

How to evaluate and implement business management software

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An Enterprise Resource Planning system reaches into all areas of the business. It is a company-wide software system used to manage and coordinate all the resources, information and functions of a business from one central database of information. Implementing or replacing the system can open unlimited business opportunities for any organization. The cornerstone of a successful ERP deployment is finding the right consulting talent to guide through it.

Implementing ERP is a business strategy that should be part of any long-term business vision and the consulting talent you hire to help with this deployment should align with this long-term vision.

In this article, I touch, at a very high level, on factors that you must be ready for before tackling the adoption of an ERP system.

Architecture

Is the software publisher keeping up with technology? If the answer is no, then, chances are the software is not viable for a long-term strategy.

The architecture is the DNA of the software. It ensures that everything works together (i.e. software features, report writing, database management, remote data entry, integration with other applications, etc.) More importantly, the architecture ensures that when the time is right to migrate onto the next best platform, the path

to a successful upgrade already exists. Make sure that the publisher is keeping up with technology. Ask how much they spend on R&D every year and make sure there is a development future road map for the software.

Openness

Often misrepresented, openness is not only about the database engine utilized by the application. Frequently, we hear or read that as long as the application runs on an industry standard database, such as Oracle or Microsoft SQL Server the data can be extracted anytime. Well, not really.

Essentially, the level of openness is going to be determined by how quickly and safely data can be extracted by other utilities or application, such as report writers; without having to dig deep into the functions of the database engine itself.

Adaptability

This is a two-way factor which can, and probably will, determine whether the application is the right one.

It refers to how easy it would be for end-users to initially learn and understand the flow of the application and then adapt it to the current business processes. Then, and perhaps more importantly, how the application can provide new ways to address current, and future business requirements necessary because of growth and diversification, sometimes imposed by the ever evolving market.

How flexible is the application? Will you be able to modify it to meet specific requirements as the business grows and evolves? ERP is a long-term investment, therefore deploying an application capable of accommodating specific needs as they emerge is crucial.

Implementation time

How painless and effective can implementations be? They can be overwhelming, specially, if it is a company-wide deployment. A partner with a good track record and a proven methodology is going to be essential to reduce risks and disruption and get to ROI sooner.

Time is money. When provided with an estimate for the number of days to complete an implementation, ask how the vendor arrived at the number. The vendor may have a proven plan of how to implement in less time that does not match what their competition is offering.

Implementation times will vary from package to package, but don't take for granted the number of days noted by the salesperson.

Customer retention

It is one thing to have a short list of current, happy customers, it is something else entirely to maintain the customer relationship for years to come. Ask the ERP vendor for their customer retention rate. Do the majority of their customers continue on with them for years, even decades?

Functionality

Not all ERPs are created equal, and not all organizations have the same set of needs. Identify your core process and functionality needs. Base your evaluation on features and functionality that will address your current and future needs and strategy, not how business is done today. Furthermore, ask for and understand the product development road map to understand what product capabilities are coming in the short and long-term.

Some advice

General ideas or concepts you to keep in mind before, during and after you deploy your ERP system:

- Set specific, measurable goals for the implementation and remember, once you “go live” you’ll have to define and establish new metrics to track performance.
- Align business process to your ERP functionality; Do not align your ERP functionality to your business processes. Align right, and your ERP will grow with you.
- Commit to getting rid of spreadsheets, manual processes, data silos, etc.
- ERP implementations that work never end. Sorry, that is just a fact. The good news is that you will have the platform in place to meet the changing needs of the market.

In the end, this deployment should transform your company into a “Totally Interconnected Organization” or T.I-C.O. The interconnected structure spans various departments and roles with diverse data and perspectives promoting a smart, agile organization able to adapt quickly to a changing marketplace. Aligned with you vision and strategy, your new ERP will drive improved customer service and profits.