



13 Steps a Customer should take to ensure ERP Implementation Success

Have you ever wondered why every time you hear a story about an enterprise resource planning (ERP) implementation failure, the vendor gets the blame? The customers did everything they could to avoid it, but the vendors either provided inappropriate training and support, or simply a poor quality product. ERP implementation failure can possibly happen without at least some contribution from the customer. As a customer, no matter what the vendor does to influence you during the selection process, the final decision is yours and you have to make sure you make the right one.

Below is a list of things a customer should consider before selecting an ERP system - both during the implementation and even long after.

- 1. References.** Always ask for references and do not rely exclusively on word-of-mouth and the Internet. Ask your vendor to provide contact information for some of their customers - and call them. They will probably not say bad things about the vendor and the system, but if you ask the right questions, you will have an idea about some of the challenges you might face when dealing with that vendor implementing the software.
- 2. Decision Support System (DSS).** No matter what the size of your company is or how much you're ready to spend on ERP, you should always use a decision support system, a tool that supports decision making activities. Technology Evaluation Centres software is free (for 2 hours) and will give you an idea of how a DSS works - <http://erp.technologyevaluation.com/>
- 3. Hardware and software compatibility.** Make sure the software you're buying is compatible with the hardware you have or intend on purchasing. For example, if the ERP you have selected uses Reporting Services, you should be aware of the fact that only some versions of Microsoft SQL Server have it.
- 4. Flexibility.** Can the vendor give you more than it promised? Vendors can be very flexible, depending on how important you are to them. A small customer can obtain more "attention" from a vendor than a big one, if the former has the potential to bring more business to the vendor. Also, vendors can have special offers when trying to get into a new market, outrun the competition, etc.
- 5. Change management.** People do not change their habits because you tell them to. Vendors and external consultants can help you with this, but remember that people will follow motivated leaders. If you (as a project manager or user) are sceptical about the ERP you've selected, then obviously something went wrong during the selection process; the vendor then will have a hard time fighting with the users' unwillingness.



- 6. Legacy data.** Make sure your vendor can import legacy data from your old database, Excel files, or other external data sources. Unless you are a new company, you probably will have data that needs to be imported. Before importing, try to clean it, remove duplicate or useless information -which can cause lots of problems later.
- 7. Real costs.** How much will it really cost to implement the ERP you selected? Are there any hidden or additional costs? For instance, if you decide to install Windows Vista on all workstations, you will probably need to replace old printers, which are not compatible with Vista. Also, if you decide to print labels out of the system, you might need special software and specific printers.
- 8. Business processes.** In theory, no one should know better than you how your company works. Still, sometimes you cannot see the forest for the trees. An ERP implementation project could be a good occasion to review and optimize your own processes and procedures. There is no reason to automate ineffective or useless processes.
- 9. The source code.** Can you make any changes to the code? You might not need it now, but you will probably need it later. It is also important to know what happens to the source code if your vendor goes bankrupt. Usually, vendors deposit the code with a third-party agent - known as an escrow - which will release it to the customer if the vendor fails to maintain and update the software.
- 10. Implementation methodology.** Some customers do not even look at vendors who do not have such a methodology. A vendor should be able to provide a document describing the implementation process, with objectives, milestones, resource allocation, etc. If a vendor doesn't have it, it will probably do things on the fly.
- 11. Training.** Does your vendor have enough qualified people to successfully train your employees? If the vendor has three trainers working on ten large customers, they might not be able to take care of you as they should. Also, if the trainer assigned to you was just hired by the vendor, he/she might not be experienced enough, which can cause a lot of problems.
- 12. Audit.** Depending on the size of the project, simpler or more complex forms of auditing should be performed during the implementation. Ideally, you should create an auditing procedure with your vendor, but you can also involve independent consultants or project auditors.
- 13. Technical and customer support.** Can your vendor provide the level of support you need? With a team of five people and hundreds of customers, it might take weeks to solve a problem. Make sure you understand what's included in support. Is the vendor going to do backups of your database on a regular basis? Are you getting upgrades, and when and how does that affect you work?