Improving Processes when Implementing an ERP

Process Improvement Activities….

During Planning Phase:

- Develop a business case with metrics and desired business results
- Provide a vision/blueprint/playbook of the business case realized (which includes processes, metrics, roles and organization structure)
- Establish incentive structure *framework* and accountability for business case realization at individual, team, organizational levels
- Establish a plan to engage stakeholder communities including end users, management, an customers to overcome resistance and build buy-in

When developing functional requirements interactively:

- Understand current state processes and major areas of change

Begin to understand future state, impacts and organizational/functional areas most impacted. **When conducting demos of new modules:**

- Identify current and future state (processes, roles), impacts and organizational/functional areas impacted

Begin to understand future metric categories

When developing/conducting training:

- Identify current and future state (processes, roles), impacts and organizational/functional areas impacted
- Develop detailed understanding of future metric categories to measure and manage performance at the individual, team, and organizational level
- Ensure skill levels are achieved and performance standards are understood in order to achieve desired performance levels

During go live and 30-180+ days beyond:

- Validate and refine future state processes, roles and impacts
- Measure and refine metrics
- Measure and report performance to ensure continuing alignment with design and business case goals
- Reward performance in alignment with design and take corrective or improvement actions for variations

Sources of process information:

From most beneficial to least beneficial sources for *current* state:

1. Supervisors and Functional SME's
2. Process and procedure documentation
3. Position descriptions
4. Individual process contributors
5. Internal audit reports
6. Internal/external customers (for shortfalls and expectations)

From most beneficial to least beneficial sources for *future* state:

1. Design specs by module
2. System integrator and ERP vendor functional leads/experts (for best practices and specific configuration)
3. Super Users and SME's
4. Embedded process documentation
5. Demos and training on new modules (and interactive feedback from participants)
6. Sandbox participation and feedback
7. System test plans and system test feedback and interaction with participants

Implications of Waiting on Business Value Realization 9 months after Go Live

- Requires "uncementing" processes already in place by then (many of which are cow paths from the past or processes *around* the system)
- Takes energy away from achieving the case for change (allure of what tomorrow can be and how much better it would be)
- Dilutes excitement around go live and the resulting benefits
- Captures **past** current state, which is de-energizing, not productive and not accurate
- Introduces another major organization change 1 year after go live
- Surfaces opportunities to change ERP configuration (after those were already agreed)
- Provides excuse for extending stabilization for long-term
- Perceived as standalone headcount reduction

Why Do Business Value Realization Earlier

- Best practice indicates earlier is better
- Provides messages/feedback/risks for CM to address earlier
- Improves likelihood for success

- Leverages real time information that is developed/captured during project
- Reinforces forward looking aspects of case for change and future looking project
- Provides input to Playbook, if desired
- **Bottom Line: Organizations don't want to do this twice**