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Softengine Newsletter

More Than Just Software

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Softengine News is dedicated to keeping you up to date with the latest information regarding SAP Business One systems, Softengine solutions and Best Business Practices.

What's New?

Spotlight on Enterprise Resource Planning Selection and Implementation: 5 Steps To Choosing the Right ERP System and Avoid Costly Mistakes

By Lisa Anderson, MBA, CSCP, Owner LMA Consulting Group, Inc.

As companies prepare for the "new normal" of business, I've noticed that there has been an uptick in interest for ERP implementations. Of course, we are nowhere near the levels of pre-2000; however, businesses are beginning to think about investing funds into systems. Throughout my career in almost every business function in multiple industries and in working with multiple countries and cultures, I've seen a common misperception hundreds of times in the last several years: the thought that the newest, brand name system or the latest system functionality will "solve my pressing business issues". Yet, I haven't seen it "work" once.

Preparing for a New ERP System
I've seen a steady increase in ERP selection, implementation and utilization projects as executives want to fully leverage the tools available to drive business results. However, a new system can be a significant undertaking. Only those who prepare will succeed by following these steps:

- Document business processes - Start by documenting what occurs on a day-to-day basis. One of the top failure points is to assume that people can make the leap from current processes to "best practices" according to the new system on day 1 with no roadmap.
- Review/ revise with cross-functional teams - It's amazing what can be learned as you review documented business processes with cross-functional teams. Different perceptions likely exist. It helps to start with clarity.
- Identify critical requirements - Countless hours wasted on typical business requirements (which all systems generally cover); instead, focus 80% of your attention on the requirements unique to your business, industry, company etc. Think about your strategic advantage.
- Communicate early & frequently - You cannot over-communicate when preparing for a new system. I've found that most people will not raise their hand until you've gained their trust. How will you know the key requirements if you aren't frequently communicating? Ask questions.
- Dedicate resources early - It's rare that a company addresses resources early enough to support a smooth and successful plan and transition of the day-to-day workload, system preparation workload (data cleanup alone can be a HUGE project), implementation workload etc. yet it is essential to success.

5 Critical Factors in Selecting ERP Software

As complicated as most companies seem to make it, the critical factors in software selection boil down to a select few:

1. **Understand your business** - what are the critical functional requirements? Don't worry about everything required in every module to run your business. Instead, take a step back and focus on what is key and unique to your business success.
2. **Understand your technology** - what are the critical technical requirements? Given the current IT infrastructure, technical budget constraints and industry norms, and service levels requirements, define your technical requirements.
3. **Understand your culture / employee base** - what is expected in terms of change? Is an entrepreneurial spirit the norm? Or is absolute clarity a must? What does that mean in terms of education?
4. **Understand your training requirements** - how in-depth do you want each person to understand their job function and tools to accomplish it? There can be a significant upfront cost to training - what type of investment and return on investment is expected?
5. **Understand resource requirements** - money & time. There are endless options with varying degrees of benefit and cost. Be realistic (even though most companies agonize over the software cost, it isn't the key; implementation is always a multiple of the software cost).

About Lisa Anderson, LMA Consulting Group
Lisa Anderson is known for her unique ability to zero in on the critical strategic priorities and bridge the gap between strategy and execution to achieve dramatically improved service levels, accelerated cash flow and increased profits. With a keen focus on elevating business performance, Lisa is passionate about not only synthesizing strategic priorities that will deliver business results but also in designing an implementation approach that delivers rapid results.

"LMA Consulting Group Inc. helped us evaluate and select an ERP software that best fit our business needs. Lisa identified our critical business requirements, matched the requirements with software functionality and analyzed which ERP system best supported our needs for the lowest total investment." --*Vicki Jeter | International Aluminum*

No two clients are alike, but often times they seek the same outcomes—improved performance, increased efficiencies, superior customer service and accelerated cash flow. We focus on a realistic strategy & solid execution plan that delivers results. Contact LMA Consulting Group to help select, plan, implement or better leverage your ERP system.

For more information about SAP Business One solution, please contact Barry Lederman: 818.704.7000, blederman@softengineusa.com