Clients First
BUSINESS SOLUTIONS

RISE ABOVE THE CLOUD

Digitally Transform your Business

What to Expect with a Cloud-Based ERP Implementation

Authored by the Clients First Business Solutions
ERP Implementation Team

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Overview

Since 1994, the Standish Group has been assessing software implementation projects and quantifying whether the project was a success. Success was defined as everything went live within the time & budget allotted. The project was considered "challenged" where the project was over budget in either time or money or completed with less than the planned functionality. "Failure" meant the project was completely canceled. As of 2014, 31% of IT projects were a failure. The percentages have not changed significantly since 1994. This document explains how we, Clients First Business Solutions, successfully implement cloud-based ERPs that allow your workforce to work anywhere from any device with an internet connect.

The first success point is project flexibility. When planning on building a new warehouse, there's normally a detailed set of architectural drawings that must be adhered to during construction of the facility. The contractor can normally execute based upon metrics established over thousands of years' experience. If there is a change to the architectural drawing, there is a common understanding of the consequences of that change. Software does not have the same advantage.

The logical thought to freeze the design early in order to diminish the risk is normally not practical, wise, or in the best interest of the business. The design must be flexible because the software implementation tasks are highly dependent upon the input and performance of people in conjunction with the software, not physical items such as steel and concrete. What is agreed upon on the first day may change within weeks due to several influences after the project is started.

For example, the typical user goes through several phases when learning a new system. The first phase is the overwhelmed phase which happens when the new system is introduced. Even when there is some understanding of the functionality, the key nuances of the system still may not yet be understood – creating a "we-want-to-change-it" phase. Unfortunately, this phase is early in the process when the system architect needs the input of the users to make configuration or development decisions. The users must gain a higher level of competence with the system before the system design is finalized.

Types of Implementations

RAPID

Flexible implementation approaches are important to match your expectations with our services. We can perform a rapid implementation if deadlines and cutover dates are imminent. This approach requires close coordination of our joint teams and is very demanding. In many cases, the workload may require multiple people to keep tasks moving simultaneously.

BASIC

Basic implementations are great for the customer team that has implementation experience and can move forward independently. This approach provides your project team with the tools and consulting needed to complete the bulk of the project tasks independently – all the while becoming more and more familiar with the new system. These implementations are the least costly and you determine the time required to do the work.

STANDARD

Standard implementations are the most common. A standard implementation is where you work with our consultants on a frequent basis until you go-live. Typically, internal processes are automated, historical data migrated, and custom development is done to address unique requirements.

HIGH TOUCH

High Touch implementations are when the client needs an experienced consulting team engaged with staff to re-engineer business processes to improve productivity and ROI. Conference room pilots are typically more engaging, additional process scenarios are tested, new modules and functionality are added that have not previously been in place. High touch projects are also geared toward companies that do not have enough internal resources to handle the project workload.

This type of implementation is normally based at your location. The ideal is to allocate a physical room for the team that includes a white board and projector/display to help with training and analysis.

Most implementations are a blend of one or more of these approaches. Generally, small implementations can use a Rapid, Basic, or Standard approach and can be successfully accomplished remotely.

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Time and Cost Estimates

ESTIMATES RANGES

LIMITED DEVELOPMENT UNLESS EXPLICITLY STATED

Project estimates are outlined by project type and should be discussed with your project team to determine the best fit for the company's success. Estimates will vary on the type of industry or lines of business that generate revenue for your company or companies.

Project estimates are computed based on our prior experience with working with similar companies. Actual consumption of budgets may vary widely depending on how much work you choose to do yourself. Our team can train your team on functional and technical aspects of the system and help mentor you so that you can become mostly independent of our team in the use of the system.

You will have 24-hour access to your project cost estimate so you can monitor the activity at your convenience. All related time charges are visible as well, to provide you with the details to monitor the activities.

Phased Go-Live vs Big Bang

DIVIDE IMPLEMENTATION BETWEEN SPECIFIC BUSINESS AREAS

During a phased implementation, you implement and go-live with part of the system initially and then the remainder of the system at a later date. This approach is beneficial when you have pressing issues that need to be addressed by the new system.

To some degree, the majority of implementations fall into the phased approach strategy. For example, a manufacturing implementation may implement master planning after they gain a better understanding of the system.

BIG BANG – GO-LIVE WITH EVERYTHING ON DAY 1

With the Big Bang approach, all the functionality of the new system is implemented at one time. A significantly greater amount of planning and cutover preparation is required. This approach places more demand on the customer's internal resources.

One or more mock go-lives or dress rehearsals may be required to ensure a smooth cut-over. If the implementation is simple and the data migration straight forward, then mock go-live may not be necessary. However, if the data migration is complex it is imperative to test the entire process at least one time before going live.

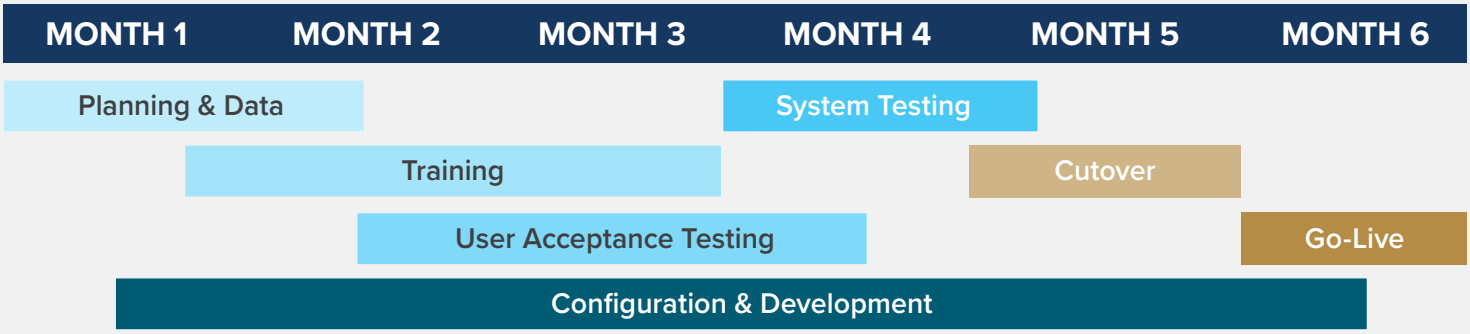
Configuration vs Development

CONFIGURATION — FAST & LESS EFFORT

Configuration is when the standard software variable settings are used to invoke the behavior required. In all systems, there are variables and parameters that influence the software. In most cases the initial combination of settings set and then tested may need some slight changes. In all cases, the variables and parameters must to be tested thoroughly to confirm they produce the desired behavior which is budgeted in the project estimate. If the desired behavior is not met or, more likely, the requirements change, changing the configuration may produce the required result.

DEVELOPMENT — WHEN IS IT RIGHT?

Development is warranted when the standard system programming code will not support a unique requirement of your company. All CFBS development is done by our in-house, US-based development team allowing us to offer Rapid Application Development (RAD). RAD consists of prototyping and SCRUMS which allows you more input and flexibility to shape the system functionality to your needs. With development, Project Management becomes even more crucial to define and maintain a scope; otherwise, the development may continue indefinitely.



Typical Timelines

- **FAST TRACK – SHORT & SIMPLE**
- **COMPLEX – ALWAYS TO BE PLANNED**

Implementation timelines range from a few months to 18 months or more depending on the complexity of the implementation. Most simple implementations range between 4 – 6 months and have only minor timeline extensions, if required.

KEY FACTORS TO KEEP A PROJECT ON SCHEDULE

- TEAM STABILITY
- COMPETENCE WITH THE SOFTWARE
- TIMELY DECISIONS
- PROMPT ADDRESSING OF CONSULTANT REQUESTS
- MAINTAINING PROJECT SCOPE

The reality is that at any moment any one of the above items might not be ideal which will require the team adapt to a schedule change. We have worked on projects that have had major client project team turnover that resulted only in a slight delay because the client quickly filled the project roles that were vacated and others that caused significant delay when a clear decision maker is not available.

Implementation Phases

- **PLANNING & DISCOVERY**
- **DATA MIGRATION**
- **SYSTEM TESTING**
- **TRAINING**
- **USER ACCEPTANCE TESTING**
- **GO-LIVE**
- **POST GO-LIVE**

All phases of the implementation are important, but the Planning & Discovery and System Testing are arguably the most critical. The Planning & Discovery phase includes the kickoff meeting with the users and engages them for their input on the system. Their input helps craft the configuration of the system and helps to identify opportunities to streamline activities in your business. Another benefit is that the users become invested in the system which helps with go-live.

The phases of implementation appear to be sequential, however, that is not always the case. Initial dates will be assigned to tasks in each area that are specific for your implementation. Then, based upon the actual (vs. planned) activities for your specific implementation, dates may be shifted forward or backwards as required. Also, data migration may initially consist of the core system tables with supporting or transaction data being migrated closer to system testing.

System Testing may be considered the most important phase. System Testing is sometimes referred to as the mock go-live which allows you to assess the system's readiness for production. In the mock go-live (depending on the engagement), we will execute the full data conversion as we planned for go-live. Then transactions from a specific day will be processed in the new system by the users to confirm the functionality. For project based businesses, one day's worth of transactions is insufficient. In this case, we will perform unit testing of key project areas with transaction data dated as normally found within a typical project.

Pre-Cutover

- **WIND DOWN, WIND UP**
- **ACTIVE TRANSACTION DATA**

The week or two before go-live is very busy. Your data is migrated for a final time into the production system and the focus becomes the active transactions so that you can conduct business in the new system. A common strategy is to wind down entering transactions in the old system and to "wind up" or begin entering transactions into the new system.

For example, if you are creating Purchase Orders that will be received in the next month, then enter those transactions in the new system and use the Purchase Orders from the new system. You can also enter Purchase Orders in your old system and duplicate the input into the new system by simply using the Purchase Order ID from the old system.

Additionally, no matter how hard the project teams try, there is always one more thing to do. Minor system changes are inevitable during the cutover once the users come to the realization that the new system is actually happening. This always triggers a more critical review along with last minute changes which may extend into the first couple weeks of go-live.

Cutover

ON-SITE SUPPORT

The cutover over to the new system often involves one or more consultants on-site to provide direct support to the users. The typical period for on-site support ranges from 1 to 3 weeks. This period varies based on the level of impact to the business, the amount of programming changes, and the intricacies of the modules being implemented. For example, clients that implement manufacturing and/or warehouse management typically require a longer period of support due to the complexities of the applications.

PRIORITY SUPPORT

Companies that focus on services and projects as their line of business historically have a shorter period of go-live support. However, they probably will need much heavier month-end and on-going support that coincides with projects closing out. Distribution without warehouse management normally has the shortest go-live period.

Regardless of the modules installed, clients always receive Priority Support during the first month after go-live with the same primary CFBS team members they have been working with throughout the project.

Post Go-Live

- **MONTHLY/PERIOD END SUPPORT**
- **LESSONS LEARNED REVIEW**

Post go-live support is important because this is when the financial data rolls into your Balance Sheet, Income Statements, and other decision-making reports & dashboards. It is important for your financial team to gain a good understanding on how to audit transactions and following through on the transaction's impact so they can make the appropriate corrections.

Up to a week of support is allotted for the first month-end close. This will include the review of each subsystem to make sure transactions are not orphaned and required processes have completed. Post go-live support may need to be extended to make sure your financial team is comfortable and understands the system.

It is always best to hold a "lessons learned" review after a project. Discuss what was learned about your company and what other changes may be to your advantage.

Key Success Actions

- **COMMUNICATE**
- **AVOID FAILURE**
- **CONTROL SCOPE**
- **PROACTIVELY BE A TEAM**

The process of implementing software is the process of imperfection management. The software, regardless of the publisher has imperfections that the project team must work around. People, despite their commitment or integrity, also have imperfections. Imperfections on all sides of the equation must be managed so that your business ends up with a solution you can depend on for business support and growth.

This is also why teamwork is paramount and required for any project to be successful. Everyone on the team must understand there will be challenges to be overcome. Challenges will require them to listen and respectfully communicate in order to resolve the issue. The end result will be a successfully implemented work-from-anywhere system you can rely on for the foreseeable future.

Key Team Members

OURS

- **PROJECT MANAGER**
- **SOLUTION ARCHITECT**
- **SYSTEM SUBJECT MATTER EXPERTS**
- **TECHNICAL LEAD**

YOURS

- **EXECUTIVE SPONSOR**
- **CLIENT PROJECT MANAGER**
- **BUSINESS LEAD / SUBJECT MATTER EXPERT (SME)**
- **BUSINESS ANALYST**

The people you select for your project team will have a big impact on the implementation. An implementation of an ERP system may require the organization to change; therefore, the project manager must have a good understanding of the business and the temperament to negotiate with department heads regarding their requirements. Basically, the project manager must be a good communicator.

A single person may assume multiple roles. For example, Champions (people promoting and supporting the change) may come from any level within the organization. A Champion may also be a Super User, or, the Project Manager may be the Champion & Super User. The key is that our system Subject Matter Expert will transfer as much knowledge of the application as your team members are comfortable receiving, resulting in your project team becoming the primary contact to support the system – your in-house SMEs.

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