

ERP Implementation is Hard Nut to Chew



ERP implementation can prove to be a proactive and revolutionary measure for any well run organisation. Whenever you plan for the new ERP implementation, the subsequent few months are going to be tough for you and your organisation. The implementation requires great commitment, perseverance and planning. Thus, if not planned and deliberated in an organised way, then it may even lead to a catastrophe. This article highlights some areas which must be given special attention for smooth and seamless ERP implementation. Read on to know more...

Scope of Work (SOW)

This is going to be the most crucial for your project. Give considerably adequate time for this area. Most of the projects fail because of uncleared SOW. Clear and signed SOW will always play a significant role for better implementation. Document your understanding after discussion with business on SOW. It will be the first document which you will share with your business partner.



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Business Case Approval

Please recall that you are asking Capex Approval, Change in ERP is not generating any revenue directly. That is why getting endorsement on this is a hard nut to chew. This implementation may be of utmost significance for you, but for approving authorities it is one of the list items. Apart from this, in many places approving authorities/committee assembles only on periodic basis. Thus, contemplate this approval time in your implementation. Please plan very prudently as adjournment may affect your implementation very severely.

Before placing your business case on board, convince yourself first before convincing others with five questions:

- (i) Why this change is a must?
- (ii) Why your present ERP cannot handle this requirement?

- (iii) What are the tangible and intangible advantages of this execution?
- (iv) Budget, which you are recommending for this new implementation, is accurate and adequate?
- (v) Whether Scope of work is clear to you?

Business Partner Selection

Please note that it is a business partner who is going to implement this project with your support, thus be very careful, cautious while selecting them. Take orientation from others and appraise your business partner on methodical basis. Some of the parameters may be:

- (i) *Credential of Partner*: Reference from previous Client and/or Feedback from Industry
- (ii) *Technology Master*: OEM/Consultant
- (iii) *Technical Competency*: Technical Understanding, Implementation and solution approach and their flexibility
- (iv) *Team Competency*: In terms of competency, what is the onsite team experience, Dedicated Team, How positive their attitude is?
- (v) *Contractual Complexities*: In terms of technical and commercial riders
- (vi) *Cost*: In terms of cost, what is the gap between competition
- (vii) *Past Experience*: Your Past experience with the same vendor
- (viii) *Onsite best team from business partner*- Like your own team, you also need best team from business partner for implementation. Try to take feedback from industry and select team members accordingly. Onsite development will always get an edge with comparison to offsite development. However, the cost can play a vital role here, thus make the trade-off between two.
- (ix) *System id/emails/configuration*: Many organisations have tough policies for user id creation/mail configuration for external folks. If your organisation is one of them, then please proactively ask the concerned to execute formalities in relation with user id/mail for your business partner.

Formation of Internal Team

- (i) You need the best team (Key Users, IT support) to handle this project. You need a team from each function like warehousing, purchasing, finance, sales, logistic, manufacturing, etc., take feedback from each function and *pick* the team members of your own choice. Kindly do not ask nomination from function, as still they are not fully cognizant

about the significance of this project, thus their nomination may not be entirely appropriate for your project.

- (ii) For team members, it should not be their first priority, it will be their only priority. They should be released from their regular work.
- (iii) Announcement of their new role should come straight from HR.
- (iv) Team should not sit on their regular place; there should be a devoted room for entire team to sit together.

Communication Model with Internal Team

Communication with project team members will play an important role. Engagement of team is compulsory for the accomplishment of this project. You should be very transparent with your team. Nothing should be hidden from them. You can use following activities to keep your project team engaged.

- (i) *Daily Morning Meeting*: It is always good to keep 15 minutes morning assembly with your team members for alignment. This meeting may include planning for today, assessment of yesterday's work. Team can also flag some potential risks, if any.
- (ii) *Weekly one to one meeting*: It will be good if project manager can have one to one 5 minutes meeting with key users and IT support. Several times, people feel hesitant in sharing their views in public.
- (iii) *"Know Me" Activity*: To keep your team engaged, connect between the team is crucial. And this activity will play a very important part. We all have so many good and bad experiences in life, ask one of the team members daily to share his/her personal life experience with others. Team will feel good in telling others and others will feel motivated by learning from others.
- (iv) *Help Needy People*: Make an event of half a day. It is different but very useful activity for team building. Ask team members to contribute some money from own pocket and distribute food, books, things to needy people by using that money.
- (v) *Motivational Speaker*: It will be good if some motivational speaker can share his/her views with team before starting the important milestone.
- (vi) *Lunch/Dinner with team*: if you can celebrate important the milestone completion outside the office through lunch or dinner, then it will have positive impact on team's morale.

Information Technology

ERP implementation is big change management for all employees (End Users). This project cannot be fruitful until you'll get the right support at right time from all the end users. To have ownership, awareness is necessary. People resist changes and here you will fight with people's mind. If you want to cut a line to short it without touching then draw a big line in front of it, old line will get automatically shorter.

- (vii) *Taking Care of team's requirement:* You should focus on team's requirement proactively so that they can keep focus on their job. This may include stay, food, transportation arrangement etc.
- (viii) One whatsapp group of all team members can help you.

Communication Model with External World

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- (i) *Common Communication Mail ID:* Kindly do not send mails from named ID. Mails from common ID (may be with the name of your project name or ERP) will have diverse impact on End Users.
- (ii) Creation of emoji of your project can help you in communicating in an interactive way.
- (iii) Pick one topic of new ERP every week and communicate its importance to all end users.
- (iv) Try to communicate through pictures instead of text.
- (v) On a monthly basis, have quiz with end users.
- (vi) Publish monthly newsletter for end users.
- (vii) Status update report with end users.
- (viii) Survey with end users.

Project Planning:

This is a very crucial phase for the success of the ERP project. The more precise planning you will do here, the more it will help you at each stage. Never try for

backward planning, always do forward planning. Split each activity at minute level and put the available resources in front of each activity. There are many tools available for such planning, "MS project" may be useful for this.

Governance Model

Review with Steering Committee: Try to fix occurrence of steering review at the beginning of project itself. Be transparent and show the actual picture to steering. For successful implementation, management support is essential. At least, keep one steering review every month.

Review with Business Partner: Try to fix frequency of official review with management of business partner at the beginning of project itself. At least, keep two such reviews in a month.

Usage of Technology

Try to use technology as maximum as possible, as this will help you in concluding this project in a timely and organised manner. Following techniques may be useful:

1. *Hitask/bitrix24:* These apps are useful for controlling of tasks of your team members.
2. *MS Project:* Useful for project planning
3. *Sharepoint:* Sharepoint can be used for following activities:
 - (i) Documentation Storage
 - (ii) Risk Register
 - (iii) Issue Register
 - (iv) Communication with the team
 - (v) Attendance Management
 - (vi) Quiz Management.

Visualisation of Processes

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be there during design and built phase. It is always good, if you can demonstrate your processes through visualisation. That means, give initial demo to your business partner by bringing them to the place where these processes are actually happening instead of giving knowledge of processes through PPT. Sign-off of AS IS processes by business process owner is crucial activity. Keep these signed documents at a safe place with scanned copy at share point.

Are You Ready for “CUT”?

Cut is denoting Cutover, User Acceptance Test, Training. All these three activities are decisive for the purpose of project success.

Cutover Period (Black out Period): This is the period just before “Go Live” where you will move everything into production environment. Thus there will not be any business operation during this period. Kindly keep subsequent points in mind for this milestone:

- (i) You have to be very vigilant while selecting Cut-off Period. Reserve those days for Cut-off when you have minimum sale.
- (ii) Please note that you are going to ask business to stop its operation for this period. It is not easy to take buying from business for this. Start discussion as soon as possible (at least 3 months before Go Live) with all business leaders for this period.
- (iii) Apprise your customers and suppliers in advance for this period.
- (iv) Keep this period in front of Steering Committee too and if possible take consent through voting from all Steering members.
- (v) Inform everybody (All end users) in advance for this period.

User Acceptance Test (UAT): Under this step, you are checking each possible scenario of business processes that whether it will work once all standard and developed functionalities will be moved into production environment. Keep some points in your mind to make this milestone successful:

- (i) Please do not initiate UAT unless all customisations are developed.
- (ii) UAT environment should be the same as of production environment.
- (iii) Master data should be same as it is going to be in live (production) environment.

- (iv) You should maintain document of UAT result and work upon the failed scenarios.
- (v) UAT of business critical scenarios should be kept on top priority.
- (vi) Involve business processes owner from beginning, UAT should be executed by actual business process owner with the help of Key Users. They should certify UAT results.

Training: Under this step, you will train all end users for new system. Post Go Live, your new baby will be handled by them, thus be watchful. Following tips may be useful for successful training:

- (i) Work on “train the trainer” concept. Try to give training to some batches, who can further give training to end users.
- (ii) End User's manuals should be ready before training.
- (iii) All End User's manual should have symmetry like common format, language, font, etc.
- (iv) Calendar of all end users should be blocked in advance.
- (v) Room for training should be blocked in advance.
- (vi) Before training you should see working condition of projector, white board and marker.
- (vii) Attendance should be recorded of all end users and it should be shared with Steering Members.
- (viii) 1/3rd time of training should be given for actual practice on system.
- (ix) After training, keep quiz to understand the subject knowledge of end users.
- (x) After training, keep survey to understand the quality of trainer.

Data Migration: Two types of data will be migrated into new system.

Static Data Migration: Under this step, your static data like, Customer master, price master, item master, BOM, routing etc. will be migrated from old ERP to new ERP. Keep following points in mind while doing this activity:

- (i) Keep one cut-off date for this activity
- (ii) Information Technology (IT) function is not the owner of master data, they are responsible for uploading it. Thus data should be signed off by business before uploading and after uploading in new ERP.
- (iii) Unless it is actually necessary, do not change logic of old master data.
- (iv) Master data which will be used in UAT & Production should be same.

Dynamic Master Data Migration: Under this step, you will move dynamic data like open balances of receivable, payable, inventory, costing etc. from old ERP to New ERP. Keep following points in mind while doing this activity:

- (i) **Mini Stress Test:** Do one exercise for dynamic data movement from old ERP to UAT environment. This will help you in understanding the server speed, bottleneck which may come at the time of live data movement during cutover (Black out) period.
- (ii) Do proper reconciliation of dynamic UAT data with Finance control accounts.
- (iii) After actual dynamic data uploading, business should validate and give the sign-off on this data.

After Support Strategy

After support strategy is as important as your Go Live Strategy. New ERP is big change event for all end users. Even if you have done best UAT and training, it is predictable that issues will come. End Users are going to make comparison between new system and processes with old system and processes. It is important that their issues are prioritised and resolved in timely manner. Following tips may help you for this movement:

- (i) Create ticketing system, where end users will raise their issues. This ticketing system may include Issues, Impact of Issue, Priority of issues.
- (ii) Based on the priority, issue should go to correct key user/IT/Business partner for resolution.
- (iii) Business Critical issues should get the first priority.
- (iv) At the end of each day, status of issue register should be shared with Steering Members. This may include—Opening Issues, New Issues, Resolved Issues and Current pendency of issues.
- (v) It is always good to have weekly meeting/call with functional head to understand their view point. This will also help in reducing avoidable escalations.

Some Quick Wins

To do List: As a project manager, you will have multiple tasks. “To do list” in excel can help you to prioritising your work. This list may include Task, Start Date, Expected End Date, Priority, Open/Closed Status and Remark.

Key Performance Indicator (KPI): This is crucial. It will always be good, if you can take some KPIs from different business leaders of your organisation and map UAT/actual production results against those

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KPIs. This is a systematic way to assess your project's success.

Family Commitment: It is not only you or your team who are going to be impacted due to this project. There may be some work life imbalance. Thus, it is important to keep your family align with the expectation of your new project.

Plan B: Please note that you are changing system in a running organisation and if anything goes wrong then it may directly impact your business, thus in case your project will not give expected results, then be ready with Plan B, which may include rollback strategy too. In case of Roll-back, its date should not be more than 2 to 3 days from Go Live date; else it will be tough for you to capture dynamic data.

Shift Working: You and your team have taken a tough target. There is a possibility that just before the “Go Live” or after “Go Live”, they need to work under extreme pressure with extended hours. You can divide your team and ask them to work in shifts to release this pressure to some extent.

War Room: There may be situation (especially after Go Live) where you need special and regular attention. For that situation, create a War room. Somebody compulsorily should attend this war room. Any discussion, analysis, decision will happen in that war room only between the groups of people.

Better planning and execution may make any ERP project a unforgettable journey. Always be energetic, proactive and most important you are not alone in this drive, thus do not hesitate to take help from others. ■