Buyer's Guide to ERP Business Management Software

SOFTWARE • SOLUTIONS

Your Roadmap to a Successful ERP Journey

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Let's
Get Started...

Your business has outgrown its basic accounting or legacy ERP system and you've determined it's time to implement a more robust business management system. Now what? Searching for Enterprise Resource Planning (ERP) information can be overwhelming, especially if you don't have much experience or knowledge in this space. However, with about 50-70% of ERP implementations failing to meet anticipated objectives, there are steps you can take to ensure success.

Understanding what ERP systems are and how they can benefit your business is key to beginning your search. You'll first need to think about all of the business processes essential to running your organization. This includes accounting, order management, inventory, distribution, manufacturing, operations, production, job costing, reporting, e-commerce, HR, marketing, sales, customer service, and more. At its most basic level, an ERP solution integrates these various functions into one efficient system, automating where appropriate, in order to streamline processes and information across all departments and functions. Whether your ERP project is a few months or a few years long, whether it's an upgrade or a new implementation, the financial, operational, and cultural well-being of the entire organization is at stake and the costs of failure range from disruptive to catastrophic.

While failure can be fairly common, it is also avoidable. ACC Software Solutions has used our 27+ years of ERP experience to identify critical challenges organizations typically face, and recommendations to mitigate risk at every stage of the ERP journey. The purpose of this Buyer's Guide is to provide an outline for a successful ERP journey, including business process re-engineering, system selection, project planning, change management, training, post-implementation support, and more.

Planning the Trip

Finding your Bearings

Current State Business Process Mapping

Successful ERP implementations are not only driven by software but also by business processes. Many companies make a costly error during their ERP system implementation – they assume that the new system will fix their broken processes without first determining what's wrong with their processes, to begin with. Business process re-engineering and improvement is one of the most critical yet often forgotten aspects of implementation projects. Having clearly defined current and future state business processes is a distinct advantage that reduces the time, effort and cost associated with business management software initiatives. The upfront costs of putting together comprehensive process documentation will not outweigh the long-term benefits. You'll need to have a clear understanding of where you are, and where you want your business to be in the future before you can plan your ERP journey.

Business Process Mapping is a framework used to create visual representations of business processes. Business process maps reveal the relationship between operational steps, inputs and outputs to produce an end-product or service. These documents are focused on what a business does, why it operates in that way, what the standard is for success, who is responsible, as well as when and where different steps will occur. The main purpose of business process mapping is to promote transparency and allow organizations to improve upon their current practices by creating a clear, detailed visual representation of workflows.

The first step in determining where you want to be is to understand where you are. Knowing how your business currently operates and having business practices clearly documented is important for several reasons. Documenting your current business processes often reveals inefficiencies and opportunities for improvement, as well as unique differentiating factors that give your organization a competitive advantage over competitors.

Process maps should be created for any function that is related to primary ERP flows. These process maps should be created at the functional level to assure that any sub-processes are also covered. Within each functional area, each step isolates an individual process into a workflow diagram for a clear depiction of a process or series of parallel processes.

Deciding on a Destination

Defining a Designated Future State

Once you have a visual representation of the current processes, you can identify delays, bottlenecks, and other inefficiencies. Then, you can create a future state process map that eliminates these issues. It's also important to anticipate the future direction of the business and any additional technology capabilities required. These considerations should also be reflected in the future state documentation. As is the case with all stages of business process re-engineering, future state process mapping should be performed at a technology-agnostic level that does not yet address how processes will be completed within a specific ERP system.

A future state map focuses on what *should* happen in a process by answering the following questions:

1. Who should perform each task?
2. What should be the specific tasks?
3. What should be the decision points?
4. Who is the customer(s)?
5. Who are the stakeholders?
6. How should we resolve the issues with the current process?

With the current and future process maps in hand, you can finally start to understand the future direction of the business and technology requirements in a new ERP system to support this vision. Technology requirements needed to achieve the future state should be ranked by priority and business value, then compared to various ERP vendor offerings to find a solution that best covers all of your organizations current and future needs. From there, you can consider integration, customization, and configuration requirements to fine-tune the system to your unique needs.

In addition to helping with ERP system selection, process mapping is beneficial to nearly every stage of an ERP implementation project. Use your re-engineered business processes as the foundation for your decision making, organizational change management, executive buy-in, and training strategy. Once business process changes have been defined and documented they should serve as a baseline and point of reference for the entire project including measuring progress and results after go-live.

Plotting your Course

Creating an ERP Strategy

There is no one-size-fits-all ERP strategy. Businesses should define ERP strategies to suit their unique needs. Each organization must establish a new strategy for business applications that utilize modern technologies to deliver faster response and better return on investment without sacrificing integration, integrity, and/or governance.

According to Gartner, we are in the Postmodern Age of ERP and the best way to approach these solutions are with two separate strategies.

Administrative

This strategy focuses primarily on administrative functionalities like financials, human capital management, and indirect procurement. - a service-centric approach for industries who don't require comprehensive operational capabilities. Some industry-specific functionalities may be incorporated in the overall ERP strategy, but the focus is on administrative functions.

Operational

Product-centric industries like manufacturing, distribution, retail, etc. will likely expand their ERP strategy beyond administrative tasks into operational areas, such as order management, inventory management, manufacturing, and supply chain, to maximize operational efficiencies.

Planning for Postmodern ERP

1. Establish business requirements and an evolving strategy.
2. Which current and prospective solutions for effective success.
3. Align business needs to establish transition plans.
4. Implement new solution(s) or update to current release.
5. Eliminate unnecessary modifications and leverage supported applications.
6. Collaborate with partner(s) to set goals and alerts for updates.

Executing a Postmodern ERP

1. Maintain detailed business scenarios and scripts.
2. Develop change management and testing procedures.
3. Leverage administrative and end-user training.
4. Regularly apply patches and updates.
5. Apply version upgrades as available.
6. Leverage cloud applications where appropriate. They are inherently current, flexible, and scalable.

Packing the Right Resources

ERP Vendor and Partner Selection

Choosing an ERP Vendor and System

The ERP software industry is more competitive today than ever before. The good news is that this means that EPR buyers like you have more options than ever when it comes to selecting a system. The bad news is that having so many choices can make the decision-making process seem daunting. Products and technologies are evolving at an ever-growing pace making the numerous options in front of you even more overwhelming. Leading ERP vendors, their smaller competitors, and even startup software firms provide a wide range of viable options to organizations of all industries, geography, and size. But by taking a systematic approach you can avoid the analysis paralysis and find the best fit for your company's unique needs.

From deployment model to applications offered, each ERP system comes with pros and cons. The biggest challenge of the software selection process is weighing those pros and cons against your business's technology requirements organized by priority. For most companies, there are just a handful of viable solutions with a good fit. Your future state (from Page 4) will help you identify which on your short-list of solutions is the best fit and how best to further tailor the solution with integrations, customizations, and configurations.

We've separated vendor and system selection into two lists of considerations to account for vendors who have multiple product lines and variations. Ultimately, both vendor and specific product functionality should be considered during the selection process.

When selecting an ERP software vendor, buyers should consider:

- The financial stability of the company representing the ERP solution's longevity.
- The vendor's investment in technology and reinvestment of revenues into development, and continuous improvement of the product.
- The vendor's growth which can indicate its relevance with recent buyers.
- The vendor's commitment to industry-specific capabilities.
- The vendor's availability of information and product support.

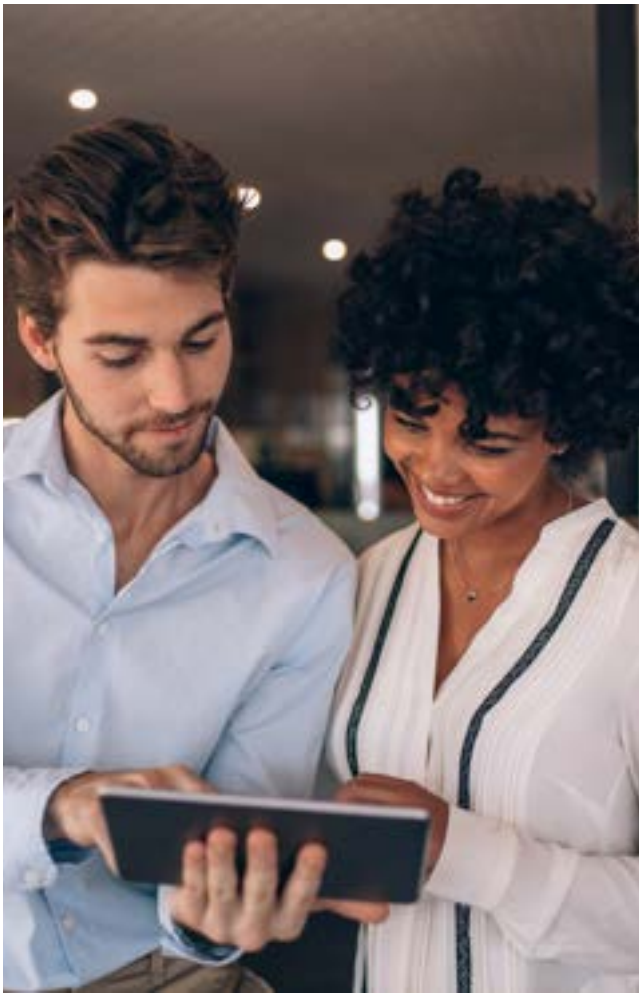
When selecting an ERP system, buyers should consider:

- Out-of-the-box features and compatibility with functional requirements, reducing the potential complexity of managing customizations and third-party add-ons.
- The User Interface and ease-of-use which can accelerate user adoption and reduce learning curves.
- Industry penetration and customer references indicating success in the markets it serves.
- Future product roadmaps that include the adoption of new technologies, hybrid deployment options, and releases that are focused on features and capabilities versus fixes and patches.

While product selection is a vital piece of any implementation project, every company has limited time, money, and resources, so don't get too bogged down in system selection. Every dollar and every hour spent on system evaluation and selection is time and money that could be spent on a successful implementation. Functionality and technology are key considerations but rarely a determinant of implementation success or failure. In the long run, it's better to have an imperfect software selection with a great implementation rather than a great selection with an imperfect implementation.

Choosing an ERP Partner

Choosing the right ERP partner is the most critical decision you will make after choosing to implement. It is arguably even more important than choosing which solution to utilize. It also has the greatest impact on a successful project and is the greatest area of risk for many buyers. Ideally, your partner will provide consulting services to help you determine which solution is the best fit for your business, offer customization and implementation services to get your new solution set up, end-user training to ensure that your team can properly utilize the new system, and give you continued support for any unforeseen issues or upgrades needed in the future. Ultimately, partner selection can make or break any ERP project, but can also have lasting effects for the future.



When comparing partners, a buyer should consider:

- The partner's support, consultant, training, and project management teams
- Customer references focusing on successful projects and industry expertise
- The Partner's relationship with the software vendor, product, and third-party solutions. Is there collaboration with the publisher and third-party vendors to fill services delivery gaps? Is the partner fully trained, certified, and in good standing with the publisher?
- Does the partner understand your business requirements? Did the partner address the requirements with specific solutions using industry appropriate terminology, processes and workflows, sample data, and exhibit proof with reports and dashboards?
- Did the partner present detailed implementation methodologies customized for your needs? Is there project management, go-live readiness, set milestones, and frequent assessment reviews build into their project plan?

Getting Everyone On-Board

Securing Organizational Buy-In

Before beginning any ERP project, it's critical to ensure that the entire organization understands the reasons and strategy behind the move. Since ERP systems touch nearly every facet of an organization, you'll need to justify investments by securing buy-in across your company. If decision makers do not clearly support the need for change, your budget and resource planning may be negatively affected. If project members and end users don't understand the objectives, confusion can prevail over purpose and commitment, increasing resistance to change and reducing the chance of success. If you don't have sufficient buy-in, your ERP project is likely doomed for failure.

In order for an ERP implementation to be successful, the transition must have the complete support and commitment of upper management. The new system will be the foundation for the organization's future growth and must be a top priority for executives who will set the example for the rest of the organization, who will be much more likely to comply with new policies and procedures.

People are naturally resistant to change. For this reason, it's especially important to keep the people most affected by process changes, your end users, engaged throughout the ERP implementation project. It's important that you develop an employee engagement strategy to ensure that end-users are informed about process changes and expectations throughout the project.

Clearly Define and Communicate the Need for Change

Define the need for change by developing a clear picture of how the organization will benefit from this initiative. This can go a long way in generating enthusiasm for the implementation and making sure everyone is on board. Early, frequent, and progressive communication long before the ERP system is implemented should explain the need for change. Employees need to know the reasons for adopting the new ERP system and how it will help the organization. Employees and leaders at every level need to know what the transition involves, its benefits, and how their tasks will change once the system goes live.

Articulate and Endorse the Vision

Spend time upfront communicating why this change is necessary and what will happen if you don't change. The future state is the basis for your company's understanding and ultimately their buy-in to the project so it's critical that each of the key stakeholders of your business processes be involved. Leaders, particularly in areas likely to be affected by the new system, need to cascade this message to the rest of the company. You will likely encounter employees who aren't on the core team who will see further possible improvements that can be considered or added.

Estimate your Costs and Commitments

Prepare for the big questions: What are your expected ERP costs? The Total Cost of Ownership (TCO) of an ERP system is calculated by always using the purchase price and implementation costs of the ERP system, but must also include the operating costs for the 5 to 10 years the system will be in production. The TCO for an ERP system is determined by combining these factors, and careful analysis of these components of cost needs to be part of a true ERP cost calculation:

1. **Software fees:** For software license, deployment (cloud vs on premise), data migration, configuration, and maintenance.
2. **Implementation people costs:** For consultants and staff time to implement, train, and adjust to the new system.
3. **Ongoing infrastructure expense:** For maintaining or replacing hardware, Networking equipment, and user devices.
4. **Ongoing people cost:** For contractors and staff for hardware and networking support, software upgrades, bug fixes, integrations, and custom development.

Be clear on the budget and resources required to support the project, and determine the resource ramp-up plan so the project doesn't stall at the start. Also, make sure everyone involved understands the commitment required from all parties. This will help avoid confusion when competing initiatives inevitably arise.

Establish a Comprehensive ROI

Comparing your current business processes to your future state process map will allow you to establish a comprehensive Return on Investment (ROI). You should also consider improvements in specific areas of your business including inventory control, invoice management, understanding of the customer, increased visibility, and more. ROI analysis is the process of identifying the expected direct and indirect costs of the project compared to the benefits, both over some reasonable lifetime – typically 5 to 10 years for an ERP system. Every company's situation, needs, and solutions are different and therefore each company's costs and benefits will be different. If the return is sufficient to meet buy-in from leadership, the project can be given the green light.

Establishing an ETA

Planning an ERP Implementation Project

Without clarity on project structure, activities, roles, and responsibilities, projects can often suffer from confusion and resistance, making execution extremely difficult. Lack of a clearly developed and articulated project structure may cause the team to duplicate efforts or leave key tasks unaddressed as they try to figure out where they should be and what they are specifically responsible for. Inevitably, a poorly put together or articulated project plan will cause delays and redundancies before the project gets in gear, raising costs and jeopardizing budgets and schedules.

In order to keep the implementation team on time and on budget, your team should work with your ERP partner (consultant and/or Value Added Reseller/implementation service provider) to establish a project plan based on clear, measurable goals and objectives. KPIs should be translated into project milestones with a realistic timeline. ERP implementation projects, like many projects of a similar scale, will never be wrinkle free. With that in mind, various trial runs and testing phases should be incorporated into the project plan to anticipate any delays while also preempting future issues by fine-tuning configuration before the system goes live.

- Hold a project kick-off meeting to set and align expectations, clarify roles and responsibilities and allow team members to both ask and answer relevant questions. Include project leadership, as well as relevant internal and external resources to ensure visibility and engagement.
- Understand and leverage existing internal structures, such as communication vehicles and decision-making bodies. These structures create a sense of familiarity and reduce barriers to engagement.
- Develop and enforce a clear issue and risk escalation process to capture, and expedite resolution of any issues and risks throughout the project.
- Highlight integration points between project streams to generate discussion. Project meetings should include clarification from each stream on what they understand their project role to be, and what they see as key integration points with other streams.
- Revisit and reinforce roles and responsibilities regularly throughout the project lifecycle as they may shift or evolve over time.
- Leave sufficient time to test all systems and data before go-live. This should include intense auditing tactics to make sure the system is solid before you try to run your business in it.

Preparing for Detours

Organizational Change Management

Organizational change management and planning will be a major factor in the success of implementation projects. Keeping all levels of the organization engaged in the project is a great start, but as changes to day-to-day operations start rolling out having a concrete plan in place will help to speed user adoption, and avoid the spread of misinformation and chaos. Successful change management strategies keep the company's mission in mind and make it clear to employees how these changes will help the company to meet their goals in order to create a common vision for change. There must be a plan in place to educate employees the specifics of how their day-to-day work will change and rewards that encourage individuals to take ownership of their new roles and responsibilities.

ERP implementations bring about a lot of changes that will substantially affect employees. Success depends upon how effectively you understand and manage the impacts of these changes. To achieve the best results, proactively prepare employees and the organization as a whole prior to the new system's go-live. A good grasp of potential change impacts will guide your communications, training, and leadership alignment activities while minimizing wasted time and effort

1. **Identify key changes to systems, processes, and organizational structure**. Work with department representatives to fully understand potential change impacts from multiple perspectives. Gathering input on the magnitude of impacts will help focus communication and training efforts.
2. **Understand and communicate how roles and responsibilities will change.** Incorporate these changes in role impact guides, job descriptions and training materials. By providing these resources before implementation, you can ensure users understand how expectations will be affected. People are also much more likely to buy-into the project if you can answer the "what's in it for me" question.
3. **Develop a training strategy that addresses users transition to the new system and processes.** The Training Plan should focus on helping users be more productive using the system and include the who, what, when, and why questions needed for pre and post-implementation training.
4. **Create a culture that embraces disruptive change.** By leveraging disruption and change acceptance as part of your internal culture, your business will set itself up to be a leader of tomorrow rather than an innovation denier. Disruption is an inevitability that your business can better prepare for by building a culture that routinely embraces change because it is a long-term state of being.

Teaching them to Drive

Training your Team to use the new ERP System

Even the best software is useless if your end-users aren't using it effectively. And yet, lack of or inadequate end-user training is one of the most common causes of ERP software implementation failure. It is an integral part of any implementation project that is too often rushed or entirely overlooked. Fortunately, training challenges are well documented and best practices are well established. By following these best practices for ERP training, the process can be made less painful and your new ERP system will be in good hands after implementation.

ERP Training Best Practices

Create an Ongoing Training Plan: The Training Plan should focus on helping users be more productive using the system and include the who, what, when, and why questions needed for pre and post-implementation training. The Training Plans should be considered an ongoing, integrated subset of the overall ERP strategy. Start with a detailed analysis of training needs and available resources. From there, the training plan should include:

- Assigned ownership of the training program
- Details of a dedicated program to maintain a pool of qualified users
- Budget estimates for internal and external training resources
- Who will be trained and what they need to know
- How job duties will be covered while employees are attending training sessions
- Education timeline and schedule
- Documentation required and who will prepare it

Follow Adult Learning Methodology: Adults learn very differently than children and young adults. As we age, we acquire new motivations to learn but this can often pose a challenge for traditional teaching methods. Malcolm Knowles, a pioneer in adult education, states that there are 6 main characteristics of adult learners:

- Adult learning is self-directed/autonomous
- Adult learning utilizes knowledge and life experiences
- Adult learning is goal-oriented
- Adult learning is relevancy-oriented
- Adult learning highlights practicality
- Adult learning encourages collaboration

Deliver Role-Based Training: Your new ERP system will likely be used by many different employees, in many different departments, for many different purposes. Role-based and process-based training allows you to train end-users on the modules most relevant to their role and day-to-day activities. This type of training method will help to keep students engaged throughout the training process and allow you to deliver required training efficiently.

Identify and Enforce Mandatory Training as a Gate for Granting System Access: Ensure that training is a priority for everyone involved in the ERP project. Training sessions should be mandatory for all users and encouraged for non-users as well. In order to prevent costly mistakes and delays, employees who haven't been properly trained should not have access to the live system.

Include Analytics on Training Performance: Remember, training shouldn't be treated as a one-time investment, but instead as an ongoing effort. This means that analytics beyond just usage and completion will be able to influence future training. Statistics like how long training takes, employee feedback on relevance and engagement levels, improvements in performance and/or reduction in issues because of training can all be used to quickly and easily review ROI for employee training and identify knowledge gaps.

Couple Training With a Strong Engagement & Change Management Programs: Its human nature to be uncomfortable with change and ERP training is not usually a favorite activity for employees. One way to keep employees engaged and receptive to change is to offer incentives and advancement as a reward for taking training seriously throughout the project. Develop a strategy to ensure that employees are informed about company changes, how those changes affect their job specifically, and organizational expectations. Keep the company's mission in mind, and make it clear to employees how these changes will help the company to meet their goals in order to create a common vision for change.

Gain Commitment From Management and the Project Team: In order for ERP training to be successful, the training initiatives must have the complete support and commitment of upper management and the implementation team. The new system will be the foundation for the organization's future growth and must be a top priority for executives who will set the example for the rest of the organization, who will be much more likely to comply with new policies and procedures.

Train to your Business Processes: Another major reason that ERP implementation projects often fail is a lack of understanding around how the new system will impact business processes. Your ERP strategy should clearly identify any business process re-engineering, and users should be trained on how the ERP system will interface with an organization's workflows and business processes after go-live. Include tailored training materials for your industry-specific functions and processes.

Have Support Resources Ready: Educating employees on how to use the new system goes beyond training and includes being ready with support materials and resources for when things go wrong both pre and post-implementation. Ensuring users that they are properly supported with both internal and external resources will give them confidence during training and in utilizing the system after go-live.

Asking for Directions

Post-Implementation Support & Maintenance

You've done it! You've gone live with your new ERP system! Now what? Implementations can take months and involve huge swathes of an organization's resources and time. There's no doubt that ERP post go-live euphoria is a real thing. However, that kind of investment can't end the day your ERP is installed. End users need to be confident and comfortable working with the new ERP solution, and providing high-quality, effective, post go-live support is crucial to overall project success. Any ERP implementation roadmap should continue well beyond your intended go-live date. Organizations reap long-term success form their ERP implementation if they help end users climb the learning curve with timely, robust support and a comprehensive maintenance and support plan for the future.

When you finally go-live with your new ERP solution, it is important that an adequate level of support is still available from the project team to assist with adapting to the new processes introduced to the organization. You should plan for a minimum of one full month of post-implementation support. Use a formal structure with the existing project resources to evaluate the acceptance of the new ERP solution and document any problems that need to be addressed.

ERP maintenance refers to regular post-implementation activities required to keep the ERP system sustained. More specifically, any effort carried out in maintaining an ERP system that does not focus on improving or enhancing the system and is not a minor or major upgrade should be categorized as maintenance. Most vendors offer a variety of ongoing professional services to clients in need of ERP maintenance and support. If you're unsatisfied with the maintenance and support services your vendor offers, consider contacting your ERP Partner or a third-party to take over these tasks.

In addition to securing maintenance and support services, develop an internal strategy for supporting your solution. Organizations that fail to develop and implement such plans often find themselves overspending on support or, even worse, working with outdated or broken software. When putting together your strategy, be sure to forecast organizational changes and plan system maintenance to support these changes. Additionally, keep your vendor or third-party maintenance and support provider updated to ensure that they are prepared to lend a hand when changes are necessary.

Accelerating Past the Competition

Gaining a Competitive Advantage

Once your users get comfortable with the new system, you'll have a better idea of how best to modify, expand, and add-on to it through customizations, integrations, and additional configurations. Eventually, it can become difficult to manage a diverse portfolio of business applications and technologies, serving different purposes, while delivering a faster response time and greater return on investment, without sacrificing integration, data integrity, or governance. Gartner offers a strategy called the Paced-Layered Strategy to address this problem by categorizing business applications by the nature of the problem they address, their rate of change, and the distinctiveness of the solution.

Pace Layer thinking utilizes a granular approach to business applications in a portfolio – does this application support a common requirement, a unique business process, or an innovative new business methodology? By sorting applications in this way, organizations can apply the appropriate governance, funding, and data-models based on the characteristics of each application.

The Pace-Layered Strategy divides information technology systems into three categories or layers:

1. **Systems of Record**: These systems support the core business functions and manage critical master data with a slow rate of change, common functions between organizations and are often subject to regulatory changes.
2. **Systems of Differentiation**: These applications utilize unique company processes or industry-specific capabilities, with medium-cycle change requiring frequent reconfiguration to accommodate changing business practices or customer requirements.
3. **Systems of Innovation**: These applications have a short life-cycle and can be built ad-hoc to address emerging business requirements or opportunities. Often using departmental or outside resources and consumer-grade technologies.

This type of classification highlights the fact that implementing a Postmodern ERP system is just the beginning. It is the System-of-Record upon which you can continue to build layers of differentiation and innovation. If your organization has a process or service that gives you a competitive advantage, **make the software fit the process** not the other way around.

Topping up the Tank

The Importance of Regular Updates

One of the benefits of implementing a modern ERP system is that vendors spend a lot of time and effort every year on R&D, functionality improvements, and other enhancements that enable customers to benefit from lessons learned and emerging technologies. ERP vendors invest heavily in constantly improving their solutions. Regularly implementing these ERP updates should enable your organization to get the most out of the ERP system throughout its lifecycle.

Software-as-a-Service vendors have made the updating process easier than ever. However, updating a complex system can be a project in-and-of-itself. In this way, upgrading your ERP system is a double-edged sword: on the one hand, organizations want to keep up with technology improvements while, on the other, they don't want to dedicate resources changing their operations to adapt to new or expanded functionality.

1. **There is a clear update project strategy and plan in place.** In order for updates to be successful, they need to be properly planned. In other words, the update needs to have a project plan, organizational change management and training plan, and other resources and focus required to make the initiative successful. Only by having this clear plan in place will organizations be able to succeed in their upgrade projects.
2. **The organization can effectively digest the update.** When organizations complete an ERP implementation, an update is the last they're thinking of. The project team and overall organization is often times burned out after the initial implementation, and most organizations don't have the skills, capacity or resources to upgrade every several months. For this reason, updates should only be completed if there are appropriate resources and capacity to do so. Even with SaaS ERP systems – where physical installations of new software are not required – organizations need time to adjust and adapt to new software features and functionality.
3. **The business operations are going to benefit from the ERP system update.** Just as companies shouldn't update because they feel as though they "have to" implement new technology, software updates should never happen simply for the sake of technology. Instead, there should be a clear benefit for doing so, and one that outweighs the costs. In other words, there should be a strong return on investment for the update, along with a clear benefits realization plan for attaining those benefits.

Checking the Rear View

Measuring Results

After your new system has gone-live and as your users get more and more comfortable, your team will want to start seeing a return on the sizable investment of time, money, and resources that went into the implementation project. If you can't and don't measure it, you won't achieve it, so post-implementation audits are a critical way to ensure benefits realization. A post-implementation audit helps organizations measure success, determine "benefit leakage" following an ERP implementation, and identify next steps to increase ROI.

Revisit the future state documentation, KPIs, and expected benefits laid out in the early stages of the project. These KPIs should then be translated into individual and departmental metrics, along with target levels of performance to be used as the basis for the post-implementation audit. Even soft benefits that are hard to quantify should be translated to tangible benefits wherever possible. Typically, a post-implementation audit should be conducted a few months after go-live. If you attempt to audit too soon you likely won't have enough data to see significant change, while waiting too long could delay corrective measures.

4 Key considerations for your Post-Implementation Audit:

1. **Assess adoption and business impact:** Monitor new process adoption and impact on business performance. Assess baseline and post-implementation performance measures. It's also important to consider employee transition to the new system. As you examine whether new processes are being followed, you will identify areas in which employees could benefit from additional or ongoing training.
2. **Consider satisfaction of stakeholders:** Talk to your stakeholders, including executives, employees, managers, the IT department, customers, and vendors. Are they satisfied with the new system and results of the project? How has the system impacted your customers' and vendors' interactions with your business? Look for specific comments that can guide future direction as well as an overall assessment.
3. **Identify opportunities for further improvement:** What requests have been made by your team after go-live? Also, consider how your system will facilitate your company's long-term vision and any potential competitive advantages.
4. **Review costs versus benefits:** Perhaps the most important yet most difficult aspect of the post-implementation audit, this section aims to determine if the new system delivered the initial business case and anticipated ROI. The benefits from these systems may initially be hard to quantify but a few areas to look at are process improvements, customer experience, compliance, production, planning and control, procurement, reduced shortages and interruptions, better labor allocation, resource commitment and supervisory oversight and more.

Recovering from a Missed Turn

Getting Back on Track

You will inevitably face unanticipated impacts along your ERP journey. It's a given with any major project. These impacts that you did not analyze properly or that were missed altogether in earlier phases of the project can seriously affect solution benefits if they are not managed effectively. If employees depend on particular business processes that were incorrectly designed, or face impacts that were never anticipated or accounted for, they inevitably revert to wasteful workarounds to cope in the new ERP environment. And if workarounds cannot be found, work efforts will be delayed or stopped and valuable time will be lost.

How to Manage Unanticipated Impacts and Setbacks

- **Manage expectations throughout the project.** Communicate with end-users that the project team is well equipped to deal with challenges. Conveying a sense of confidence that you are able to handle things as they arise encourages users to raise issues and even provide possible solutions.
- **Provide clear feedback mechanisms.** Users should be able to notify the project team of any discrepancies and ensure the search for a solution is a high-priority item. Identifying and dealing with these unanticipated changes and impacts efficiently and effectively is critical to keeping the project from being seen as a failure.
- **Empower users to deal with issues and determine solutions where appropriate.** They will be your best ally in the field when issues arise. If they can handle certain problems effectively, end users gain confidence in their knowledge and abilities and maintain a positive outlook.
- **Identify areas for continuous improvement** and let end users know you're always looking to enhance the solution. Encourage engagement by rewarding those who submit improvement opportunities.
- **Celebrate big AND small wins with end users.** Provide rewards and recognition for those who achieve positive results with the new solution. This goes a long way towards gaining organizational acceptance and encourages peer-to-peer knowledge sharing.
- **Identify what's behind any lack of usage of the new technology.** Is it discomfort with new technology or a lack of proper training? Once you know the underlying reasons, properly address the issue and get back on track.
- **Reiterate the benefits of the new system,** highlighting the "what's in it for me?" justification and the value of properly following the new business processes.

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ACC Software Solutions

ACC Software Solutions helps organizations simplify, standardize, and optimize their business processes with a combination of experience, industry knowledge, and technology. From our corporate HQ in Cherry Hill, New Jersey, our ERP software solutions support accounting, operations, human resources, customer relationship management, and retail services for our clients nationwide. We provide specialized solutions and expertise to various industries including manufacturing, distribution, financial, medical, and professional services. We aim to build long-lasting relationships based on trust by helping you through every stage of your ERP journey. To achieve this, we offer a full range of business management technology services, including consulting, implementation, targeted training, and ongoing support.

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