

10 NO-BRAINER CONSIDERATIONS FOR ERP IMPLEMENTATION

AFFINITUS⁰

A successful ERP implementation can become the beating heart of your business – when implemented correctly, for the right reasons, with the right business ethos from the top to the bottom.

Deciding if your business is ready for such an ERP implementation and selecting the right solution for your business are two of the most important decisions you will make. Your decision should be right, first time, but how do you know when your business is ready, and how do you choose from the myriad of solutions available?

Let us help you out with some no-brainer criteria you should be including as you consider your business transformation journey ahead.



1 IS YOUR BUSINESS READY FOR AN ERP IMPLEMENTATION?

How do you know when your business has reached the point where you should consider an ERP implementation project?

In the beginning spreadsheets and paper records may have been a workable process with which to manage your small business. However, if you feel like you are running blind and drowning in a sea of outdated spreadsheets, with mountains of paper requiring an army of administration staff to process every day, then it is probably time for you to consider that there IS a better way.

These are some of the tell-tale signs that you are ready to consider an ERP implementation to help your business reach its potential:

You are always needing to be reactive to solve or rectify an issue, rather than being proactive in identifying and preventing a problem before it is an issue.

You have labour intensive manual paper-based processes and duplicate data entry requirements which you wish you could automate for a paperless operation.

You may be struggling to see a single transparent view of business operations and you lack real-time business insight data and reporting to help you make key business decisions.

You have a mishmash of un-connected tools, each with its own silo of data, which do not communicate with each other.

A small process change is “too much of a big deal” so you would rather find workarounds and fudge-fixes.

If you see your business in any of the above scenarios, read on...

Congratulations.... You have already started your business transformation journey.

2 TOP-DOWN MANAGEMENT SUPPORT

One of the most common reasons for the abandonment or failure of an ERP implementation project is because it did not secure the support of the senior management team. Your project must be viewed as an all-encompassing business transformation exercise with an element of change management required. Without this top-down support ethos the project will not command the internal resources, personnel, time, budget, or drive required for a successful outcome.

3 KNOW WHAT YOU WANT AND WHAT YOU NEED FROM YOUR ERP IMPLEMENTATION

Make a list! Invite input from every part of the business, from the Boardroom to the shop floor, even from your customers and suppliers as they interact with you from a unique outside-in perspective.

Prioritise the list with “must have” and “nice to have” categories, then validate it back with those people who gave you the original input to check they agree with your listing and priorities.

4 BUDGET AND RESOURCES

Implementing or changing a business management solution is a significant investment in time and money. However, you should treat it as a part of your long-term business strategy, as it is the critical business enablement tool supporting your business growth.

Like in the previous points, another common reason for your project to fail to achieve its goals is lack of sufficient budget and resources to complete the project and sustain a healthy solution for years to come.

You need to commit the appropriate upfront budget and personnel to the project else it will fall at the first hurdle. Moreover, most ERP or business management solutions have at least a 10-year lifecycle and will need an ongoing commitment of budget and resources to keep it healthy and performing strongly at the heart of your business. This may be an annual maintenance fee or an ongoing monthly subscription fee, or you may need to add additional users, hardware or functionality as your business grows.

5 ENGAGED USERS

Your new business management solution will touch every facet of your business, and everyone within. Every operational area and employee of your business stands to benefit from the ERP implementation so they should be engaged and involved in the project at every stage. If your new users feel that this is “their” solution they will be more supportive, accommodating, and willing to take every step to make it a success. You will need their input into your requirements list (#3) and their experience & knowledge of the business, and its processes, will prove invaluable in ensuring the solution fulfils its purpose.



INDUSTRY SPECIFIC FUNCTIONAL REQUIREMENTS

If your business operates in a particular industry or niche market, you will have a group of industry-specific requirements on your “must-have” requirements list that cannot be met by generic one size fits all business management solutions.

You will need to look at business management solutions that have been developed and written for your industry. This means that the software provider

has already done the hard work and those critical industry specific features you need will already be included in their standard industry-specific software solution. Choosing a solution already written with your business in mind will significantly reduce the development or customisation effort required to make your chosen solution fit your business.



INTEGRATION WITH OTHER BUSINESS TOOLS

Does your business use other complimentary business tools and devices which are critical to your processes which you need to integrate into any future business management solution?

This could include tools such as EDI handlers, temperature probes, weigh scales and weighbridges, graders, agronomy, or logistics tools.

Most business management solutions can use common data elements to integrate with, read and record data from these periphery tools. It is important to have these integration needs on your requirements list and discuss these with potential vendors early on in your investigations.



IS YOUR SOLUTION FUTURE-PROOF?

There are several longer-term questions to ask yourself when considering business management solutions:

Are you prepared to be an early adopter always using the latest technologies and developments, or do you prefer a more tried and tested solution?

Can the solution adapt and pivot with your changing needs? You want to be sure that you will be able to upgrade, increase or reduce users and add additional functionality as your business demands both now and into the future.

Can the software provider show you a committed, strong, and well-researched product roadmap to ensure your solution remains current and adapts to address the changing needs to your business and your industry.

Does the software provider have a strong financial position and favourable reputation? You do not want to be left un-supported because your vendor has disappeared.

It is a good idea to document all the upfront and ongoing costs associated with implementing a new business management solution (#4). You should also document any potential cost savings which can be realised due to improved operational efficiencies, time and resource savings, as well as any new business opportunities which may open

up for you because of these improved efficiencies or increased capacity.

Spread those costs and benefits over time and calculate your return on investment. Ask yourself; what is an acceptable timeframe to achieve that return on investment?

10 DEPLOYMENT OPTIONS

You need to consider which deployment model is right for your business – now and in the future?

Luckily, many of the initial fears surrounding Cloud-based solutions have gone away, and businesses now have a choice when deploying their business management solution:

On-premises – your solution is deployed on a server housed within your premises and supported by an in-house IT Team. You will have ongoing hardware and software maintenance costs, as well as staffing costs for your in-house IT team.

Subscription – Your solution runs in the cloud hosted off-site at a datacentre. The initial investment is reduced to just initial set up and consultancy, with ongoing monthly subscription costs. The monthly costs include any upgrades, maintenance or support required.

On your discovery journey as you evaluate your readiness for a business management solution, you will quickly find that the criteria you have set yourselves in answer to the questions above will help you identify and eliminate suitable solutions and provide you with your vendor shortlist.

Look out for our next article on ERP software selection criteria, coming shortly.

Affinitus has 100's of customers in the fresh produce and food industry who are benefiting from implementing our industry specific business management solutions. Contact us today to find out more about how to start your business transformation journey.