

# ERP Implementation Risk Control

*True ERP Project Potential—and how it can be reached*



## INTRODUCTION

In an effort to make this white paper more meaningful we begin by stating a current ERP implementation paradigm. It is:

***A majority of companies buying ERP do not understand the true potential of an ERP project and the internal project controls needed to reach this potential***

***—and ERP implementer’s services are designed and delivered to accommodate these ERP buyers and their limitations.***

In our over 1900 ERP related projects since 1996 we have observed implementation issues and ideas, and typical implementation practices. The paradigm described above materially affects well over 90% of the projects we see or hear about. And this negative paradigm would not be recognized by most ERP implementers—as it is the norm and the culture.

Starting in 2004 Engleman Associates, Inc. (EAI) developed the concept for a different implementation control approach—and the current day version of this approach is described in this white paper. More specifically this document provides information on:

1. True ERP project potential: A description of the true potential of an ERP project that can only be achieved with a modernized ERP system—which is defined after this introduction section.
2. Implementation processes and protocols to reach the ERP project potential: Presented first is the advocated process to reach toward true ERP project potential and then key project execution protocols to follow during the project.
3. Typical obstacles to this advocated planning: Why the type of implementation planning and control techniques advocated in this white paper are rarely conducted well—even if tried.

It took about eight years to stabilize this ERP implementation process as it was significantly different from what nearly all ERP implementers offered. Today we have solid success stories—which is the basis for this white paper. We hope you find this paper thought-provoking.

## MODERNIZED ERP

First we define what ‘modernized ERP’ means. This is an ERP developed in go-forward development tools and runs on one or more go-forward databases. This ERP will have had significant investment over time to build out relevant and well-designed native business process functionality needed by the ERP buyer. Finally the ERP will have appropriate systemic mechanisms for:

- Configuring data structure/behavior and interfaces—a configurability layer that does not confound ERP upgrades (this is not customizing)
- Workflow management to facilitate regular and exception process—and efficient team collaboration
- Remote collaboration options for employees and other business partners (does not need to be pure cloud-based)

- Metrics/Business intelligence (visual metrics, dashboards, exception scans and classic reporting)

Much of the approach in this white paper presumes the presence of a highly flexible modernized ERP. These modern options provide great flexibility to support company-specific process details and significantly reduce or eliminate the need to conduct code-level customizing. Also important to understand is that less than 10% of the ERP offered (at the date of this paper) have been materially modernized.

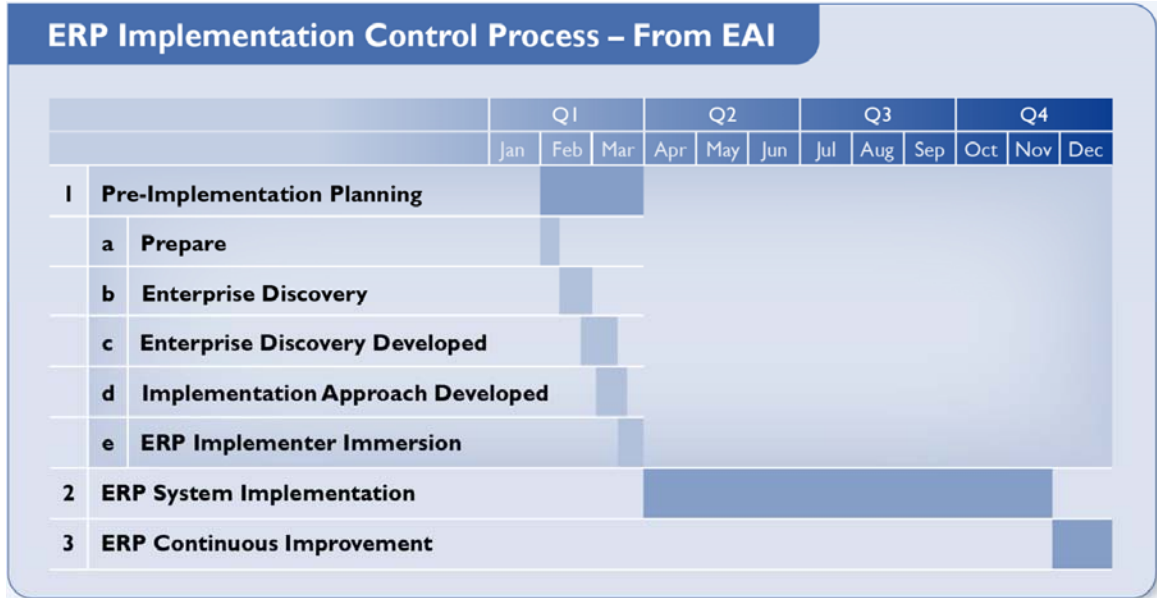
## ERP PROJECT POTENTIAL

When contrasting typical ERP project results and what can be achieved with the implementation methods described in this document, the potential results are quite different. In this context, this ERP project potential, referenced in the introductory statement, is described as:

- Business processes much better supported across the enterprise
  - Hundreds of isolated spreadsheets, paper forms, databases are fully or partially retired.
  - ERP workflow tools formalize “tribal knowledge” in business processes.
  - Enterprise process standardization, with appropriate business unit flexibility.
  - Improved collaboration among departments, employees, and business partners due to processes embedded in the ERP process structure. Compared to the typical 'interruption-based' interaction approach (emails, phone calls, personal visits).
- Better ERP process metrics achieved
  - Real-time feedback from transactions.
  - Availability of exception scans and visual metrics (e.g. dashboards).
  - Improved data and transactional accuracy.
- Longer-term and strategic benefits are:
  - Puts in place a framework for continuing improvements to the ERP
  - Increased ability to react to opportunities and market challenges.
  - Increased customer satisfaction and positive effect on sales.
  - Reduced stress on employees through improved working conditions.
  - Reduced risk of competitors achieving these types of results first.

## PREPARE FOR THE ERP IMPLEMENTATION

The following is the EAI process to improve a business's readiness to more fully implement business software and achieve far better results. This process should start 1 to 4 months before the formal implementation.



Referencing the chart above, the details of the pre-implementation readiness process are:

1. **Prepare** (*Major Stage #1a*): Establish and prepare team members, resources, and control structure for the pre-implementation planning project.
  - Configure project tools and management structure based on company-specific factors.
  - Deliver project start-up education and establish project management and coordination rules with key project participants.
2. **Enterprise Discovery** (*Major Stage #1b*): Develop top-level company visualization; conduct detailed business process investigation; identify and organize existing tools that support current business process. The process includes:
  - Assess and leverage previously conducted top-level visualization and business process investigation/planning from the ERP selection project.
  - Discuss executive objectives and concerns for the ERP software initiative. Leverage similar work from the selection process and other process planning.
  - Establish what business processes should be supported by the new business software based on the company's needs and capabilities of the software being implemented. Leverage similar work from the ERP selection process and other process planning.

- Identify and organize current process support tools (paper forms, spreadsheets, databases, point applications, etc.) that support business processes contemplated to be supported by the new ERP.
  - Building on the ERP selection business process interview results, conduct detailed interviews of managers/workers in the affected business process areas with a focus on detecting (1) process problems, (2) improvement ideas, (3) unusual processes and process exceptions, and (4) relevant better/best practices.
  - Discuss vision and the process for developing and using management information (feedback from operational transactions). This takes the form of automated key performance indicators (KPIs), dashboard-type interfaces, electronic notifications based on process exceptions, and classic reports.
3. **Enterprise Discovery Development** (*Major Stage #1c*): Further develop and organize findings of the business process interviews, organizational culture, vision, and the list of business process support tools, which forms background detail crucial for ERP implementation success. EAI consultants work to develop this comprehensive ERP planning detail, with input from the buying company's team. This process includes:
- Review, clarify, augment, and organize observations from the business process interviews near the time they are conducted.
  - Conduct a full review of all business process observations after the interviews to (1) further organize the findings by topics in *Business Process Categories* (BPCs), (2) further develop the findings, (3) reduce redundancy, and (4) develop and enhance all business process and company observations according to enterprise process flows.
  - Conduct the preliminary review of the business process support tools collected in step #1b. Establish the tool's purpose and list the tool in the appropriate topical group and *Business Process Category*.
4. **Implementation Approach Developed** (*Major Stage #1d*): Review and modify the ERP implementation consulting firm's standard plans and assumptions, which presume the buyer is unprepared and cannot lead. This includes:
- Initial phone meetings with implementer's management on planning and preparation, before the implementer arrives, and the necessity to change standard implementation methods, assumptions, and project management structure.
  - Develop the draft implementation plan with a focus on changes to typical ERP implementer's approach for (1) business process investigation and design, (2) ERP data development and migration, (3) training, and (4) project management.
  - Conduct a one-day onsite meeting to introduce and solidify the 'modified plan' going forward with the implementer, third-party consultants, and other consultants.

5. **ERP Implementer Immersion** (*Major Stage #1e*): Using the discovery developed in Step #1c (*Enterprise Discovery Development*) review selected elements with the implementer's lead business process consultant (aka anchor consultant) to build their familiarity and confidence, develop preliminary plans to meet process objectives and locate potential problem areas.
- Focus on complex and high-value processes. In this interaction an initial opinion is sought for (1) how the ERP (or third-party software component) supports the business process objective, and (2) timing for implementing the objectives. If there is an apparent limitation to achieve part or all of a business objective, alternative approaches are discussed. It's important—if not critical—to have these discussions after the detailed pre-implementation planning is developed (step #1c above) and before final discussion on how the new ERP can support business process objectives. This is when there are the most options and lower costs to achieve more with the new ERP.
  - These results determined in this process are recorded in EAI project management tools.

## ERP SYSTEM IMPLEMENTATION

A well-executed pre-implementation readiness process will have the company and the implementer in excellent condition to proceed with the ERP implementation.

The last two major steps in the pre-implementation planning process create a company-specific implementation approach and project pace. This plan is mainly based on personnel resources available, timing goals to go-live, and what business processes are included in the effort before go-live (the scope).

This section discusses the actual system implementation and addresses how to move through the implementation while protecting and leveraging the preparation work, skills and capacity of the team. This includes measures to mitigate the effects of the typical forces that would otherwise create drag on the project.

**The methods described in this section depend on pre-implementation readiness planning described in this document being completed properly.**

*If this pre-implementation planning described in this document has not been completed, the ERP buyer should accept and follow much or all of the **typical** implementation approach offered by implementers.*

In a prior section (Major step #1d), the implementer's standard approach was modified to align with the (1) preparation conducted by the buyer of ERP, and (2) project control protocols outlined detailed later in this document.

## THE IMPLEMENTATION PROCESS MANAGER – A CRITICAL INTERNAL ROLE

The ERP implementation control approach detailed in this document seeks to reach exceptional results, described as the 'True project potential' with modern ERP software well suited for the Buyer's business. Toward reaching these

results, the following skills, experience, and capacity are necessary from the *Implementation Process Manager* (not staffed from the implementer):

- Experience with enterprise business software.
  - Ideally, they would have experience as an implementer with ten or more implementations.
  - Knowledge of the specific ERP being implemented **is not necessary** for the *Implementation Process Manager*, although it helps. When hiring for this role, knowledge of the particular ERP can be an influencing factor.
- Knowledge of business processes that will be affected by the new business software (in particular, awareness of business processes that are customer-facing [e.g. quoting or shipping] or hold high-cost savings potential). This includes knowledge of best practices in various ERP project-related processes.
- Familiarity with organizational process design, improvement methods, performance management and business intelligence reporting with the ability to coach and teach other team members.
- Project management and change management skills.
  - Detailed oriented, to have the aptitude and natural inclination to keep EAI tools under good management.
  - Understands the agile nature of project management in an ERP project compared to other task-based project management such as a construction project.
  - Adaptive to the EAI project management and control structure in place and a resistance to drifting towards other structures that the implementer may push or that they are familiar with.
- Experience with EAI implementation control methods and project management tools. Usually this must be trained.
- Being a skilled communicator. Effective style to productively work with all levels of people at the organization who will be using the new ERP.
- Capacity of 20 to 40 hours per week to support a typical ERP implementation project. Some weeks may require less, depending on the project pace.

Only one person should fill this role. It's problematic to have several people who have shared responsibility and shared leadership on the critical duties of the *Implementation Process Manager*.

Key duties of the *Implementation Process Manager* are:

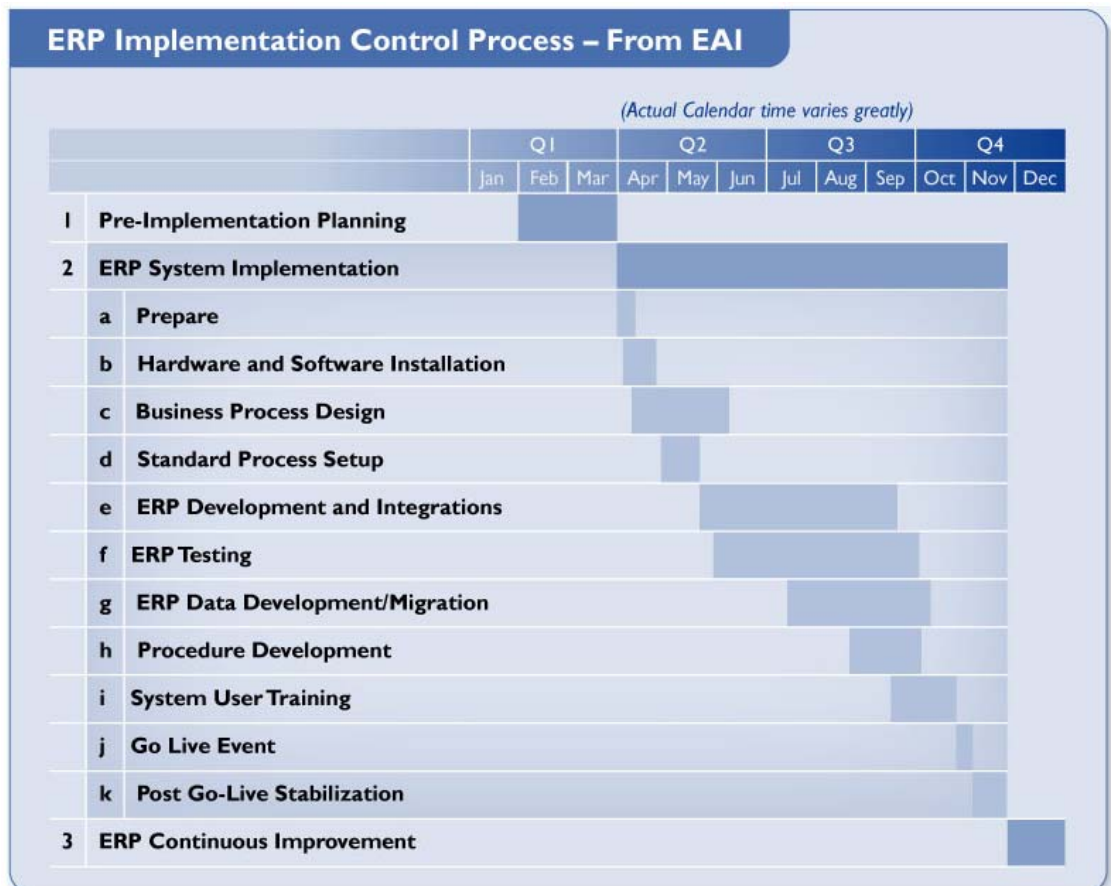
- **EAI Methods:** Manage EAI implementation control methods for the project in concert with the EAI methodology expert. This includes managing and protecting the unified *Enterprise Discovery* and related implementation execution details.

- **Business Process Design:** Lead future-state process design decisions, constantly using the *Business Process Discovery* developed in the pre-implementation readiness process.
- **Implementer Coordination:** Coordination with the implementer’s anchor consultant on methodology and most ERP project management and project staffing decisions.
- **Project Protocols:** Protect implementation project protocols and contain other external influencers that would dilute the project momentum. This includes the *adaptation protocol* (in other words be the first-level gate-keeper to stop inappropriate legacy processes from coming forward).

This role, properly staffed and with proper authority, (1) manages general project momentum, and (2) catches and corrects hundreds of issues that would cause project confusion and the resulting loss of momentum. A high-quality individual in this role is critical to the project.

### KEY IMPLEMENTATION PROJECT STAGES

This section highlights the major stages in the ERP implementation control process and presumes that (1) the EAI pre-implementation readiness process was used, (2) that the intention going forward is that the EAI implementation control process will be used, and (3) properly skilled internal team members are available and have capacity. All of these stages shown in the diagram below.





1. **Prepare** (*Major Stage #2a*): Activities to prepare the internal company team and the implementer's team based on planning developed in (1) major step #1d *Implementation Approach Developed*, (2) major step #1e: *ERP Implementer Immersion* and (3) in earlier comments in this section of the document.
2. **Hardware and Software Installation** (*Major Stage #2b*): The discussion of necessary hardware and other IT infrastructure to support the new ERP should have begun in earnest a few months before the formal implementation duties begin. The respective ERP vendors will have a formal function that recommends hardware configurations for the new system.

The recommendations made by the ERP vendor may not be sufficient or congruent with existing IT infrastructure, so it's useful to locate a capable and experienced independent IT infrastructure expert to review and comment on the ERP expert's suggestions.

Installing the hardware and other infrastructure should be done by experts. The same is true for new operating systems, virtualization software, databases, and eventually the ERP. Furthermore, all parties involved should be coordinating by reviewing installation details to ensure that the hardware and software is compatible with and supports other components in the system. The resulting IT infrastructure should be strong to avoid being the source of issues or complications going forward.

3. **Business Process Design** (*Major Stage #2c*): This activity begins with the implementer advising about the order of processes to discuss, usually based on the particular ERP, and to a lesser degree by the priorities or other constraints of the company's internal team. For example, a company's process area experts and the *Implementation Process Manager* (this roll was described earlier in this document) begin with a discussion on the general ledger and related accounting issues, then progress to a discussion on purchasing functionality standard structure, options, and issues or concerns.

During these discussions there's an in-depth and purposeful use of the previously developed *Enterprise Discovery* and the accompanying list of existing process support tools (e.g. spreadsheets, paper forms, etc.). These discussions will result in many new entries into the *ERP Implementation Development Specification*. For example, the ERP-specific approach to achieve a particular nonstandard business process objective usually results in one or more *Requirements*; each *Requirement* may result in several configuration details (native functions may also have configuration details too).

4. **Standard Process Setup** (*Major Stage #2d*): From the initial discussion in the prior step called *Business Process Design* decisions will be made on most default or optional ERP configuration options. These configurations are made and tested in this step.
5. **ERP Development and Integrations** (*Major Stage #2e*): From the prior major stage 2c called *Business Process Design*, a development specification is created to further set up the new ERP. The process

objectives in the development specification should usually be achieved by use of the ERP's built-in configuration, workflow, BI/metrics, and integration tools. This specification is managed in an EAI tool called: *ERP Implementation Development Specification*. See a following portion of this major section on the further management of the ERP implementation planning (called: *Using and Further Developing the Enterprise Discovery*).

6. **ERP Testing** (Major Stage #2f): The internal project team should run and execute the point testing and comprehensive testing of the new ERP-supported processes with support from the implementer's ERP experts. This builds on protocols set forth in earlier sections that emphasize protecting the business process intent. The internal team knows the business process intent better than anyone.
7. **ERP Data Development/Migration** (Major Stage #2g): The company-specific approach for operational data cleanup and eventual migration was developed in earlier planning in this document, section: *Implementation Approach Development*. The plan should now be tuned and put into effect. Operational data are current records on BOMs, customers, suppliers, routings, and many other sets of data that may need to be dynamically visible in the new ERP (dynamically = directly available for use in new ERP transactions). Key points are:
  - The results of the detailed implementation planning will determine many details which affect the operational data cleanup and migration activities, so final data migration planning must wait until this planning is mostly complete, although some operational data cleanup work can proceed earlier.
  - Only a subset of all current operational data will be relevant to be 'dynamically' visible in live ERP data tables. Other operational data will be acceptable in other electronic or static forms. Applying this distinction carefully can reduce the strain and time to complete the data cleanup and migration. If other data is later determined to need to be 'dynamically' visible, it can be migrated then.
8. **Procedure Development** (Major Stage #2h): There are typically many changes to how the ERP looks and how routine processes are performed, based on prior efforts to tune the ERP to support many processes and metrics that were not native. In situations such as this, company-specific procedure development is useful to speed new user adaptation and make the training and stabilization of future new users easier.

The modern ERP typically has utilities to help with developing procedures and to make the procedures visible in the ERP user interface.

9. **System User Training** (Major Stage #2i): Similar to procedure development in the prior stage, the user training typically should be adapted to how the ERP has been set up and not be standard generic system training. The ERP sellers will have material that can usually be adjusted to reflect the installation-specific changes. Careful attention should also be given to the selecting trainers.

10. **Go-live Event** (Major Stage #2j): The go-live event is usually conducted at the end of a quarter and over a weekend. The go-live date staying firm presumes proper preparation and success in the prior stages so the go-live event is reasonably smooth.
11. **Post go-live Stabilization** (Major Stage #2k): After an ERP go-live event there will always be processes or metrics broken and otherwise not working correctly. There will also be many errors that are a function of system user training and other problems. As a result, there needs to be a careful and dedicated effort to smartly manage this post go-live period so the company using the new ERP can rapidly address the bugs and build confidence in the new ERP.

## KEY ERP PROJECT PROTOCOLS

Four key ERP project protocols need to be emphasized throughout the ERP implementation process, both in pre-implementation planning and especially during the actual implementation. These protocols, when employed with a properly prepared and talented project team, allow the true potential of the ERP project to be more fully realized.

### PROTOCOL #1: PROJECT OWNERSHIP

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To reach toward the true ERP project potential, the ERP buyer must ensure the project is focused on well designed and coordinated best-practice type processes. With this business process focus, the project must be led by operations-minded team members who grasp the essence and nature of the business and its goals (NOTE: This is not a classic IT project). This includes the imperative for the buying company to fully own the future-state process planning, design of metrics, data development and migration, and identification and retirement of existing process support tools (forms, spreadsheets, databases, point applications, etc.). *The internal project team doesn't need any prior knowledge of the specific ERP to be implemented to lead the project.* Key reasons for full ERP buyer project controls are:

- Buyers have direct knowledge of opportunities and obstacles in executing processes.
- Buyers must live with the project results and therefore should be the most motivated to do what is necessary for success.
- Buyers should have no serious dependence on implementers for subsequent system improvements. Over time the buyer should be able to further implement the business system and make changes so it increasingly supports business processes more effectively.
- Implementer's approach can't reach toward the true project potential; not because it's inherently deficient, but because at its core it presumes a passive, unengaged buyer.

With the EAI *ERP Project Management and Control Structure*, the consultants from the ERP implementation company are the experts in the new ERP and work with the ERP buyer to determine the best way to support business process objectives in the new ERP. Based on this arrangement, it's not only unnecessary but counterproductive to have the implementer conduct classic business process investigations at the start of the implementation. However,

the skilled analyst(s) from the implementer are expected to make many suggestions about ways to achieve the buyer's business objectives based on the analyst's knowledge of the ERP.

#### **PROTOCOL #2: SYSTEM ADAPTIVENESS**

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The Buyer should seek to be adaptive to better/best-practice native functions of the properly selected new ERP. 'Properly selected' presumes an ERP with a solid investment in best-practice process structure suitable for the ERP buyer's size and type of company. Any proposed exceptions to being adaptive to the ERP's native functions of the ERP should be reviewed by the internal project team with standard review procedures. If this process is executed properly, unnecessary legacy processes will be largely prevented from being carried forward, unless a legacy process has sufficient merit to be justified in light of the new ERP system. Users of the new ERP should be properly prepared so they understand and respect this adaptation protocol and remember it when they are shown a potential process change different from how they currently work.

#### **PROTOCOL #3: RETIRE TOOLS**

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At the company buying ERP, hundreds of tools typically exist that support those business processes that ERP should fully or partially support (e.g. spreadsheets, databases, paper forms, point applications, etc.). These process support tools must be identified, organized, and managed so they can be effectively reviewed (at the right time) to determine whether they are a candidate for full or partial retirement.

The careful listing and review of the tools facilitates a process to remove the superseded tool from further use once the new ERP takes over the tool's function. If this is not done diligently, those legacy tools will not easily go away and may become ineffectively commingled with the new ERP processes. The commingling of old and new tools is a catalyst for sliding backwards, as users revert to their familiar tools instead using the new ERP's functionality.

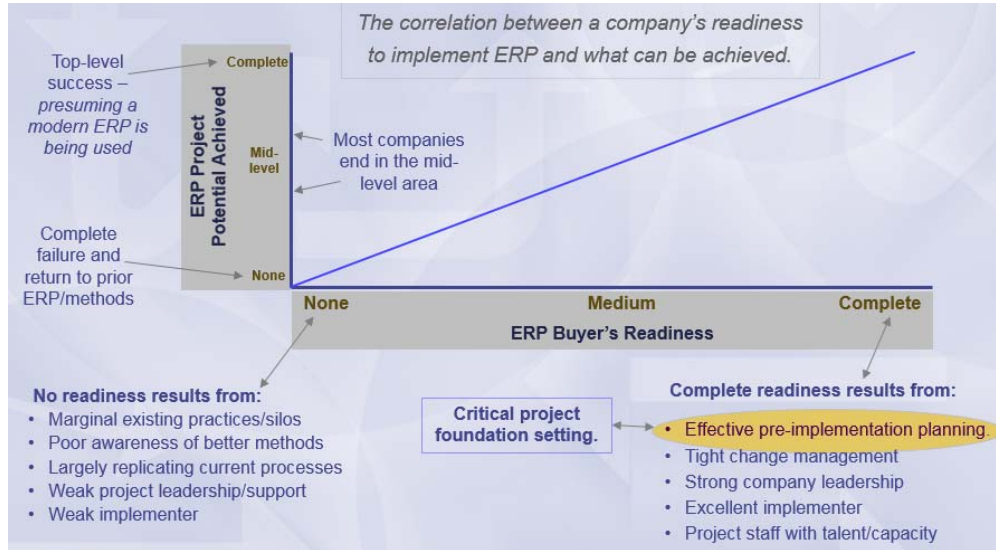
#### **PROTOCOL #4: UNIFIED PLANNING**

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As identified in *Implementation Protocol #1* above, the buyer should fully own the business logic planning and the large body of details underlying this plan (which includes all recorded observation from process discussions and the list of all process support tools referred to in *Protocol #3* above). When developing the specific ERP approach with the implementer, the detailed discussion of future-state business process design and deconstruction of the existing process support tools will result in hundreds of adjustments to the new ERP (these adjustments take the form of standard configuration decisions, new data fields, data field attributes, user interface form changes, workflows, business Intelligence (BI), procedures, and other changes). All of this evolving and critical information must reside in one unified project planning structure, and be used carefully in the context of the EAI process for progress to be made and to lower the cost, risk, strain, and project duration to reach toward ERP project potential.

## OTHER FACTORS TO REACH ERP PROJECT POTENTIAL

The following chart shows the relationship between the status of an ERP buyer and the ability to reach the true ERP project potential.



The key factors for success during the implementation are shown in the lower right of this diagram. Earlier portions of this document address the first item listed called *Effective Pre-implementation Planning*. The other items listed above are applied during the implementation.

As is shown above in the upper middle of the diagram, most companies finish well short of an ERP project's potential in which:

- More calendar time was taken than planned
- More hard costs were incurred than planned
- More soft costs were incurred than planned
- There were many pockets of conditional ERP use
- User's enthusiasm was compromised
- There was no serious plan for further implementation of ERP after the go-live event

One key reason for not getting close to the true ERP project potential is that most companies do not understand the potential inherent in a properly selected and implemented ERP system. Even if they did understand the ERP project potential, it takes unusual skill, insight, and energy to fully realize the potential. These skills, insights and the required energy is often lacking in ERP implementation efforts.

**Literally no implementer can pull an ERP buyer to top-level results. The buyer's team must independently and effectively conduct the proper pre-implementation planning and implementation project oversight and management to maximize results.**

## TYPICAL OBSTACLES TO ERP IMPLEMENTATIONS

There are many obstacles to ERP teams (internal and contractor teams) conducting the planning and project control described in this document. Key obstacles are:

1. Buyer's expectations are modest to low: For companies implementing ERP software, their executives and project team members are mostly unaware of how a modernized ERP can support processes as described earlier in this document. Even if they are told of such potential, most people have little experience in this area. Most executives and other company leaders consequently have cautious expectations and are not good candidates to lead the team toward the full project potential without careful coaching and support.
2. Internal project team lacking: Implementing ERP software is one of the most complex and risky projects a business will undertake, so the relevance of the right company project team is emphasized here. Key elements are:
  - Leaders: Executive level and project level leaders need to understand the true potential of the project and have clarity and resolve to lead the project to achieve the potential.
  - ERP project team: A company team that has the appropriate business process knowledge, authority, capacity, and project management skills to orchestrate a project that understands and moves toward true project potential.
3. Limited calendar time: The pre-implementation planning detailed in this document should occur 1 to 4 months before implementers arrive to start their duties. If the implementation is intended to begin before this 1 month minimum, the planning and preparation advocated here will probably not be effective.
4. ERP implementer's limitations: The following limitations are valid if the ERP buyer is seeking to reach toward the true ERP potential and use method in this document. **When the company doesn't follow the aggressive internal control techniques described in this document, the company should accept a normal implementation approach. In this case the following limitations are not as relevant or do not exist at all.**
  - Unwillingness or inability to change: Implementers are not expecting a highly prepared client. Therefore, their implementation approach presumes that the client needs to be fully led (and pulled) through the implementation process. Further, based on this typical condition of their clients, the implementers don't readily see practicality in the approach detailed in this document. Instead they see danger. Even when the implementer agrees to implementation project management and execution changes before starting, they typically revert to their normal methods unless the internal project management team provides good oversight and leadership.
  - Business system specific view: Implementer's personnel are often procedurally constrained to checklists and procedures of the specific ERP software and native functions. When a highly flexible modern

ERP is implemented, this constrained operating style always impedes reaching toward full project potential.

- Lack of appropriate *Enterprise Discovery* management structure: The detailed planning presented in this document requires a comprehensive and unusually detailed structure to collect, organize and manage the thousands of project details. In EAI's experience, the implementers will not offer an appropriate structure for this important purpose.
- Do not empower customers: Most implementation methods and consultants do not effectively empower the buying company to take ownership of the business process planning and management of the ongoing business system improvement. Since companies implementing ERP are rarely positioned to take positive control, the implementer's standard approach doesn't consider this empowerment. Some implementers are even motivated to create customer dependence.
- Implementer team personnel constraints: The ERP implementation personnel are generally constrained by their company's service methods and managers. While certainly understandable, when the EAI implementation control process is used, this implementer's 'culture' needs to be reset for real progress to be made. Further, the professional implementer is often working with difficult ERP projects in which too much time is spent in reacting to problems and finger pointing in the execution of the project. In this environment the implementation consultants understandably have no incentive to be innovative or go the extra yard. A few years of this reality for the professional implementer living out of a suitcase has left many of them somewhat numb and disbelieving that highly prepared ERP buyers exist and that much more can be achieved. This is also part of the industry culture, so it would not be readily recognized by those involved, or at least they would be reluctant to admit these conditions. The ERP buyer should recognize this attitude and why it creates drag on the ERP project's full potential.

Implementers would argue against all or some of these typical limitations, as they reflect apparent deficiency in their service offering. Their response may be genuine, as most do not understand true ERP project potential and the planning and project leadership required to achieve this potential. In our experience, most implementers would be subject to some or all of these limitations.

#### OTHER IMPLEMENTATION OBSTACLES

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The following items have been repeatedly observed on ERP implementation projects. When the EAI implementation control process is executed well, the following obstacles to real project potential are removed.

- Unprepared and fearful system users: Change is often feared, so new users may need to be educated on positive aspects of new business software.
- Loss of project momentum: Delays, misunderstandings, unplanned conflicts or confusion in process design, etc. will bog down an ERP project. This

momentum damage typically leads to more of the same and will cause increasing project problems and eventual failure.

- Excessive dependence on external contractors: The company that will be using the new business software should allocate adequate resources to the project to be familiar with the project details and therefore have the ability to own the project. If this 'awareness threshold' is not reached, there can be a rapid overdependence on expensive external contractors, and a lowered ability to notice problems with the enterprise software project.
- Inadequate hardware/network infrastructure: Enterprise software availability, reliability, scalability, and related measures are primarily a function of hardware and network infrastructure and maintenance practices. A solid and professional plan (architecture and ongoing support) should be in effect.

## CONCLUSION

Key objectives of the planning process described in this white paper are:

- Place tight primary project control where it should be, in the hands of the ERP system buyer.
- Reduce the costs, duration and level of frustration associated with ERP implementation.
- Have more business processes properly supported with the new ERP/business software than can be achieved with a normal implementation approach.
- Set the foundation for ongoing improvements to how business processes and metrics are supported by the enterprise/business solution.

The ERP project planning and protocols advocated here are unorthodox and challenging to execute well. To reach toward top-level results, project ownership and control must be in the hands of the ERP buyer's team.

However, ERP buyers are not experts in ERP project management and will normally defer to the implementers to lead. It's no surprise that ERP implementers don't expect comprehensive project control techniques from the buyers and often don't believe such an approach will work. Key factors necessary to use EAI methods are:

1. **Implementer standard approach must be modified**: The standard ERP implementation approach presumes the buyer is not prepared and will need to be led through the implementation process. The typical ERP implementer's processes will need to be changed if the ERP buying company has properly prepared, has the right team, and understands how to own and lead the project. The key areas of the implementer's standard approach subject to changes are:
  - Business process discovery and analysis
  - ERP system familiarization and user training
  - ERP system data migration planning and execution
  - ERP implementation project management



All typical changes are tuned by the status of the buyer of ERP, the implementer's team's strength, and the ERP. These changes are mainly made at the start of the implementation project with further small changes as the project unfolds.

2. **Executive Leadership:** Project planning and execution must be driven by one or more operations executives who fully understand why all the earlier listed protocols in this document are important. Without this support, the buyer's internal project management team and implementers will encounter many obstacles that they cannot easily solve which will weaken the project's focus and momentum. These obstacles include (1) employees bringing legacy thinking forward, (2) implementers falling back to normal implementation processes and industry up-sell tactics, (3) poor coordination between company departments, and (4) company members not giving the project proper attention.
3. **Organizational Commitment:** The advocated approach in this document depends on skilled people with sufficient capacity being present on the buyer's internal project management team.

This document provides information for how the buyer of ERP can prepare and own the implementation process and reach toward the true project potential. The results are large cost savings in day-to-day operations and a more effective company team (individually and as a group). Even larger value is gained in the company's improved competitiveness, agility and opportunities that can be better pursued. For most businesses, the potential can be transformative. Any business that achieves this level of ERP project success will stand out from its competitors.

**Engleman Associates, Inc. August 2015**

**“Just the Facts” Webinar:** It's difficult to convey the strength of the Engleman Associates Implementation approach through the written word. Therefore we encourage you to participate in our free one-hour webinar on ERP implementation control. This webinar is a 'just the facts' case study and not a sales pitch. We strive to make this a productive use of your time as you will take away concepts and tips to use. The presenter is typically Mark Engleman who developed this overall implementation control process. He has been involved in over 600 ERP projects and has presented hundreds of ERP training webinars. For the current schedule, send an email to [webinars@softselect.com](mailto:webinars@softselect.com) or give us a call.