosing an implementation company and team include:

**Length of time in business. Seek a minimum of 5 years.**

**Rating with their software suppliers.**

**Evaluate their training, support, project management and problem resolution capabilities.**

### "Is the solution provider local?"

**Have they installed systems in similar organisations with requirements that closely match yours?**

**Are they a top tier provider for the software solutions they work with? Top tier solution providers tend get access to better resources, faster problem solving and better support from the vendor.**

**How experienced are the lead consultants, management of the implementation partner and project managers? The longer an implementation partner has been implementing the same line of software, the more secure they are with implementing it.**

**How deep is their technical bench? Do they have several programmers, technical and applications consultants that can handle this project, and how much experience do they have?**

**Can the solutions provider offer a turn-key installation or will they have to call in multiple subcontractors? While hiring sub-contractors is not always inadvisable, it is better for clients if a consultant has the resources to keep everything in house.**

## Lesson #3

**Critical factors for each stage: committee creation, evaluation proccess, defining the statement of work, project plan, scope, and deliverables with a timeline.**

Set a time limit for the committee to reach a decision. 3 months or less is reasonable for a small to medium business. More time will be required for a larger corporate.

Include all departments in the committee, and designate back up people for each department. This avoids delays when a department person is not available.

Create a decision matrix that each committee member fills out with their concerns, and a point rating system. By doing this, a decision can be quickly reached by numbers, as opposed to debating it without knowing the real criteria.

CHAPTER 4

# Assuring a Smooth Lift Off With Everyone On Board

## Managing the integration challenges with all departments

Now the real work begins.

## STEP A

### FULL MANAGEMENT BUY-IN

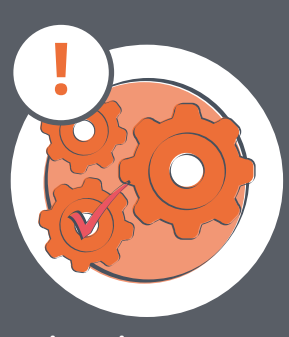
**Whatever it takes, management must get 100% behind the transition.**


## STEP B

### INTEGRATING DEPARTMENTAL NEEDS, CUSTOMER REQUIREMENTS, AND TRANSITIONS FROM LEGACY OPERATIONS

**Process re-engineering is a critical part of the implementation - a beneficial approach outlined earlier.**


### TWO CRITICAL POINTS HERE:




The re-engineering process requires approval and interaction with all departments.


The customer is the reason we are in business.

**A correct approach is to make sure the customer experiences improved service levels. A successful re-engineering of business processes should produce an improved customer experience.**

## STEP C

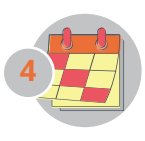
### ROLLING OUT THE NEW SYSTEM SMOOTHLY

**Tips for a successful start-up and launch of enterprise wide software:**


**Run multiple trials at department levels.**


**Phase your implementation into realistic elements.**


**Anticipate challenges and problems.**




**Have regular project meetings to follow the progress of the project, raise any issues and ensure that all stakeholders are committed to the deadlines.**

## SUMMARY:

**Even though the switch over to a new enterprise wide software solution would seem to be a heart stopping event, it need not be. Planning, installing, evaluating, testing, and proceeding incrementally with experienced implementation consultants guiding the way will make the transition run smoothly.**

CHAPTER 5

# Action and Reaction Steps

## Pre-planning for inevitable transition challenges

Having an implementation consultant with a well-tested general project management map, customised for your specific needs, is part of what is needed for a positive transition to your new ERP solution. But this is only part of the picture.

## Making the implementation plan work from start to finish

A simplified ERP / CRM implementation plan might serve as the basic guide for the project managers, ERP implementation consultants and you – the customer. Note the elements of the project plan:

- Planned start date of activity,
- A description of each activity,
- The hours allocated to each activity,
- The status (started, in progress etc.),
- The customer time allocated to each activity,
- The role of the customer in each activity,
- Who has responsibility for each activity and a general comments section.

It is important that the project plan is updated, tested, and verified.

### *Cost Controls for Implementation*

A major consideration for any size company implementing a new ERP or CRM system is control over the costs associated with implementing the new system. How do we ensure that what is quoted is what we get invoiced? Here are a few hints and tips to help:

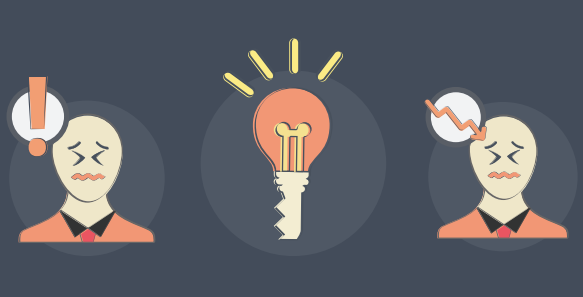
**FIXED PRICE VS "DO AND CHARGE"**

**SCOPE OF WORKS**

**WHO TAKES RESPONSIBILITY FOR WHICH PARTS OF THE SYSTEM**

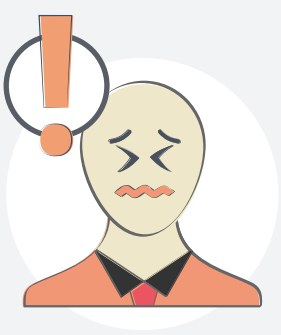
**BE CAREFUL OF DATA, REPORTING, AND DEVELOPMENT**

## Resolving conflicts, transition challenges, and errors



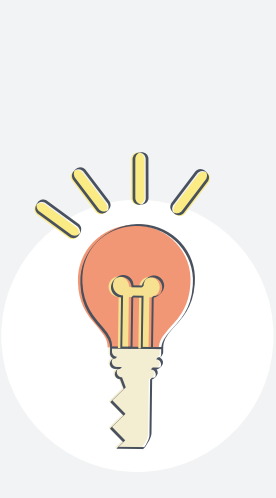
The first step for successful problem resolution is expecting problems and planning for them.
Problems are usually in one of three categories.

### *Problem description code:*



**1. OPERATIONAL ISSUE - CRITICAL:**
An operational task such as the receipting of stock into the warehouse cannot be completed. This would be considered an urgent operational issue as it is preventing your business from carrying out day to day functions.

**2. OPERATIONAL ISSUE – NOT EFFECTING CRITICAL OPERATIONS:**
Though the system is functioning, there are either training challenges, or the system is not operating as expected, as quickly as expected, or the data appears incomplete. This sort of issue does not require immediate response but you would want the issues resolved in a timely manner.



**3. SUGGESTED IMPROVEMENTS:**
The system is working as planned, but the users have a recommendation for improving the system.

## SUMMARY

***A well supported company project manager coordinating efforts with an experienced solution provider and validated software applications form the foundation of a successful ERP / CRM transition. The company project manager, along with departmental input, can help reduce the overall services cost for implementation. A problem resolution framework prevents small challenges from becoming mission critical problems.***

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