How to choose an ERP solution for your business.

BOILERPLATE: THE RESULTING MODEL
FOR SPEC AND SELECT

Resulting It

BOILERPLATE

What I've learned about choosing ERP Systems

If Gartner coined the term ERP way back in the 1990s then it must be well-understood and easy to implement by now, right?

Actually, no.

There are over 100 ERP software vendors to choose from.

But the bad news - research shows that fewer than 50% of ERP implementations achieve the business benefits that they expected from their investment.

Selecting the right solution and implementation partner is critical to your business success.

But how do you make that selection?

As a former Engineer, I know only too well that a robust process is critical to successful engineering.

Boilerplate is our proven "Spec & Select" process that will help you align your ERP selection to your business strategy, increasing your chances of success.

If you'd like to discuss these ideas further, feel free to get in touch with me via www. resulting-it.com.

Dr Derek Prior
Former SAP Research Director at Gartner and Non-Executive Director at Resulting.

> # Selecting the right software and implementation partner is critical to success.

Get this right
and you can
transform your
business.

Resulting's model for Spec and Select

Specify

- Understand Strategy & Context
- Process Analysis
- Architectural Review
- Architectural Options
- Product Shortlist

Select

- RFI/RFP
- Product Vendor Demos
- Select Product
- Develop Roadmap

Partner

- Vendor Shortlist
- Clean Room Process
- Vendor Selection
- Vendor Onboarding
- Vendor Management

Develop Business Case

Refine Business Case
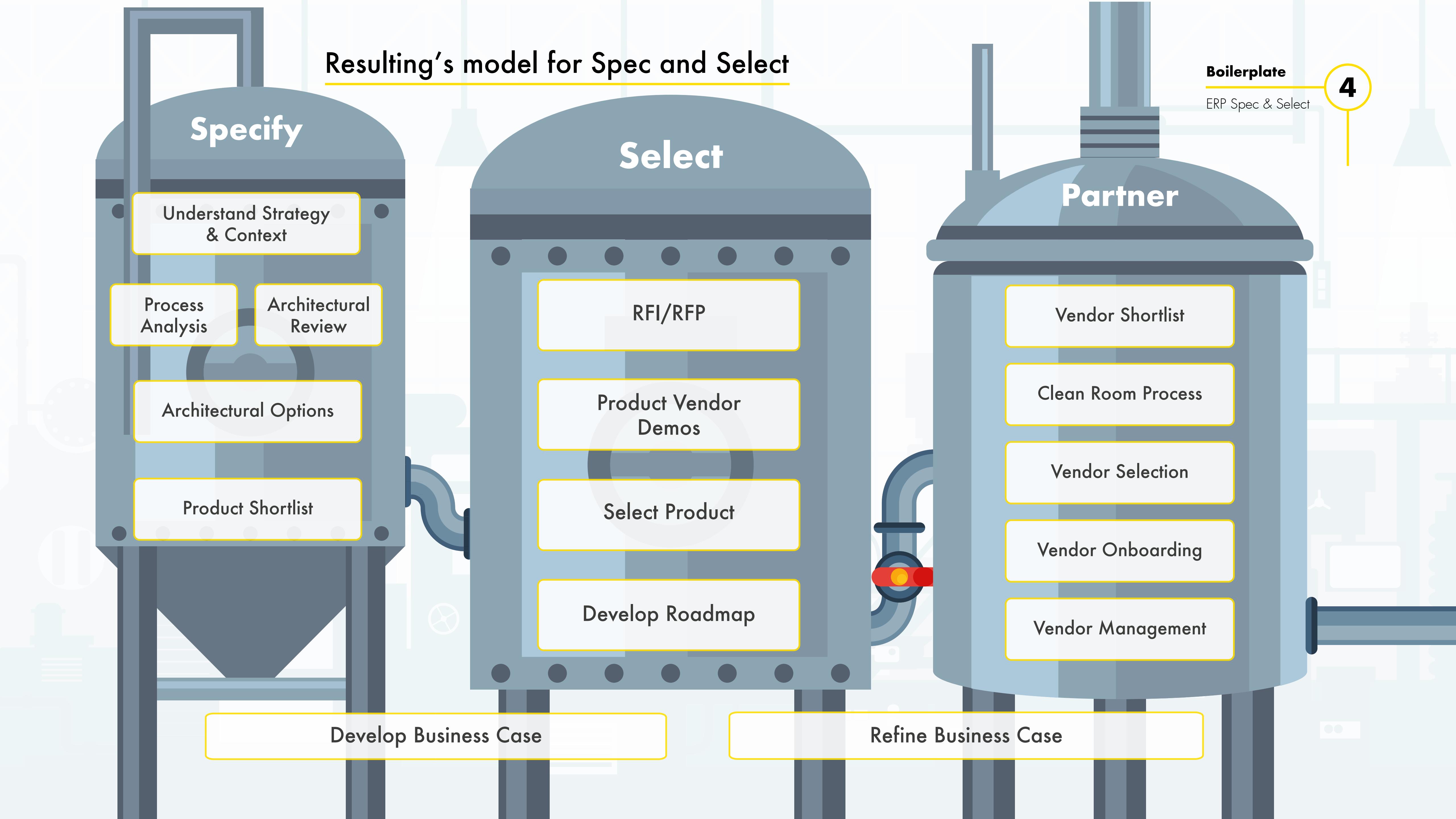
Strategic thrusts and setting up for success

Specify

Software selection should be about understanding your business drivers. It isn't about doing what's easiest, what your IT team are most familiar with, or just sticking with what you've already got.

Good software selection is driven by business strategy and should result in you choosing the software that best serves your business objectives.

The greatest amount of spend and complexity should go into the areas that give you the greatest competitive edge.

But is isn't always that straight forward. With options of on premise and cloud, fully integrated ERP, and business function specific applications – there's a lot to consider.

Our research has shown that there are 15 key levers to ERP success, and it's important to bear these in mind during the software selection process.

You can download the research at www.resulting-it.com/sapsuccess.

Download the SAP Success Report

Understand Strategy and Context

Process Analysis

Architectural Review

Architectural Options

Product Shortlist

Are you spending time and effort on the right things?

Process Analysis

ERP systems are process driven, just like a business – i.e. your business.

Our Spec and Select model puts your process framework at the heart of the software selection process.

Only by having a thorough understanding of your business processes is it possible to identify the software solution best suited to the business, making process analysis a vital step in the framework.

If you have a mature process model, we will use that in our analysis. However, in our experience many organisations' process models are not where they should be – if they have them at all.

If you don't have a process model or if your process model isn't rigorous enough to support product selection, then we will work with you to tailor the industry standard APQC process framework to the processes of your organisation.

Once the processes are mapped, they can then be augmented and analysed to get a thorough understanding of their:

- Business criticality
- Challenges and complexity
- Controls and compliance requirements
- Key performance indicators.

Specify

Process Analysis

Complexity isn't bad - but it is expensive.

Understanding your needs

During the specification process some solutions can easily be ruled out on the basis of factors such as product scalability to support your business growth.

Some of your processes might be the differentiator between you and your competitors, and as differentiators they might have been customised heavily in your current system.

ERP might be the answer, but it is important to assess architectural options and make a transparent decision before creating your product shortlist.

The marketing of some ERP vendors would lead you to think that they are simple because of their innate integration and infinite configurability to meet all of your needs.

This isn't always the case.

The high proportion of projects that overrun due to complex customisation and suffer due to product inflexibility are testament to the fact that this is not the case.

This is one of the key decision points in your selection process.

Specify

Architectural Options

Product Shortlist

Don't
believe
the hype.

Choose the right product

Your procurement team will often not be mature in running RFPs for major software products, as they're unlikely to do this very often.

So, while there will be procurement and legal policies that apply to software selection, the detailed RFP needs to be developed around the specification outputs (strategy, non-functional requirements, analysed processes and architecture).

Vendor viability checks are not going to determine who you choose, and while fit to your organisation is more important when considering a partner to support implementation, if the product vendor themselves are to help with implementation you need to be sure you can work with them.

The RFP should also set product vendors the task of demonstrating that they can meet your specific scenarios.

Don't accept someone else's solution – set them your challenge.

With a selected product and an understanding of the product roadmap you can develop your own delivery roadmap.

Doing so early helps to manage business expectations, prioritise delivery around value, and ensure that implementation partner selection boundaries are set.

Select

RFI/RFP

Product Vendor Demos

Select Product

Develop Roadmap

It's about fit as much as anything.

Build a partnership

Application leaders often select a Systems Integrator for their implementation without understanding the roles they need filled, or the scope, capabilities, approaches and services they require.

Building the wrong team for your ERP implementation can result in project delays, cost overruns and project failure.

Traditionally, you'd choose a vendor and delivery partner via an RFP, but old school RFPs just don't provide the best results for customers or vendors.

Our research shows that 50% of SAP projects fail – and much of this is to do with bad vendor selection and management.

Vendors follow the customer lead. It's an echo chamber where it's very easy for confusion to wreak havoc between two miscommunicating parties.

Vendor Management is lacking too – many think that vendor selection is the end of the process, when really this is just the beginning.

Instead of a traditional RFP, it is a much better option to go with a clean-room process.

A clean-room means you can start building a strong relationship with your delivery partner from the start, and it means you can involve the business, not just the IT department.

This helps keep business processes front and centre throughout the lifetime of the project and greatly increases your chance of success.

Partner

- Vendor Shortlist
- Clean Room Process
- Vendor Selection
- Vendor Onboarding
- Vendor Management

So what next?

When you're engineering an ERP system, there are lots of things that can go wrong. All of that complex plumbing that intertwines your business processes needs to be properly thought through.

You need to start with a sound blueprint that delivers the best fit solution - and ensures that it continues to operate at full steam when it's in service.

Selecting the right base products, add-ons and ensuring that you have the skills to build and run your ERP solution are critical.

Package selection and the choice of a suitable Systems Integration partner are about fit and understanding exactly how far you can bend those tubes and pipes to construct a solution that is standard where

possible but modified in the right places to deliver your business edge.

If you need independent advice and support selecting ERP software and partners, you know where to find us.

Visit www.resulting-it.com for more information.

More from Resulting

The Resulting Product Portfolio Matrix further explores how to align your software to your business strategy, and how to use customisation on a case by case basis to further expand your competitive advantage.

Get your copy at:

www.resulting-it.com/portfolio

A new way to blueprint your S/4HANA solution

THE RESULTING PACKAGE PORTFOLIO MATRIX
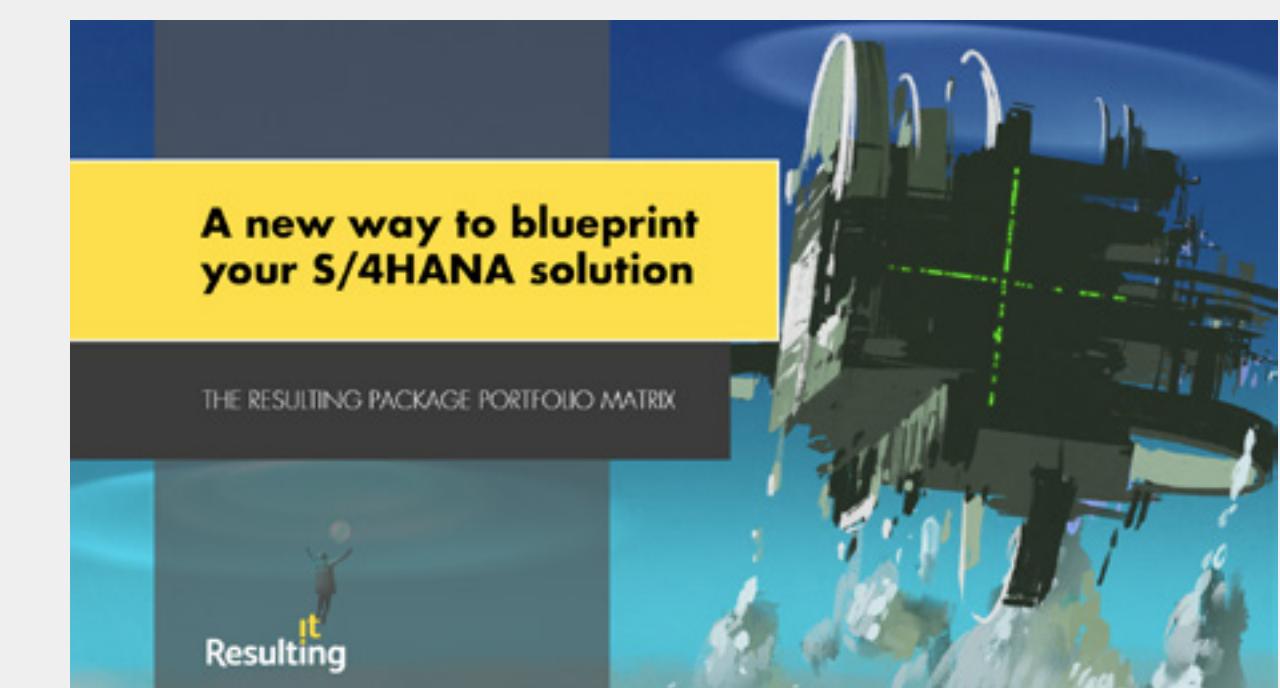
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Resulting are independent specialists in ERP research and consultancy.

Find out more at www.resulting-it.com

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