

Some simple 'best practice' guidelines help to ensure ERP implementation success, says Guy Amoroso of 123 Insight

The secrets of successful **ERP**

Among larger businesses – multinationals and FTSE 100 giants, say – it's clear that the secrets of ERP success are fairly well understood. Buy an expensive mainstream solution; hire one of the big implementation consultancies; start with a small-scale 'proof of concept' pilot, and build out from there.

It's not rocket science, but neither is it an approach that is particularly quick, or particularly light on resources. The major players' offerings in the ERP market come with lofty price tags, and the major implementation consultancies aren't exactly inexpensive either.

For smaller manufacturing businesses, the secrets of success are less clearly defined. Of necessity, they must approach ERP selection and implementation in a different way, working to different timescales, and with different resource constraints. With stretched IT departments, the implementation burden falls more on users and senior line-of-business managers, rather than IT specialists.

Of necessity, too, they're looking for first-class 'out of the box' functionality that is a fit for their business, without costly and risky customisation, and which fully supports the various manufacturing models which manufacturing businesses these days must offer: make-to-order, build-to-forecast, customise to-order, bespoke, and so on.

In short, it's a landscape that is very familiar to Guy Amoroso, managing director of 123 Insight, an ERP provider serving smaller manufacturers in just such markets. And that familiarity, he points out, has given 123 Insight some fairly unique insights into what makes for a successful manufacturing ERP implementation at the smaller end of the manufacturing spectrum.

"We've customers with just one user licence, and customers at the higher end of the spectrum, with 250 user licenses. Be it aerospace, automotive, defence, electronics, food, chemicals, engineering, pharmaceuticals, medical devices, or textiles – you name it, and we've got satisfied customers in all of them," he sums up. "So, not surprisingly, we've built up a very clear

view of what constitutes implementation best practice – in other words, those things that it is important to get right if you want the implementation to be a success."

Sponsorship from the top of the organisation, for instance, is vital. It's all very well the production manager see the benefits of a new manufacturing system, but if the implementation is not driven from the top down, then he or she will be fighting a losing battle.

They will not have the authority to instill change in other departments and, in larger organisations, may not even have relationships with the relevant managers of each department affected by the new system. What's needed, in short, is for ownership of the ERP implementation to reside right at the top of the organisation.

"The message needs to be: 'This isn't a production project, or an accounting project, or an IT project, but a business project, right across the company,'" stresses Amoroso.

Similarly, he emphasises, it's important to put in place a sensible change management programme. For all sorts of reasons, the people within the organisation who will be tasked with actually using a system can be surprisingly reluctant to do so, a reluctance that can ultimately jeopardise the implementation's success, if it isn't tackled head on.

The need for recruitment training

"Staff can be fearful of change, for instance, seeing progress as a possible threat to their jobs," points out Amoroso. "Training and education, too, is vital: not just how the system should be used, but why the system should be used because people, by their very nature, will take the easiest route to completing a task, which will be the way that they currently know.

"Don't forget, too, the need for recurrent training, because people also move on to other jobs and other employment, taking with them the system knowledge that they have acquired."

Consequently, he notes, the change management programme should emphasise that the implementation of a new ERP system does not herald mass redundancies, but does enable the company to grow without necessarily needing to take on more employees.

Likewise, users need to be made aware of the positive benefits that the system will bring to them in terms of fulfilling their individual roles. Sometimes, the very people who most resist a new ERP system turn out to be the very

implementation

people who are its most enthusiastic advocates, once they have seen how it can transform their day-to-day jobs.

Another success factor, adds Amoroso, is the rigour with which the business approaches the selection and implementation process.

"In part, it's about that 'ownership from the top' issue again: a new ERP system is a business-wide project, not purely an IT project," he stresses. "So staff it appropriately, with the right number of people, with the right experience, and the right level of understanding of the business operates. And if you're thinking that particular people are too valuable to be assigned to the project, then they're probably almost certainly the very people that you need."

And that level of rigour, he emphasises, is required right through the project from selection to the eventual 'go live' date. So plan appropriately, too, with a proper project plan, sensible timescales, clearly assigned responsibilities, and a genuine sense of purpose. It's not about staggering to the finish line; it's about figuring out what needs to be done, and doing it in the right order, with the right level of resource.

Another tip, too, is resisting the urge to over-complicate matters, by taking a perfectly functional ERP system, and then customising it. Not only does this add costs to the project, he points out, but it also adds risk and timescale and, also of concern, leaves the manufacturer in question with a non-standard solution that is more difficult to support, and which won't dovetail neatly into the upgrade path of their chosen provider in question.

That said, adds Amoroso, by its very nature an investment in 123 Insight's own flagship 123insight ERP

solution helps to minimise these risks. The result: more assured implementations, less risk, less cost and a faster time-to-benefit.

Designed from the outset to be straightforward to implement, an investment in 123insight begins with a free evaluation workshop, followed by a more intensive 'hands on' six-day no-obligation training course, which manufacturers can walk away from without paying a penny if they then decide that 123insight isn't for them. Few do, though: 99% of those

companies attending the no-obligation training subsequently go on to become customers, reports Amoroso.

At which point, he adds, they then find that the skills acquired on the training course have largely equipped them to move straight on to implementing the system. A system, moreover, that comes in one standard version, 'switch selectable' to adapt to

customers' needs, rather than requiring customisation.

And thanks to the flexible licensing of 123 Insight's subscription-based ERP, during the implementation process customers pay only for the licences needed by the small core team requiring hands-on access that generates the familiarity to successfully deliver business-wide training.

"It really isn't rocket science," concludes Amoroso. "Select a system that's right for the business and which is straightforward to implement, and then follow some very simple best-practice guidelines to ensure implementation success. Why make life complicated?" ■

"Starts with
free
workshop"

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