MANAGING COST-EFFECTIVE ERP TRANSFORMATIONS

PROJECT ONE

Enterprise Resource Planning (ERP) systems can span a huge range of business operations through finance, people, project, asset and supply chain management. Supply chain in particular, is on many change agendas at the moment, with the drive to improve speed, quality and reliability across all aspects of product design, sourcing, manufacturing and distribution. This is especially the case as organisations strive to increase their resilience to the many external factors impacting the global economy. Successful organisations will ensure there are multiple solutions to avoid any single points of failure.

Many existing ERP platforms are coming to end-of-life and falling out of support in the near future, and many organisations are looking at their options. However, given the scope and complexity, replacing or transforming your ERP landscape can be a very expensive undertaking, and one that is very difficult to find the funding and support for.

FOUR STEPS TO COST-EFFECTIVE DELIVERY

One option is to look at breaking down the problem, and to investigate a potential ecosystem of multiple platforms from multiple suppliers. This 'composable' approach can then lead to an incremental transformation, with the benefit of allowing smaller, more appealing chunks of up-front funding, earlier delivery of value, and smaller, more easily controlled phases of delivery. There are generally four steps required:

1. **Understand your target business position.** This involves translating your business strategy into an operational end state – what will the business look and feel like? Potentially with interim transition steps along the way.

2. **Define your technology architecture.** What are the technology and process building blocks required to allow your business to progress? What is new capability versus upgrading what you already have? How do you best interface through consistently to legacy systems?

3. **Select best of breed solutions.** Look beyond your incumbent ERP supplier to see which solutions best match your requirements, capability by capability.

4. **Package up delivery into manageable chunks.** Determine the business need, risk and the effort required and prioritise accordingly. It may be worth starting with some early quick wins to gain momentum, or there may be a particular 'burning platform' that needs to be addressed.

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STAYING ON TRACK TO SUCCESSFULLY DELIVER

Once in delivery mode, then it is really important to keep a holistic, top-down view of progress. The benefits of 'chunking up delivery' are covered above, but these can easily be eroded as all the different strands are not ultimately joining-up to create your target picture. So, ensure you have a robust transformation roadmap, showing all the components and their dependencies.

ENSURING EFFECTIVE GOVERNANCE AND CONTROL

Invest in strong governance and control, centred around one version of the truth. This will require all delivery elements to be joined-up and roughly speaking the same delivery language. It will require a collation of data across the delivery streams and an intelligent co-ordination.

DO YOU NEED CHANGE EXPERTISE?

At Project One, we work with many of our customers across all sectors to help with their ERP transformation journeys. Our ERP related services cover defining your target operating model; shaping up business cases and gaining Exec approval; helping you to select the right suppliers and systems integrators and then working by your side to drive and control successful delivery.

If this sounds familiar, we would love to help you, so please get in touch for a discussion, **david.knappett@projectone.com**

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