Success in ERP initiatives

Are you considering an ERP project? Every company has its own character and uniqueness. We have been in the consulting business for more than 30 years and rarely find that the recipe for success is a cookbook approach where one size fits all. We have been fortunate to work with many companies that have a long history of success. These companies have built their business and reputations by being agile and able to adapt to their customer's needs. The information systems and technology must support this culture. Over time the requirements and expectations of your ERP evolve. Some want to simply introduce 'best practices' as a panacea. This can be a high risk road to follow. If something is a best practice, then it means that every other practice is inferior. But if everyone is doing the same best practice, it leads to conformity.

How can a business leap ahead of the competition if it's using the same best practices as everyone else? The answer is it can't.

However there are some key indicators that suggest you should consider a new ERP or rework your existing investment. They include:

Nonintegrated and Disparate Systems	Out of Control Product Costing
Manual Business Processes	Growing Pains
Customer Satisfaction Issues	Difficulty Extracting Meaningful Data
Poor Performance in the Order to Cash Cycle	High IT and Administrative Costs
Decreasing Top Line Revenues	Regulatory and Compliance Reporting

If you are experiencing some of these issues it is time to reassess your current operation. This does not automatically equate to launching an entirely new ERP replacement project. We find time and again that our client's existing ERP is a treasure trove of untapped capabilities. Reconfiguring the existing ERP to support redefined business processes custom designed to the client's situation is the quickest and least costly path to success.

Our practice has been informed by our experience with many companies and a wide range of engagements. This gives us a broad perspective when evaluating initiatives that worked and didn't work and how similar initiatives will impact a current client.

The first step in evaluating the use of technology and information is an understanding of the client and their business needs. All of our projects begin with an assessment. While many clients contact us initially regarding a technology improvement project, what really needs to be understood is the underlying process, the issues with the current data, and what led to the initiative in the first place. The underlying issue may not be technology at all.

Once the assessment is completed we formulate a project plan along with recommended business process improvements. The recommended processes follow our best practice guidelines, but are always tailored to the client's unique needs. (i.e. they are not a "Cookbook".) In some cases we lead the implementation effort for a new ERP, in most cases however we find that the existing capabilities of the current system are not being utilized, or

are misunderstood. Often a reconfiguration, additional reporting and improved utilization will yield the desired results.

It is always beneficial looking at other companies, other industries, and other leaders. In fact, to stop looking is another doomed strategy. Instead you must learn from them and then build on, scale back from, adapt to, or ignore those strategies based on everything you know about your organization. The more tailored the strategy to the person or the organization, the greater the likelihood of success.

Many companies view ERP as a project. They also assume that benefits will immediately begin flowing. ERP is not a one-time project. It is a platform for continuous improvement that requires a sustainable change in mindset, behaviors, and ways of working.

During an ERP project, project teams are assembled that typically include stakeholders who rarely interact or work together to define processes and resolve information dependencies. Once these diverse players begin to work as a team and establish a common language, break down functional silos, they begin to create a culture responsive to change.

When the changes begin to be implemented, the newly oriented team players should be part of a continuum to monitor the workflow across the entire organization, make adjustments when necessary and provide analytical support for fact based decision making. Unfortunately, almost immediately after the 'go-live' date the project team is dissolved and the team members go back to their respective jobs and in some cases their silos of comfort. When this happens their insight and integrated problem solving diminishes or in some cases is lost. At this point the entire effort is at risk of just becoming another IT systems debacle. It is paramount that the new processes become the only processes, and that the implementation team continue to meet and evaluate the health of the overall strategy.

An ERP improvement investment is based on the expectation that the business returns will outweigh the implementation costs. Simply put, ERP improvements do not print money, at best they help you find the right path. ERP improvement projects are a platform for improving business processes and reducing inefficiencies. In addition, user capabilities must be strengthened to sustain the change and safeguard data quality.

Management Results, Inc. has been in the ERP and EAM consulting business for more than 30 years. Our professional services range from simple one time projects to complete turnkey project management. Each engagement and set of recommendations is designed around the unique circumstances of the client. We bring to each engagement a fresh perspective, analytic horsepower, broad range of industry knowledge and practice, and the ability to train and transfer knowledge to your employees.