



# Navigating Organization Change on an ERP Implementation

## A Comprehensive Organization Change Management Plan Can Help Improve Your ERP Project’s Likelihood of Success

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One of the biggest changes higher education institutions can experience is the implementation of an Enterprise Resource Planning (ERP) system. An ERP system touches every aspect of the operations of an institution and touches every constituent group both inside and outside the institution. As a result, leadership should address the communications, politics, resistance, teamwork, and leadership issues that can provide significant barriers to change, cause delays in project timelines, and hinder the full utilization of the new software functionality.

Change is inevitable when working on any large project or change initiative – especially with the implementation of an ERP system. Institutions preparing for an ERP implementation should proactively approach and manage change to improve the likelihood of success of the implementation project and the ultimate use of the new system.

### Organizational Changes Resulting from an ERP Project

When implementing an ERP system, institutional stakeholders are all faced with changes in the ways in which they operate and interface with the institution. Some of these organizational changes occur as a result of the project and others occur as a result of the new software itself.

CHANGE FROM THE IMPLEMENTATION PROJECT	CHANGE FROM THE NEW SOFTWARE
<ul style="list-style-type: none"> <li>▪ Staff must work across functional lines and on teams, often for the first time.</li> <li>▪ Decisions will be made across functional lines.</li> <li>▪ Workloads will increase during the life of the project.</li> <li>▪ Standard services may be reduced temporarily.</li> <li>▪ Staff must learn new skills while managing current workload.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Business and operating processes and procedures will be changed.</li> <li>▪ New policies and procedures will be created.</li> <li>▪ New job skills must be learned.</li> <li>▪ Individual job roles may change.</li> <li>▪ New reporting structures may affect individuals and whole functions.</li> </ul>

## Benefits of Preparing for Organizational Change

Preparing for organizational change will facilitate a smoother implementation of the software and for a more effective use of the software once implemented. By building an organization change management plan as part of your project, you can expect the following benefits:

- Less resistance to the new technology and the changed business practices
- Fewer complaints and negative attitudes towards the new technology
- Smoother, easier, and quicker implementation of the new technology
- Reduced total implementation costs of the project
- More positive attitudes from the end-users about the implementation experience
- More effective use of the software

## Conditions under which People are Less Likely to Resist Change

Several factors determine the extent to which people may resist the change brought about by an ERP implementation.

- Do they trust the change agent?
- Is the change communicated so it is NOT a surprise?
- Do they understand the reasons?
- Do they see the benefit to them?
- Do they have the skills and knowledge to make the change?

If the answers to these questions are “Yes,” then institutional constituents will be less likely to resist change. Include as many of these conditions as possible in the organization change management plan to create a positive experience for all involved.



## How to Create an Organization Change Management Plan

Following are five logical steps to help you create an effective organization change management plan to support your ERP system implementation project.

### **1. Identify which institutional stakeholder groups will be impacted by changes caused by the ERP implementation.**

An ERP system implementation project will involve faculty and staff from across the institution. Many of these people will be involved by serving on project teams, by participating in training, and by supporting current systems and processes during implementation. Brainstorm a complete list of these stakeholders to ensure you understand the impact of the project on your institution.

Remember to think about stakeholders who will be impacted after the project is completed and the software is implemented. Consider stakeholders such as students, prospective students, and other end-users or outside entities that interface with the institution.

**2. Identify how each stakeholder group will be impacted (e.g., new roles, structures, processes).**

Once you have identified the individual stakeholders or stakeholder groups, identify how each will be impacted by the project and by the eventual implementation of the software. Think about how their day-to-day lives will be affected while the project is underway and after they are asked to use the new software.

**3. Identify the new skills and behaviors that will be required of each group of stakeholders.**

Significant change often creates fear for those who will be impacted by the project. They find themselves unsure as to what they will be doing during the effort and what their jobs will be after the implementation. During the project itself, they often become concerned about knowing what to do and when.

By identifying the skills and behavior that will be required, you can more effectively develop both a training and communication plan to help ease fears and facilitate the change process.

**4. Determine the barriers, issues, and types of resistance you are likely to face with each group.**

Each stakeholder and stakeholder group will have different fears, responses, and resistance to the changes they face both during the project and after implementation.

For example, when information technology departments are faced with modern commercial software, many of the mainframe and COBOL programmers could fear that their skills will no longer be needed and they may lose their jobs. In contrast, members of the admissions department may be excited about the possibility of the new functionality the software may provide. They may be overly eager to get the system up and running and skip important testing steps.

Focus on each of the stakeholders and groups independently to more effectively design the necessary interventions.

**5. Design change management interventions to deal with these barriers and issues of each stakeholder group and regularly review and update your plan.**

Planned interventions help avoid the potential barriers and issues that can arise on a project. However, change on a project is inevitable, so plan to review and update your Organization Change Management Plan on a regular basis.

Preparing for the change from your ERP project can help you avoid problems and improve the likelihood of a successful implementation and effective use of the new software system. We have created an [Organization Change Management Stakeholder Analysis](#) tool to guide you through this step-by-step process for each of your key stakeholders and stakeholder groups. See our February 2010 [Tool of the Month](#).

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