Enterprise Resource Planning (ERP) Selection
Why It Has Become a Strategic Priority and Where to Start

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In today's Amazonian environment, customers expect rapid delivery, over and beyond from cradle to grave, collaborative service, 24/7 accessibility and last-minute changes. Executives are realizing they must upgrade their technology infrastructure to meet and exceed these customer expectations while driving bottom line improvement.

Your ERP decision will be one of the most significant investments your company will undertake, and these projects are wrought with risk. 80% fail to achieve the expected results yet waiting "too long" can put you out of business.

Selecting an ERP System is a Strategic Priority

Because of the significant customer and bottom-line benefit and steep, unintended consequences associated with these projects, the most successful clients realize they must be a strategic priority. By no means should the decision by relegated to a technical expert or project manager. Involve your best and brightest on the team and ensure your executive team is on top of preparation, progress, and the inevitable pitfalls. Beginning with preparation:

- **Understand business processes** - Start by understanding what occurs on a day-to-day basis. One of the top failure points is to assume that people can make the leap from current processes to what every ERP provider claims to be "best practices" on day 1 with no roadmap.

- **Gain strategic and cross-functional input** – Since all systems will perform the basics well, success will boil down to what drives your strategy and supports your cross-functional and cross-organization collaboration.

- **Identify critical requirements** - Countless hours wasted on typical business requirements (which all systems generally cover); instead, focus 80% of your attention on the requirements unique to your business, industry, and company. Think customer differentiation & profit drivers.

- **Prepare data and be realistic evaluating your process disciplines** – No matter how well you prepare, your system will only be as good as your data and process disciplines.

- **Dedicate appropriate resources** – Be an exception. Supplement your resources, bring on appropriate expertise early on and be willing to invest in what will ensure success and mitigate your risk.

5 Critical Factors in Selecting ERP Software

As complicated as most companies seem to make it, the critical factors in software selection boil down to a select few:

1. **Your business objectives** - Don't worry about everything required in every module to run your business. Instead, take a step back and focus on what you need to meet your grow and profit plans.

2. **Cloud or not?** It depends. Dig into the details. Develop your own spreadsheets with paybacks. Consider your technical resources, adeptness with topics like cyber security and the latest technology, and your ability to navigate disruption and risk.

3. **Understand your culture** - what are your cultural norms when it comes to change? Do your employees have an entrepreneurial spirit or do they require strict procedures? These answers will be integral to aligning culture and technology.

4. **Think about design upfront** – Not thinking through down-the-line implications will derail the best of projects. Incorporate design and a holistic systems-view upfront.

5. **Ballpark estimates and ranges** – Get a ballpark upfront, and never accept the first estimate. It's typically too low! Worse yet, two suppliers that should be within 10% of one another can be 100% different. Ensure you are comparing apples to apples, and remember implementation, not software, is the 80-pound gorilla of ERP success.

About Lisa Anderson, LMA Consulting Group
Named Top 50 ERP Influencer & Best ERP Twitter Influencers to Follow

Lisa Anderson specializes in manufacturing strategy and end-to-end supply chain transformation that maximizes the customer experience and enables profitable, scalable, dramatic business growth. With a keen focus on supporting growth and elevating business performance, Lisa is passionate about not only designing the optimum solution inclusive of people, processes and systems but also in creating an flexible design and implementation approach that delivers rapid results.

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Aligning Critical Success Factors for Endgame Results

5 ERP Selection Pitfalls

I get "too many" calls to help resolve problems associated with system upgrades and/or new system implementations. How can some of these disasters be avoided upfront?

1. **Navigating ERP sharks** - ERP software suppliers must be some of the most aggressive salespeople I've seen. Even when you are careful, they'll likely focus more on the bells & whistles of their system than important details of key functionality needed to drive results.

2. **Standard functionality** - Standard functionality is the downfall of ERP selection projects. In my experience, 20% of the time should be spent on standard functionality since core suppliers will have it. Reverse the order and spend 80% on unique functionality.

3. **Lopsided team** - Although there will be some functions more interested than others in the selection project, if they decided for everyone, you shouldn't be surprised if you end up with a great system in that particular area with the rest left to luck.

4. **Losing track of features** - Although it seems obvious while sitting in the demo, it becomes amazingly difficult to figure out which feature went with which software a few days later. Note follow-up questions and compare notes immediately following the demo.

5. **Focusing solely on functionality** - Don't get lost in functionality and forget that the software supplier will be your business partner. They will make or break your success.

LMA Consulting Group

No two clients are alike, but often they seek the same outcomes—a superior customer experience with improved margins and efficiencies and accelerated cash flow. We focus on a realistic strategy & solid execution plan that delivers results.

Contact us to help select, plan, implement or better leverage your ERP system.

ERP Selection and Implementation Success

ERP Turnaround Vital to Success
Lisa combined a unique combination of big-picture perspective, with hands-on ability to implement change vital to the function of our enterprise. Under her guidance we have gone from a system of manual work-a-rounds, to the implementation of a major integrated planning, purchasing and inventory system.

--Sheila, Peyraud | Donaldson

Partner in Strategic ERP Evaluation
LMA Consulting Group Inc. helped us evaluate our incumbent software vs. competitive options in the marketplace. Her analysis was thorough, focused on our key business requirements and related impact to customers and profitability. It enabled us to remove emotion and determine the smart strategic business path forward.

--Vicki Jeter | International Aluminum

Strong ERP Selection & Implementation Partner
"Lisa's professionalism, skill, experience and "down-to-earth" leadership is exactly what our company needed. She helped us develop an aggressive yet realistic approach and kept us on task. She listens well to her customer - there were a couple areas where we needed to fine tune the strategy and she offered solutions that were implemented quickly."

--Kirk Shockley | Enevate

Providing Guidance for ERP Success
"It was a pleasure to work with Lisa. Her work ethic, guidance and commitment to detail enabled our company to determine what was relevant in order to facilitate a first rate system upgrade."

--Dan Vest | Midpoint Bearing

Value-Add in ERP Selection
We recently engaged Lisa to help us with a search for a new ERP system. She is well versed in the latest software packages and implementation strategies and was able to provide a well-informed recommendation to us. We were very pleased with her work and the outcome and would highly recommend her to anyone in a similar situation.

--Douglas Roy | ESL Power Systems

Mitigated Risk & Impactful Recommendations
Lisa was very helpful in identifying some key risk areas in our project and making some impactful recommendations that helped during a critical time leading up to go live.

--Mike Cachat | Jenson USA