ONPRO
Consulting

We drive business value through ERP and enterprise software

PREPARING FOR AN ERP ENDEAVOUR – PRIOR TO VENDOR SELECTION
An Onpro Consulting service

Preparing for Success

A new ERP system is the platform on which your company will shape its business for the next 7 to 10 years. It's also an opportunity to innovate, and - because of the substantial investment involved - you should do so vigorously. Your project team has a responsibility to look ahead, dream and push boundaries, and so design and deliver a platform built for the future. This is the only way to assure enhanced competitiveness and true business agility across your organisation.

Yet so many companies forgo this important exercise in favour of quick wins, such as satisfying annual KPIs or reducing immediate project costs. In the end, they settle for a system that merely scales up previously available functionality, but they sacrifice an important advantage. Worst of all, they never fully comprehend the future price they pay in terms of lost business velocity and competitive potential.

The Right System

ERP systems are complex environments. So it's incredibly difficult to determine in advance what business value they will deliver and whether or not it will align with your growth strategy. Unfortunately, business leaders and project members both suffer from blind spots, such as technology inexperience in the former and a limited concept of business strategy in the latter. Neither has the complete capacity to define the real business value required and the means to extract it fully from an ERP solution.

Onpro Consulting prepares you for your most successful ERP implementation yet by addressing both strategic and technology success factors holistically. With our services, you can achieve synergy between the two perspectives and enjoy a result that sits squarely in the upper right quadrant of the ERP success scenario graph below.
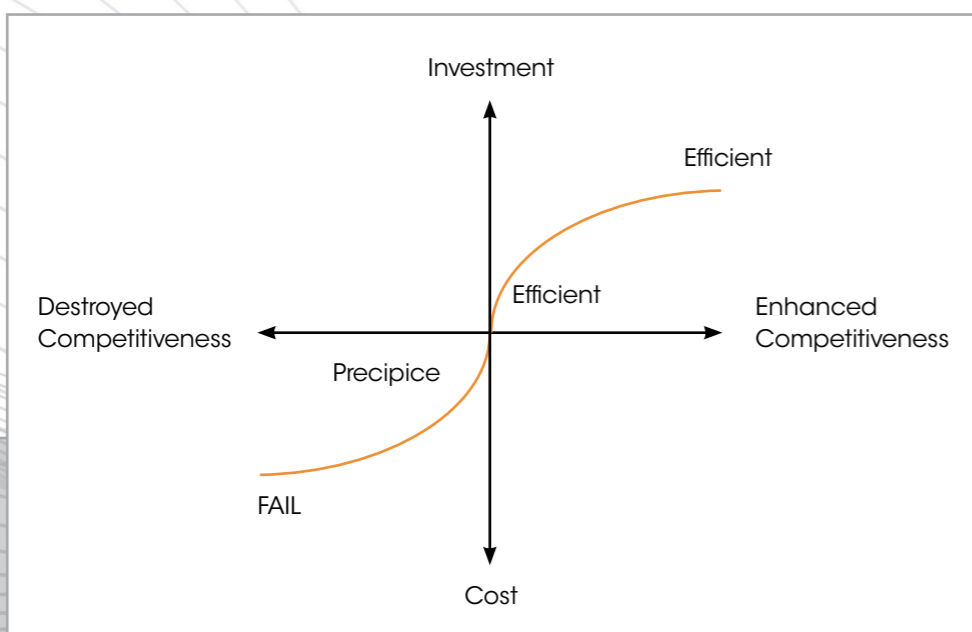
An EFFECTIVE project is one where returns far outweigh the ERP investment, including improved competitiveness and diminished limitations in the business. In addition, all your business stakeholders embrace the way ahead and the future is exciting.

Onpro ERP Preparation Service

Preparing for an ERP endeavour → Vendor selection → Project preparation → Project execution → Benefits realisation

Onpro Consulting's ERP services cover the five holistic stages of a typical ERP project, as shown in the diagram above. The Onpro ERP Preparation Service comes first, and should be engaged immediately on deciding that an ERP system is required. It offers advisory consulting, business consulting and program management to ensure the correct path is taken for your unique ERP preparation requirements.

Service Outcomes

The Onpro ERP Preparation Service helps you achieve the following outcomes, allowing you to proceed confidently with all remaining project stages:

1. **Strategic clarity.** Understand the business purpose of the project and how it serves the business purpose of the company. Reconfirm the project business purpose after the business improvement team has been assembled and has had a chance to debate it.
2. **Risk management strategy.** Through scenario planning, define the conditions for project success, where the projects could falter or fail, and the corrective actions to be taken in the latter case.
3. **Business improvement team selection strategy.** Assemble a business improvement team with the right leadership, business insights and technical competencies to drive the project forward.
4. **Change management strategy.** Ensure a change management process runs parallel to implementation, to secure total project buy-in and adoption across the enterprise.
5. **Stakeholder inclusion.** Make sure that all stakeholders, both inside and outside your organisation, are included and represented.
6. **Executive KPIs.** Make sure the KPIs of your executive team are aligned to the project.
7. Team KPIs. Make sure the KPIs and incentive programmes for the company business improvement team and the ERP project team are aligned to the project.
8. **Innovative thinking.** Arrange innovation thinking training courses for the business improvement team. You do not want to end up with a system that works exactly like the current system. This is a massive opportunity for innovation to lay a platform for the next ten years.

9. **Documentation.** Collaboratively document exactly how the current system works including business processes, business rules and data. Also take into consideration processes that occur outside the ERP system. Use modelling software, such as www.blueworkslive.com, and strongly resist the temptation to use drawing or word processing tools to document your business processes, business rules, data and information requirements.

10. **Updated enterprise architecture model.** Make sure all systems that live within the ERP domain are included and that the roles and interdependencies of the systems are well documented and accurate.

11. **Gap analysis.** Detail the current system limitations. This follows on from the business purpose of the project. What can you not do now that you would want the new system to enable?

12. **Business agility.** Take your time to really understand the true value of ERP and how it will support your business. Not everything needs to be built in the ERP system. True business agility is achieved through the employment of a mixture of ERP and BPM solutions. Today's demand-driven world dictates that companies respond quickly to changing market conditions by making and implementing decisions.

13. **Data integrity.** Clean your data. Your data is never as clean and accurate as you think. This severely hampers the project once it kicks off. Also, a deep understanding of your data leads your team to really understand your business.

14. **Executive buy-in.** Make sure the company leadership is aligned with the project and they understand the importance of their supporting role in its success.

15. **Information requirements.** Understand what information your company needs to improve the competitiveness of your business. Also understand how you need the information delivered and how flexible it must be.

16. **Code of conduct.** Establish a project code of conduct that all project participants will be required to sign in their personal capacity.

17. **Vendor selection strategy.** Define your approach to vendor selection, e.g.
    a. Do not get seduced by features.
    b. Do not allow the vendor to dictate your strategy and how the system is going to serve your business purpose. Remember, vendors are sales organisations with templates.
    c. Provide vendors with accurate information on your business and your business challenges. They need this to prepare accurate proposals.
    d. Make them your partner, don't select software and implementer. This is not just another software implementation project.
    e. Allow for solution design before insisting on a project deadline and fixed budget.
    f. Understand your role in the project and how you have the power to ensure a successful or failed project.

Risk Reduction

The Onpro ERP Preparation Service mitigates these risks:

1. Primarily, a project that does not take the company forward.

2. An unclear or incorrectly defined project business purpose or a project business purpose being positioned as secondary to budget and deadline.

3. Incomplete or inaccurate information supplied to potential vendors; leading to inaccurate and incomplete proposals and presentations from vendors; leading to vendor selection being based on incorrect assumptions. This will result in the project being built on an incorrect base from the start. Changes to scope or deadline and budget pressure are inevitable. Real success is in jeopardy. The project will in all probability not achieve true investment status and the company will not experience enhanced competitiveness as a result of the project.

4. The opportunity to innovate is not realised because:
   a. The staff and those who decide on the requirements are bound by their current paradigm; and
   b. They do not really know, strategically, why the company embarked on the project, i.e. what the project business purpose is. Worse, the project business purpose does not take the company forward.

5. Internal focus to the exclusion of your value chain, resulting in a silo approach for the project that diminishes the potential strategic value of the ERP system.

6. Executives working in conflict with the strategic outcome of the project to satisfy KPIs that may not align with its business purpose.

7. Factors outside your control and for which you are unprepared having a dramatic impact on your ERP endeavour.

8. The project team losing focus on business purpose and focusing on budget and deadline, just to get the project done.

9. Staff becoming demoralised due to overwork.

Conclusion

Before even selecting an ERP solution that will propel your business forward, you must understand the dynamics of such a decision and how to execute it correctly. This takes a level of preparation that requires a combination of strategic and technological competency, a marriage of disciplines not readily found in most organisations.

The Onpro ERP Preparation Service readies your organisation for a successful ERP project in close consultation with all stakeholders. We help you to develop the strategies, policies and framework by which your solution will deliver true business value and the agility to evolve with your needs well into the future.

If you would like to know more about the Onpro ERP Preparation Service, please contact us on info@onpro.co.za or +27 11 881 5855 or visit our web site at www.onpro.co.za for more information