

Choosing the Right ERP Implementation Partner



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Every day we hear stories of failed ERP implementations and their cost: the hundreds of hours and thousands of dollars down the drain.

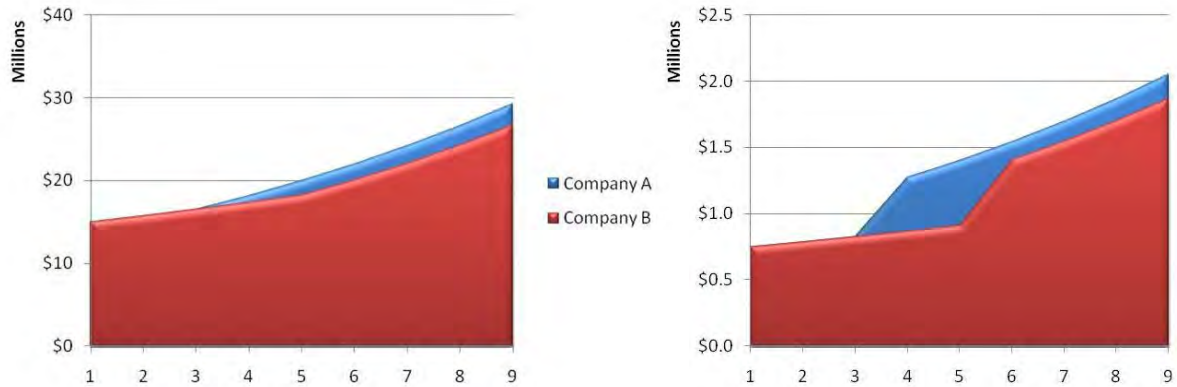
That's chicken feed, compared to the cost of lost momentum. ERP – when done right – adds efficiency and value to just about every aspect of a business. So a failed or prolonged implementation destroys or delays that benefit. It's like a race car going into the pits, the faster they come out with a full tank, the better they're going to do...and the bigger the advantage they gain over competitors.

In that respect, ERP implementation teams – the techies who work with your company to plan, configure and install the software you've purchased and train your users – are like the pit crew. They are absolutely crucial to the success or failure of your ERP implementation. Yet, in many cases, they are an afterthought for companies in the throes of determining which ERP software to buy. The right implementation partner can get you up and running smoothly, help you realize the benefits of your ERP system quickly, and ensure that your unique business realities are addressed. All of which will save you time and money, as well as increase the Return On Investment (ROI) of your ERP system. By contrast, the wrong partner can result in higher costs and considerable disruption to your business, with lasting and cumulative effects.

Over the years, we've been able to identify several factors that contribute to a successful ERP implementation. By following these five steps as you go through the ERP selection and implementation process, you will dramatically improve the odds of generating the great results you expect.

The bottom-line impact of a successful ERP implementation

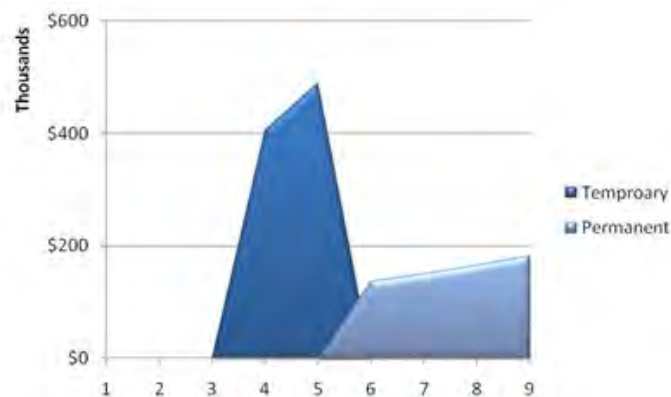
These charts illustrate a hypothetical example of the impact on revenue and income of a well-managed and accelerated ERP implementation compared to a poorly-managed and extended one.



In the left chart above, two \$15M companies growing at 5% per year undertake a new ERP implementation. Company A (in blue) has a successful implementation and launch that helps boost its revenue growth to 10% per year, beginning in year 3. Company B (in red) has implementation problems that delay its ERP launch – and its corresponding boost to revenue – for two years.

The right chart above shows the impact on income for the companies. Company A experiences a jump from 5% income to 7% income after its successful implementation, while Company B does not realize its income jump until two years later.

The chart below illustrates the corresponding delta in temporary and permanent gains between Company A and Company B, which total over \$1M.



1

Pick your implementation partner as least as carefully as your software provider. Especially if your implementation partner is your software provider. You have several ERP software systems implementation configurations to choose from:

- **An independent implementation partner who is not involved in the software sale and whom you procure separately.**

Pros: 🤝 Their only business is implementation, so they have a strong focus. Because they tend to be local outfits, they offer direct accountability

Cons: 🗑️ They have little if any sway with the software manufacturer to enlist their cooperation if needed, and -- compared to other options -- may not be as intimately familiar with the software you've chosen.

- **An implementation partner who is an independent Value Added Reseller (VAR) , sometimes referred to as a "Channel Partner" of the ERP software you are purchasing.**

In most cases, you will buy the software from them, too, although VARs can also be brought in by the software manufacturer if you acquired the software directly.

Pros: 🤝 They know the software inside and out, are independently accountable, and have some clout with the manufacturer.

Cons: 🗑️ Smaller VARs may not have the resources to handle large implementations.

- **An in-house implementation team provided by the software manufacturer.**

Pros: 🤝 They are completely immersed in the product and have direct access to the software developers and engineers. They usually have the resources to handle large implementations.

Cons: 🗑️ They typically have more staff turnover than independents, so performance can be inconsistent from person to person. Smaller implementations may not get corporate priority.

Each configuration can work in the right situation. The best one for you depends on your particular implementation type and size, along with your own resources, culture and expectations.

Get Started Right:

- ★ **Recognize that software is easier to get right than partners.** Software is about features and functionality; implementation is about competence, fit, trust and change management.
- ★ **Look twice as hard if your software manufacturer does it all;** you may have no choice about who shows up to help.
- ★ **Talk to reference customers** -- but find ones with similar-sized implementations and challenges.
- ★ **Insist on meeting the real implementation team,** the ones that will show up at your company. Ask how they plan to manage your particular implementation. Watch for cookie-cutter responses.

What if the software manufacturer does their own implementation?

Some ERP software manufacturers have chosen to keep all of the process in-house and offer a corporate team to manage client implementations. Some even make a virtue of it, claiming that their approach works better than trusting implementation to a third party.

While this approach has merit -- particularly for implementations large enough to command adequate corporate attention -- there can be drawbacks for small- and mid-level implementations:

- You usually don't get to meet your implementation team before you commit. That makes it difficult to evaluate their personality and experience fit with your needs.
- Because they have a pool of implementers, you get the implementers whose schedule is open at that time. That's good for the vendor, not necessarily the best for you.
- While their aggregate expertise is significant ("we've implemented this thousands of times") individual experience and capability can vary greatly. Corporate software teams tend to have regular turnover, which could become your problem if you let it.

2

Use your implementation partners to make sure your technology is aligned with your people and processes. One of the biggest reasons that enterprise IT implementations fail to deliver on their promise is that technology-driven processes aren't aligned with how you do business.

So you need to make sure your partner has the mindset and experience to make your technology support your business...not the other way around. All too often, businesses buy a technology, and then are persuaded by their implementation partner to change embedded processes to match how the technology works out of the box. For them, it's a cheaper route to a "successful" implementation. For you, it's a near-guarantee that it won't work well later.

Good implementation partners will help you strike a productive balance between new technology and old ways.

Get Started Right:

- ★ **Together with your implementation partner, define the outcomes you want.** Every step in the process should be preceded by the question, "What business benefit does this step offer"
- ★ **Figure out how the outcomes are supported by the application out-of-the-box.**
- ★ **Match this to your current processes.** You may find broken ones that you should fix before implementation. If customization is needed, have your partner give a precise detail of how they will do it, what the timetable and costs will be, and what they need from you.
- ★ **Identify all of the data you need for the new system.** Then inventory what you have. Then work with your partner to figure out how to fill the gaps.
- ★ **If the software manufacturer also does implementation, be especially vigilant on this issue:** teams are often incented on how cost-effectively (for the vendor) they implement software. They may push for cookie-cutter implementations.

3

Scope the entire process, even if you are doing a minimal implementation. Too many companies scope only the starting point, only to discover that adding capabilities means having to go back. It may be wise to add functionality one module at a time...but only if you and your implementation team start with the right foundation. For example, you may not be able to align your people, process and information for every ERP module. But by planning now to add modules later, you can make internal changes over time and actually reduce the total cost in implementation.

Get Started Right:

- ★ **Figure out the "other" ROI – Return on Inaction** – for not being able to accelerate growth and reap cost savings. Then factor that into your decision.
- ★ **If you prefer a phased implementation, scope out all of the phases at the start** so you can better prepare to implement subsequent modules.
- ★ **Be prepared to spend more...** start-and-stop implementations multiply the ramp-up and close-down portions of every work cycle, and they can't be eliminated entirely, even with the best planning.

4

Do it right. The best partners have the tools and expertise to manage every detail of the implementation. They keep you and themselves on task, on budget and most importantly, on time. And your partner has the benefit of multiple ERP implementations...at least they should. You get to do this once; they do it for a living.

More importantly, they are on site to provide critical skills you probably don't have in-house: long-term ERP strategy, as well as specific data management, IT integration and process design capabilities. Tap into that skill and experience; it's one of the intangible benefits that can convert a complex implementation process into a turbo boost for your company's long-term growth prospects.

Get Started Right:

- ★ **Demand reality-based scheduling from your implementation team:** when everything is ready, not an arbitrary or external date. Good partners will keep you on task without rushing you through your internal processes just to meet their deadlines.
- ★ **Fight scope creep...** defer add-ons that don't qualify as a first priority.
- ★ **Talk to your partner about Hofstadter's Law:** Any computer project will take twice as long as you think it will even when you take into account Hofstadter's law.

5

Don't look for the finish line. Sure, a successful launch is a good reason to have a party...but don't close the book on the project. One of the major reasons that companies periodically go through "big-bang" upgrades or replacements is that – once finished – the company would not devote the attention or resources to regular improvement.

After a while, people stop requesting changes and start adapting to the system's limitations. Then it becomes more difficult to mate old systems with new technologies, so the application continues to "rust" in place. Finally, it's no longer possible to tweak the system, you must swap it out; in other words, go back through what you just got done with.

Get Started Right:

- ★ **Keep your "wish list" of modules and functionality that you deferred during implementation.** Periodically review – with your implementation partner – to validate their fit with your needs.
- ★ **Allocate enough budget for "maintenance" to execute your ongoing implementation plan.**
- ★ **Budget for the software upgrades, if they do it that way.** The days where software developers created "upgrades" simply to generate more income are gone. Today, they upgrade to stay competitive with Software-as-a-Service (SaaS) vendors. If you don't upgrade, you guarantee the need for a future big-bang change.
- ★ **Poll users periodically to measure user experience and identify issues.** Be proactive with your implementation partner about these issues by scheduling regular conversations.



ERP Implementation Case Study

MOR/ryde International

Elkhart, IN

Case Brief:

Founded in 1966 in Elkhart, Indiana, MOR/ryde International makes suspension systems, trailer brakes and aftermarket products for the recreational and commercial vehicle industry. The company has also expanded into custom-fabricated solutions: designing, engineering and producing components and systems for automotive, medical equipment, agriculture and general manufacturing. They have more than 300 employees in multiple facilities.

The Challenge:

An ERP-driven enterprise for nearly two decades, MOR/ryde felt that they outgrew their VISUAL Manufacturing ERP system and their custom developed in-house applications. So MOR/ryde decided to look around, and in March of 2010, they selected a competing ERP software vendor, one that made a virtue out of being a single-source partnership. MOR/ryde didn't make the decision lightly...they retained an outside software selection consultant who provided deep industry experience and a strong process for vetting and choosing the best possible partner.

The Bigger Challenge

Tight, one-party integration turned out to be an empty promise almost from the start. Only a few weeks into the implementation process, it became obvious that the new release of the vendor's ERP system - demonstrated during the sales effort - could not live up to the promise. "The feature that help close the deal for us – a multi-plant accounting module – was not available out of the box," according to Jan Freer, ERP Specialist at MOR/ryde.

Despite this setback, MOR/ryde chose to adapt and plow forward, loading the system database and testing capabilities before a switchover. Problems mushroomed, beginning with an inability for the new system to create an accurate bill of materials for complex projects. And the much-ballyhooed customer service advantage of a single-source vendor began to disappear as well:

- ★ The vendor assigned MOR/ryde a newly-minted implementation manager who proved not up to the task.
- ★ When MOR/ryde requested a new point person to get the project back on line, the vendor refused.
- ★ They also refused multiple requests to change the out-of-the-box configuration of the software in lieu of missing features.

MOR/ryde suspended the ERP implementation in October 2010 and in November 2010 chose to go back to Infor ERP VISUAL. "We never even got to the complex part of the implementation," Freers added. "The whole process was going nowhere so we pulled the plug."



Course correction:

MOR/ryde reached out to BizTech to pick up the pieces of the failed implementation, figure out how to “implant” both the MOR/ryde ERP database and earlier custom modules into a new version of Infor ERP VISUAL, then conduct the conversion seamlessly.

After extensively testing the MOR/ryde database, BizTech confirmed that the company could upgrade – with some tweaks - to the latest version of VISUAL, a move that would give MOR/ryde everything they wanted in their original vendor specification.

BizTech loaded and tested the old modules on a new virtual server, then upgraded the original database in a remote test environment for MOR/ryde’s team to use to test and learn. BizTech also created ways to automatically load new data without manual data entry. “The BizTech team was fast and flexible all the way through this difficult period”, Freer said.

The new version of VISUAL was re-tested in MOR/ryde’s own environment prior to launch. The first stage of implementation went live in mid-January 2011, a little over two months after the original implementation was scrapped. As soon as the first-stage changeover was complete, MOR/ryde and BizTech completed database cleansing and tweaked the custom modules to be fully compatible with VISUAL.

The Result:

MOR/ryde now has all of the features and functionality they originally wanted, without having to scrap any of their data or replace the custom modules. That includes:

- ★ Features like a turbocharged search capability, better bill of lading capability, bar code upgrades and direct fax/email communications from the system
- ★ Multi-plant integration
- ★ The elimination of stand-alone systems that MOR/ryde created and customized to cover some of the earlier gaps in ERP functionality.

“Everything we went outside for, we’re getting with the new system,” Freers said. “For the first time in a while, we are confident that our ERP system can easily handle corporate growth for a long time to come”





Together With You

Your organization will benefit from our team's commitment and hands-on experience. You'll gain a competitive advantage with a manufacturing software solution that delivers end-to-end functionality, low cost of ownership and ease-of-use to meet the complex needs of your manufacturing business. You'll agree that the combination of Infor ERP VISUAL and the BizTech Team is the right choice.

Your solution choices include:

- ★ Business & ERP Software Systems
- ★ Implementation Planning
- ★ End-User Training
- ★ Best Practice Consulting
- ★ Data Conversion & Importing
- ★ Version Upgrades & Migrations
- ★ Custom Programming
- ★ Disaster Recovery & Business Continuity
- ★ Virtual Workplace
- ★ Computer Network Support

About BizTech

Founded in 1999, Business Technical Consulting, LLC (BizTech) is dedicated to providing complete Enterprise Resource Planning (ERP) and Information Technology (IT) solutions that deliver long-term benefits to small and mid-sized manufacturing companies.

Like our 500+ clients throughout North America and 5,000 VISUAL customers worldwide, you can rest assured that your projects are in the right hands. BizTech is an Infor ERP VISUAL Channel Partner, a Microsoft Certified Partner, Comptia A+ Certified and a Citrix Authorized Solution Advisor. BizTech offers industry-leading technologies such as Infor, Microsoft, Dell, HP, Citrix, Cisco, Symantec, Sonicwall, ThinPrint, Wyse, Epson, Lexmark, and Xerox.

The BizTech Team has one simple goal: to partner with your company in a joint effort to improve your business processes and increase your profitability.

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**BizTech is your single-source
Enterprise Resource Planning
(ERP) software provider.**

With strategic technology solutions and a seasoned implementation team, your company will benefit from centralized accountability, a simplified project plan and the most efficient implementation of Infor ERP VISUAL.