



Getting IT/ERP Systems Right - To The Winner The Spoils!



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There are few information systems whose design and implementation challenge a company like ERP. Done right, a new ERP implementation can dramatically improve a business. When an implementation fails or takes too long, tens of millions could be misspent.

Companies fail in their "IT" investments principally because of simple and easily preventable reasons. Whether you are thinking of spending E10,000 or E10 million here are some very simple things to discuss seriously before you sign up the Vendor to implement. It will save you time and effort, prevent wasted effort during start up hopefully harvesting the benefits sooner than expected.

In spite of the risks and challenges, companies are increasingly redesigning the infrastructure systems that run their business. They have no choice. To stay competitive, companies have to innovate in IT.

So no "rocket science just common sense" in this short piece.

Doing "IT" for the right reason.

The work points toward improving specific business metrics: improved cash flow, improved lean programmes, reduced costs and on time deliveries.

All managers must identify what needs improvement. Focusing on business process improvement is the only way to know whether you got your money's worth.

Managers/Owners "Get involved, don't sit back its your business"

Fergal Quinn, former Chairman of SuperQuinn, had a simple formula for real management meetings. Meet once or twice weekly, standing up coffee/tea/ water in hand in the Canteen or boardroom. Don't sit down, discuss, decide, meeting over. Most meetings requiring real decisions could be conducted in 20 minutes or less.

People don't adapt to doing work in new ways without some inspiration from the top. ERP systems are huge, influencing thousands of people, processes, practices and policies. There are thousands of decisions to be made -- both large and small. Someone at the top makes the calls.

We have seen ERP projects get delayed for months as shop floor managers argue about report formats. If there isn't pro active executive management of an ERP implementation, stop the project. failure and cost overruns are imminent

Always favor the standard.

Be prepared for people to argue that they need special reports -- or tell you that the way your company pays invoices is not accommodated by the new software. However, you should always challenge those arguments aggressively. Most companies can live with standard business processes. When you overdo an ERP installation, you not only add time and costs, but you make installing the future versions of the ERP software difficult.

Remember that there are very few business processes that truly differentiate your company or require customized software.

Make ERP-related decisions quickly.

Be Brave, Make all important decision within 2 days? Re-visit that decision in 3 months, then change if necessary. Thats better than long fingering something for 2 months. There is a great chance you will get it right anyway.

If you permits delays, overrun and inaction company wide people will start moving on within 9 months. You can't beat boredom.

Put the very best people on the implementation team.

Get the best most experienced people into the project not just the ones with available time. Thats what they mean by a knowledge economy. ERP projects require the best. Peanuts and Monkeys come to mind.

Commit continuously for the duration of the project it is not finished with the handover. Figure on continuously developing the project and investing into the future. People needs refresher training, people change department. Properly invested in and managed, your system will deliver benefit for a decade.

Although you should set an objective to have the technology platform up and running within 10 months, with demonstrable business results, keep a team of people focused on continuously using the technology to improve business performance -- lowering costs, increasing profits, improving customer satisfaction. There are at least five years of benefits to get out of any ERP implementation.

MXI specialise in the supply and support of Business Improvement software. We help our clients select, install and most importantly optimise our software solutions.

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