



Optimize ERP Implementation by Engaging an Independent Consultant

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ERP systems are the heart of modern, complex manufacturing organizations, the system of record and oftentimes the single source of truth. For most organizations, an ERP is implemented to improve business performance, ensure regulatory compliance and improve employee productivity. Typical ERP projects incur change to business processes, and the change may often be substantial. Changes of this magnitude can be very difficult to implement; however the success of the implementation depends upon these changes being embraced by employees at all levels of the organization.



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Industry research estimates that 55 to 75 percent of all ERP projects do not meet all of the project objectives. The investments made are too great to not achieve planned objectives. Many companies, after diligent review of selection of an ERP solution, sometimes embark upon the ERP implementation in a rush to start using the solution. They may neglect the prerequisite planning steps that would ensure the success with their project, which is the realization of measurable business outcomes. This achievement is compromised from the outset if there aren't a business-owned strategy, well-defined plans and agreed-upon architecture.

An increasing number of companies are turning to independent ERP consultants with expertise in change management to insure the success of their implementation projects. Consultants offer experience and best practices that increase the chances that the project will be completed on time and on budget, and will achieve the desired objectives.

Change Management: "It's no use going back to yesterday, because I was a different person then."

Implementing ERP is a time for change, making business processes more efficient. These changes should support the larger strategic objectives for the company. When introducing new business processes or new technologies into an enterprise, a best practice is to assess the business impact on the associated people, processes and technology as early as possible in the project. Consultants have techniques to perform gap analysis on existing processes and to map "as is" to "to be." This step gives leaders an opportunity to understand the potential organizational "growing pains," business disruptions, costs and other impacts so that they can

determine whether the organization is willing and able to make the change. It also gives the project team an opportunity to make adjustments to achieve a more acceptable level of business impact, should the projected scope prove to be too much, before starting development activities. This analysis can help keep the implementation project on track and provide the grounds for later success.

An estimated 20 to 25 percent of ERP projects are delivered late and/or over budget, fail to deliver expected benefits or end up abandoned. A further 50 to 60 percent of projects are viewed as compromised in some way, typically due to erosion of, or failure to, achieve expected benefits. Industry research has found that in almost every instance of project “failure,” a key contributing factor was mishandling of the organizational changes associated with the project. Ideally, training would begin before implementation and continue throughout the project. Most people experience a sharp decline in the retention of new information when exposed only once; only 20 percent of learning will be remembered in the first month, unless the material is consciously reviewed. When training is reinforced, competency levels increase as the new information is assimilated. An experienced ERP consultant will have necessary skills and tools to help employees adjust to the new solution and accompanying processes.

Project Management: “If you don’t know where you’re going, any road can take you there.”

Implementing ERP is a constant stream of decisions and changes to business processes. Members of ERP implementation team are chosen for their expertise in a specific business area, and probably have other responsibilities even as the implementation project is underway. Consultants are able to maintain focus on the project, allowing the team to direct their skills and knowledge on improving business processes. Real success will be measured in the achievement of business outcomes. Consultants can help ensure that project sponsors are informed of the team’s progress and decisions. Once the solution has gone live, you will want to measure the actual results and compare to expected objectives and ROI. While some benefits take longer to realize than others, some small benefits are immediately seen, with most organizations achieving objectives within 18-to-24 months of go-live. The experience that a consultant brings will result in greater levels of success in meeting the project objectives.

Conclusion

According to industry analysts, their clients have consistently stated that if they could do one thing differently regarding their ERP deployment, they would spend more money and effort on organizational change management and training. Industry research has identified five phases that track how technology is embraced, from the trigger to a peak of inflated expectations through to a plateau of productivity. Early successes are often followed by a number of failures, resulting in a period where engagement wanes and implementations fail to deliver. The depth and length of this “trough of disillusionment” is directly related to the effort and money spent on managing the organizational changes associated with the project. The benefits an organization plans to realize from a new ERP system will not materialize until users have embraced and are productive on the new applications and processes. Working with a consultant on ERP implementation can reduce stress on the organization, minimize the risk of operational disruptions, and improve adoption rates.