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HIGHLY DRIVEN CIO WITH A TREMENDOUS ABILITY TO STRATEGICALLY ALIGN  
TECHNOLOGY INITIATIVES WITH BUSINESS GOALS

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# What to Know When Beginning an ERP Implementation

When I was approached to write an article for CIO Review magazine I was, quite honestly, intimidated. What do I know that thousands of brilliant technology executives don't know? The answer might be very little actually. I struggled to come up with something that I might have some special insight into until a few days ago. That's when my boss and I were commiserating on our ERP implementation journey and he asked me if I would do it all over again, if I knew then what I know now. My instant answer was, "hell yeah, BUT..." I began rattling off all of things that I would have done differently if I knew then what I know now.

If you're about to ride the rollercoaster of an ERP implementation for the first time, I've got plenty of helpful tips for you. Many of them were learned the hard way so please read on. Hopefully, you will save yourself some pain down the road. If you've made this journey before, you could easily write the same article. You might even have done so. I wish I had read it. Only read on if you have some morbid interest in reliving some of your own hard lessons.

The toughest part of writing this article was figuring out which pieces of advice are the most important. I was asked to contribute an article, not write a book after all. When I first came up with the idea for this topic, I immediately jotted down twenty-five important points. I chuckled at some and grimaced at many others and I wanted to share

them all. For this article, I decided to share the three that could have the most positive impact on your project, especially as you get started. These are also the three that everyone who has done one of these before would likely recognize as truth rather than just my opinion.

**Know that you're not actually buying software.** Yes, you will sign a lengthy contract that talks about how many users are authorized for which roles in a massive software package consisting of thousands of tables and millions of lines of code. However, **what you are really buying is business transformation. Your business is about to change the way it does many important things.** Make sure your leadership team truly understands that and is on board. This is not another, IT lead, software implementation. This is a leadership lead transformation to a new, better way of doing business.

To be less vague, **you are actually buying a robust new set of business processes that are facilitated through the implementation of a software package.** Let that sink in for a second. It's probably the most important line in the article and it's critical to go into your project with that perspective. All of those lines of code have been refined over many years to deliver integrated, repeatable and best practice business processes. Most businesses in any given industry do an awful lot of the same things. If you're in retail, for example, you procure products. You sell them at a markup. You deliver them to your customers. You recognize revenue. You've likely put a lot of nuance around how you do each of those things but ultimately you want to repeat those simple steps over and over until your coffers are overflowing.

Your new software package already knows the best ways to do all of the fundamentals for your industry. It has hundreds

or thousands of preconfigured business processes ready for you to adopt and repeat. **The dangerous part is that you can likely make the software do your business processes any way you like. Don't!** Make sure your leadership team does some soul searching and aligns on what truly makes your company special. What are the two, three or maybe four things that make your customers choose to do business with you rather than your competitors? Hint, it's probably not because you have a great accounts payable process.

Write down your two, three or four things that your leadership team agrees are the company's special sauce. Put a box around them and agree that you will not customize anything in your software package that isn't related to those things. Sign it in blood and begin your adventure with a document that you can refer to over and over. Accounting loves their AP process and thinks it's the most efficient way for their department to operate. Doesn't matter. The document says it isn't a competitive advantage so you're adopting the standard process preconfigured in the software package. **Your people will adopt change so you don't have to customize your software. Do this over and over and you will save your implementation pain, time and likely millions of dollars.**

**Your choice of implementation partner is as important as the software selection.** You will likely spend months or even years documenting requirements, evaluating proposals and eventually selecting your software package. That's an important effort but it's actually just as important to find the right partner to help with your implementation. There are evangelists for the various packages swooning right now but the truth is that any of them can likely transform your business to create future success. What's truly important is to find a partner who has experience in your industry, is a good fit for your culture and is trustworthy.

You're about to swim with sharks which is bad but there's something worse. There are systems integrators out there who are all too happy to put your business at risk because they think they can do your project even if they haven't done one like it before. They may not be incompetent or ill intentioned, just inexperienced. Don't let them gain that experience on your project. Do just as much due diligence on your implementation partner as you did on the software. Find a partner with deep experience in your industry. Check their references. Not the ones they give you but the ones you find by leveraging your contact network. Find people who have worked with them on projects before and find out what their flaws are. They all have warts. You need to know what they are and have a plan for not letting them derail your project.

**Did we accomplish what we expected to accomplish this week?** Throughout a project of this magnitude you will want to have a firm understanding of the project's status. You will

be spending a lot of money every hour of every day. You need to know that those dollars are contributing to achieving milestones and eventually going live. This can be much tougher than it sounds. You will likely have a large team of very bright internal and external resources. Some of them will be performing tasks that you only vaguely understand the nature of. The unfortunate truth is that a large team of talented people can work very hard for days, weeks or months without making significant progress towards the next milestone.

The best way to keep this from happening is to **monitor weekly progress against defined milestones.** I adopt the mantra of "Did we accomplish what we expected to accomplish this week?" Each work stream should document their weekly activities that contribute to meeting the next milestone. At least once a week, have them provide a detailed assessment of what was, and was not, accomplished from their list the prior week. You will need to have some flexibility but ultimately if multiple work streams are missing tasks for multiple weeks, your project is not on track. This is probably going to happen one or more times during your project, the key is to recognize it quickly and to adjust before months and millions of dollars have slipped by.

The other key to identifying when your project isn't meeting expectations is to communicate openly and quickly. You and your partner need to be honest with each other, the stakeholders and your company's leadership team. Come forward quickly and let everyone know what has gone wrong and what corrective action has been taken. These projects are hard. Missteps are going to happen but the misstep of dishonesty or covering things up can't be one of them. That's how people get fired and company's go out of business.

I hope this article hasn't scared you away from an ERP implementation. It is a transformative experience that will create a platform for future success for you and your company. After reading this article, you're better prepared than most when they start down this path. Embrace the spirit of learning and find people who have done it before and get their advice. Being humble and buying a few cups of coffee for the right people in your network will save you and your company a lot of time and money. Good luck!

