



smartERP blog

6 TIPS TO AVOID A PAINFUL HIT BY YOUR ERP

A good ERP can improve your life immensely ...
but expect to be struck hard unless you
understand what ERPs are and what they're for



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01

You better accept that ERP is not just a technology tool but a business solution



"ERP is software, right?"

Right.

"ERP is a technology tool, right?"

Wrong.

The truth is, no one buys an ERP for its own sake. What companies want is to reach business goals - to improve efficiency and workflow, to guard data, to aid sales, for example. The ERP system is the means to an end - the desired end being the company's transforming changes.

The transformation will affect all the company's stakeholders - top and mid-management, employees, customers and suppliers alike. They all have to join in, willingly improving the organisation.

Even though the ERP may give its name to the project, the project itself is change, far beyond the scope of technology alone.

ERP is part of the solution to a business problem.

On the plus side?...

The ERP can catalyse your thinking, suggest best practices, be the mediator of business discussions, solidify agreed workflows, and can aid decision-making with accurate reports. ... But an ERP can only deliver as part of a much bigger change project.

Contrary to promises - there's no such thing as an easy & painless installation of your ERP

02



All stakeholders will have to adjust their working habits, and some must even change the way they do their jobs. Some will be pleased but most won't, as people naturally resist change.

The combined resistance of staff will be a big obstacle, that you'll have to remove nonetheless.

If the software is brilliant, it will be difficult. If the software is less than great, it will be extremely hard.

Being neither easy nor pain-free, conflicts arise while you're finding solutions to individual installation obstacles. Some staff will disagree, some will try to skip the extra workload, others will find it's against their vested interests to let the company change.

Amidst conflicts big or small, there's no joy, except for masochists!

What do people usually like about their ERP, sooner or later?

1st year: improvements in inventory-handling, sales support, easier accounting ...

2nd year: better workflows

3rd year: vast improvements in their decision-making

03

Contrary to promises - it will take a long time to get the results you want



The installation blockage will seem immovable, but it can move - slowly, and with a LOT of effort. There will be countless unseen extra obstacles and problems along the way. This is actually “normal”, but spotting and understanding the blockages, finding solutions, and putting the solutions into practice will take time.

Solving some problems requires a wait. What first looks like a good solution will prove not to be: only time will tell. Some time-taking experimentation often allows a clear and final solution to develop. Some trial and error (on a limited and well-planned scale!) should be expected and tolerated.

Your own hard graft and understanding of Change Management are essential

04



When you possess the inspiration and determination to change your company, an ERP catalyses the changes.

The ERP fundamentally determines and reflects how your company will operate.

Management must own the change project. No one will attain the changes for you. If they try, the outcome will probably be far from what you'd expect.

Reforming a company needs to be controlled and monitored by top management.

The ERP installation is at the core of reforming the company. It makes possible the changes, whether the changes are wide and radical or discrete to certain departments. In Change Management, and through the ERP installation stages, there must be many fundamental questions answered, and a multitude of operational decisions made.

What are some competing interests you'll have to referee?

IT: security, very low downtime, modern, familiar technology

General staff: relevant daily data, user-friendliness, lift away tiresome tasks

Management: increased job efficiencies, up-to-date reports, insights into operations

05

Contrary to sly advice - the ERP is to serve you, not the other way around



An ERP system really is extremely complex. The entire team involved in making an ERP is enormous - there might be a hundred people with complementary areas of special expertise, among whom programmers are just one group.

Since constructing an ERP is so costly and complex, the vendors (and/or developers, consultants, salespeople) may all beg you to avoid altering the ERP they've created or are selling. They will entreat you to adapt to fit your company to the ERP. They might give you very compelling reasons to do so, but this is just part of the truth.

For example, industry best practices are indeed something to take seriously, but your situation, company culture and position will provide many details you should also take into account. Remember, the ERP is there to serve the changes in your company.

Remember too about the huge staff installation resistance you will face - all in all, it can still be cheaper and much easier to modify the system appropriately, not to change everybody for the system.

Plus, and this is food for thought, if it really were so difficult to shape the system for the company, as you might be told, how on earth could the installed ERP ever become flexible for the company's growth and future changes?

Include ALL expenses to calculate lifetime Return on Investment



ERP is not a technology tool

It is part of the business solution

Changing jobs, training people, testing features, discussing conceptual problems, negotiating compromises, preparing old data for migration, managing change, hiring specialist consultants, paying for support fees, tweaks and improvements ... the list is long.

This is not an IT project: it is a company reform. You have a vision: there will be a project and all the costs involved should be taken into account to plan the best way to achieve a high Return on Investment.

A good ERP can improve your life immensely, provided you understand what an ERP is and what it is for