



sage Partner

Seven Steps to Prepare for a New ERP Implementation

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Introduction

For any organisation, of any size, the decision to adopt a new ERP system is a major step.

Right now, however, with many companies facing significant commercial and operational pressures to improve agility, enable Working From Home (WFH), and manage complex and disrupted global supply chains, one of the biggest concerns is balancing speed of adoption with minimising the business risk associated with significant change.

Disruption is not inevitable – with the right approach. It is very important to recognise that this is a business critical project and, as such, not something that can be simply handed off to a third party – however expert. This is your business; your data; your vision. An ERP partner has a team of experienced experts, individuals who have worked on many deployments. They will often know your vertical market and have a deep understanding of specific business issues and opportunities. All of this knowledge is hugely valuable and will help to accelerate the project.

It is, however, absolutely essential to recognise that this is a strategic change and one that will require both corporate and individual commitment. Once an ERP solution has been chosen, the deployment can take from three to 18 months, depending on the system's complexity and the business goals. Aspects of this process can be accelerated if the company is proactive and committed – being prepared for scoping sessions, for example, can reduce

the timeline significantly. Skimping on key areas such as User Acceptance Testing and Training, however, is a mistake.

There is no barrier to accelerating the planning stage – except internal commitment. From understanding business goals to setting the budget and understanding Total Cost of Ownership, businesses that dedicate the right time and resources can significantly reduce the time taken to find the right ERP solution. By clearly defining goals, companies can also cement the foundation for a smooth implementation that enables a faster realisation of business value.

With strong management commitment from the outset, a business can not only get the right people on board, but it can also set realistic expectations and ensure everyone understands the amount of time and resources that will be required to get the right system in place.

In this eBook we outline seven steps businesses should take to accelerate ERP adoption, from refining goals through data management to technology review.

This is your business;
your data; your vision

“Good planning is the foundation of successful ERP deployment.”

Rob Bradley
Operations Manager, CPiO



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“A good project manager makes a huge difference – they will focus their teams to have a clear plan and undertake tasks at the right time.”

Rob Bradley
Operations Manager, CPiO



Step 1 - Nominate a Project Team

Senior management commitment to the project is essential, as is the creation of a dedicated project management team.

The core team should be kept small to retain focus but, where possible, it is worth creating a dedicated Project Manager, preferably someone within the business who knows the people, understands the goals and, critically, has the authority to make decisions. A strong internal project manager can transform the timeline of a project, making sure the business is proactive and prepared at each stage and able to allocate the right resources when required.

While larger organisations are likely to have experienced internal project managers who can take on this role, in the majority of smaller companies this will mean adding project management to an existing job. Typically this role falls to the Finance Director or Deputy, sometimes a warehouse or production manager. Occasionally smaller companies will opt to employ a temporary Project Manager to oversee the deployment. While this can take the pressure off the FD, problems can arise because this individual will not have the essential business knowledge required – or an understanding of the company's long term vision. Furthermore, a temporary Project Manager is unlikely to have the authority to make important decisions quickly, resulting often in unnecessary delay.

Step 2 - Clarify Motivation and Opportunities

While many companies have been exploring digital transformation over the past few years, there is no doubt that the recent enforced changes to working practices and global supply chain upheaval is having a significant influence on current thinking.

Cloud deployment increasingly dominates all IT deployment, according to [Gartner](#), “As cloud becomes increasingly mainstream through 2022, it will dominate ever-increasing portions of enterprise IT decisions.” Within the ERP segment, [Inkwood Research](#) predicts the market to reach a CAGR of 6.31% during the projected period, 2020-2028. According to the research, “Although Europe has a high deployment of on-premise ERP, penetration, and accessibility of cloud for mass users will lead to important growth opportunities for the ERP market in the region. In the coming years, various small and medium-sized enterprises (SMEs) are expected to implement cloud based ERP software due to its low cost, which would be made available through mobile devices like smartphones and tablets.”

Recent events have encouraged many businesses to reconsider and accelerate the move to the cloud in order to achieve new levels of business agility and flexibility, as well as the chance to explore new financing models.

Business Drivers

There are a number of other business drivers for cloud adoption, not least the need to gain access to better business information.

- Real-time data provided 24x7 can become the foundation for far more effective business operations, supporting new levels of efficiency and enabling proactive management.
- The ability to achieve end to end visibility of the entire business process can be key to improving quality control, meeting compliance demands and adding essential agility during times of economic instability.



“In the past, the cloud was regarded as cool and part of the digital transformation of many companies. Now the need to adapt quickly means its value has really hit home. Businesses of all sizes are realising the importance of hands-off IT.”

Mark Green
Technology Evangelist, Sage

Real-Time Data Drives Proactive Business

Real-time reporting is one of the biggest drivers for the adoption of new ERP systems. From tailored dashboards to deep analytics, data driven businesses are more efficient, agile and responsive.

Simple changes can transform business risk. For example, one company has a list of 20 VIP suppliers on its Sage X3 dashboards. A delay in shipment from any one of these suppliers stops production completely; and all suppliers threaten to suspend shipment if payment is late. With complete visibility of when invoices are due to be paid to these VIP suppliers, the business can be proactive, make payment on time and ensure delays never occur in this critical business area.

New considerations to add to the mix include the trend towards WFH and the associated opportunity to reduce office space. While mobile working has been available for many years – including via Virtual Private Network (VPN) for those with on premise systems – companies may have to reconsider processes to achieve effective WFH.

How, for example, will the accounts team manage invoice processing when working remotely if still reliant on manual processes and

paper invoices? Purchase Invoice Automation (PIA) technology provides the chance to remove all reliance on paperwork, not only enabling the entire process to be handled securely by individuals working remotely but also removing the need for additional office storage space.

Technology Imperatives

In addition, the speed with which new technologies such as machine learning and artificial intelligence (AI) are being developed and integrated with traditional ERP solutions is also driving organisations to consider new opportunities for agility, efficiency and cost control.

However, it is also true that many organisations have simply reached the end of the line with a current system, whether that is an ageing ERP that is no longer supporting the business needs, or a mix of mismatched systems held together with Excel spreadsheets. Eradicating information silos and creating a seamless, end to end business operation can be the foundation for fundamental transformation in competitive positioning.





Step 3 - Refine Objectives

Whatever the initial prompt, to ensure the ERP investment truly reflects business needs, it is important to look beyond basic or generic goals such as improving functionality or meeting compliance objectives.

Setting a number of very specific objectives really helps to define the project's goal. Be specific - creating a list of 20 key business drivers is not likely to work. Instead, creating a core set of up to four business drivers not only helps to focus the project but also provides the foundation for keeping the implementation on track and measuring success.

Once these priority objectives have been confirmed, it is important to reach out to the department heads that will be affected by the ERP deployment. Key questions to ask include: What else could we do better in this area of the business? Where are things going wrong? Where are we spending too much time on reporting? How could we do that better? What would you like to see from an ERP system?

These key senior manager responses will ensure that the business is not just buying an ERP system to tick the initial boxes but also providing an opportunity to maximise the implementation.

Make sure to set clear timelines for this process. People are still responsible for their day jobs, so it is important that the ERP project is not side-lined by operational issues. Setting and meeting deadlines is essential to keep the project on track and retain momentum.

Avoid Technology Blinkers

It may sound obvious, but it is also important to document processes that are working well, plus key pieces of information that the company needs to retain. In the rush to embrace innovative technology and new processes it can be easy to overlook essential aspects of day to day business until it is too late.

Step 4 - Set the Budget and Consider TCO

At this stage it is also essential to allocate an appropriate budget.

Companies are often coy about sharing the planned spend with potential partners but that can be a mistake. Being up front about budget avoids wasted time on both sides – and ensures partners only recommend solutions the business can afford. Build in contingency if possible – there are often occasions when an extra investment of just a few thousand pounds during the initial deployment can provide immediate functionality that will deliver benefit and save the business a lot in the long run.

It is also important to understand the different financial models on offer and the total cost of ownership (TCO).

- **Cloud Deployment** offers a hands free infrastructure experience, with the cloud provider taking ownership of the underlying hardware and connectivity. Companies can opt for either public or private cloud deployment:
 - > **Public Cloud** - the system is hosted by the vendor on a shared server in a data centre. The company has limited opportunities to tailor the system to meet specific business needs.
 - > **Private Cloud** – the software is hosted on a server within a data centre, meaning the solution can be tailored to meet individual business needs and, critically, integrated with other software, from barcode readers to warehouse management systems.
- **On Premise Deployment** – traditional deployment model. Companies will host their own servers, usually located at head office with the software and hardware managed by the in-house IT team.



Step 5 - Understand Cyber Security

Security, especially cyber security, should be on the board agenda at all times, not just when considering a new ERP solution.

With attacks rising in both number and complexity, the burden of managing information security is significant for smaller to medium sized businesses. Successful cyber security demands multiple layers of protection, including two-factor authentication, data loss prevention, anti-virus and backup and disaster recovery, and must take into account people, processes and technology.

When considering a new ERP solution, a business's cyber security policy clearly needs to be part of the mix. How will employees securely access the new system? Can a Virtual Private Network (VPN) scale to support growing numbers working remotely or would secure access via a Google sign in, for example, be a better option? What are the security considerations associated with moving to The Cloud?

It is important to look for a company with Cyber Essentials accreditation – [Cyber Essentials](#) is a Government backed cyber security scheme which protects organisations of all sizes from the most common types of cyber-attacks, helping to prevent major issues such as data breaches, malware attacks and phishing scams. Make sure to spend time discussing security concerns with a partner's technical security experts to understand how the different layers of security can be delivered to meet specific data and user access needs.





Step 6 - Assess ERP Solutions

Adhering to clear deadlines also applies when it comes to technology review.

There is a lot of choice in the ERP space and that means it can take companies months to undertake multiple product comparisons – by which time many will have forgotten the features of the first few products reviewed! What is the budget? Are you looking for a highly configurable system such as Sage X3 or an out of the box deployment such as Sage 200cloud? What are the product options for the agreed budget?

Create a longlist of no more than five; a short list of just one or two. Do your due diligence – it is often possible to qualify out a solution quickly if, for example, a 'feature' is a workaround rather than a real function. But also be realistic – unless you have very deep pockets and unlimited time, no single software solution is likely to deliver 100% of requirements. Aim for 80%, with 20% as development work or in the roadmap – and make sure to prioritise the absolute essentials.

Each product presentation will last four to five hours; and it is important to see products in relatively quick succession to ensure everyone remembers the features and can conduct a valid comparison. Set and keep to clear objectives and milestones for product evaluation.

Step 7 - Improve Data Management

The adoption of a new ERP system is an ideal moment to re-evaluate the business's data resources – indeed, in many cases improving the way data is used to drive business efficiencies is one of the underlying business goals.

Whether data is buried in Excel spreadsheets or the company simply lacks a strong reporting solution, understanding the data requirements is an important aspect of preparing for a new ERP deployment.

What data does the business need to meet these goals? Where is that data – and what changes are required to maximise its value? Being proactive, deciding what data needs to be brought forward, what can be archived, and implementing robust data cleansing can really accelerate the project and help to meet business goals.

This is the perfect time to overcome data roadblocks and gain real value from data resources.

For more information on Creating a Data Strategy read our blog: [Seven Steps to Building a Data Strategy](#).



“Getting an accurate understanding of what is going on has always been a very good way of doing business. With companies having to do more with less, simplifying reporting requirements and data management will be a quick win.”

Mark Green
Technology Evangelist, Sage

Conclusion

When it comes to ERP deployment, every organisation needs to move at a pace they are comfortable with, balancing the change required with the benefit and reward that can be achieved.

There is little value to be gained in skimping or rushing the implementation of an ERP system – that risks fundamentally undermining the true value that new technology can deliver. Instead by committing the right resources, defining goals and taking a proactive approach from the outset, a business can significantly accelerate the pre-implementation phase and fast track the realisation of business goals, without compromise.





sage Partner

CPIO is a Strategic Partner of Sage UK with over three decades of experience in delivering ERP and CRM software including Sage Intacct, Sage 200cloud, Sage X3 and Sage CRM. We offer a wide range of IT services to support businesses with the design, procurement and installation of technical platforms and long-term IT security.

CPIO
111 – 112 Fort Dunlop
Fort Parkway
Birmingham
B24 9FD

0344 880 6140
marketing@cpio.co.uk
www.cpio.co.uk

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