



# Ready or Not? Determining the Readiness of Your Institution for an ERP Implementation

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## Are you ready for your ERP implementation – or not?

Current trends indicate that higher education institutions are spending more than \$20 million to complete single Enterprise Resource Planning (ERP) system implementations. These trends also point out that the success rate estimates of those implementations are as low as 30%.<sup>1,2</sup>

### **Where Are You in Your ERP Implementation Process?**

- Is your institution considering implementing an ERP system?
- Have you already chosen an ERP software vendor, but aren't sure where to begin the implementation?
- Have you begun your ERP implementation and run into problems?

Whatever ERP implementation stage your institution finds itself, now is a good time to assess your readiness for the implementation's success.

ERP implementations involve a great deal of time and money. However, other factors should be considered when preparing for and implementing such large-scale, high-visibility projects.



An ERP implementation project warrants and requires a high level of detailed planning and preparation. Wherever your institution is in the process and whatever planning method or approach you take, consider your institution's readiness in the following key areas:

- Communications
- Leadership
- Culture
- Project Management
- Technical
- Functional
- Resources and Effort

### **Communications Readiness**

Communications is critical for a successful ERP

<sup>1</sup> Swartz, D. and Orgill, K. "Higher Education ERP: Lessons Learned" (*Educause Quarterly*, 2001).

<sup>2</sup> Gartner.

implementation. However, most institutions tend to take communications for granted and assume the institution will easily accept the change that an ERP brings. In fact, the more focus and attention your institution gives to effectively communicating before and during your implementation, the better chance your project has for success.



Early and continuous communications will help your institution prepare for the significant cultural and business changes inherent in an ERP implementation. Identify the key milestones for your project, and plan to communicate these to your constituents.

Plan your communications strategically – look at how and when information of varying detail and frequency should and will be dispersed to all stakeholders. Faculty, students, technical staff, functional staff, and campus leadership all have different communication needs and careful planning is required to ensure the right vehicle is used and the message is clear.

Some specific actions that have helped institutions improve their communications include:

1. Assign or hire a communication specialist to be on the project team.
2. Develop a structured communication plan.
3. Require the project team to regularly monitor communication plan progress.

### **Leadership Readiness**

Project leadership is needed at all levels of the project – from executive and senior sponsorship, functional and departmental management, to the leadership of the implementation teams. Strong leaders at each of these levels are critical in ensuring goals and objectives are aligned and effectively and efficiently delivered.

Leaders are also needed to drive resource support across functional and technical areas to ensure ongoing support and service work can be completed.

Selecting the right project leadership can make or break the success of a project. If the leaders in your organization have never managed a project the size of an ERP implementation, consider offering training in leadership and project management prior to the kick-off of the project. Another resource would be to consider a third-party project manager to help implement the project and build strong leadership for future projects<sup>3</sup>.

### **Cultural Readiness**

Teamwork and people interactions can also make or break large-scale projects. What are the inter-departmental relationships at your institution like? Consider the following questions:

- Do groups across your institution have a history of working well together?
- Do institutional committees conduct meetings effectively?
- Are goals reached and consensus-based decisions made without major conflict?
- Are institutional leaders aligned with the priority of this project and other institution-wide initiatives?
- What is the general attitude on campus toward the ERP implementation?

These questions may seem broad and unrelated, but as a whole they contribute to your institutions' culture as it relates to your ERP implementation. Barriers in attitudes and working relationships can destroy chances of project success, and you should consider their significance in your project planning.

Any challenges you face now will likely be compounded under the stress of a large implementation. No matter what stage you are in with your ERP implementation, seek out the teamwork challenges, address them, and develop strategies to mitigate their impact on the project's

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<sup>3</sup> For more information on how to select leaders for your ERP implementation, download the article, "Who Should Lead your ERP Implementation?" at [collegiateproject.com/erplibrary.asp](http://collegiateproject.com/erplibrary.asp).

success<sup>4</sup>.

### **Project Management Readiness**

How will you manage a project of this magnitude? What project management procedures and processes does your institution have in place? Consider the following additional questions:

- Has your institution ever carried out a project similar in size and complexity to an ERP implementation?
- If your institution does not have experience with similar projects, then how has it managed other types of projects? What expertise is available?
- Is the institution accustomed to following a project management methodology?
- Are the basic concepts in project management of planning, scheduling, and controlling familiar to the project participants?
- Will the institution resist following a methodical approach?

Broad-based understanding of how a large-scale project operates and how it affects your institution as a whole are critical. Using proven project management practices can greatly increase the likelihood of success of your ERP implementation.

Regardless of your experience level with professional project management, you need a well-defined scope and project schedule to detail how and when the project work will be accomplished. Equally important, a detailed scope and schedule will help you determine what *won't* be accomplished. One of the major risks in any ERP implementation is scope creep – this is when a project exceeds its original scope and deliverables. Outlining in specific terms what your project will and won't include helps you mitigate the risk of scope creep.

David Schwarz, the CIO at George Washington University, and Ken Orgill, the former CIO at West

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<sup>4</sup> For more information about dealing with teamwork, leadership, and resistance to change issues, download the two-part articles, “What to Do When People Problems Threaten Project Success” at [collegiateproject.com/eplibrary.asp](http://collegiateproject.com/eplibrary.asp).

Virginia University, have argued from a lessons learned standpoint that the selection of a project manager is “without question one of the most important decisions on an ERP project.” In addition, these authors advise that professional project management is critical on an ERP project, even if you have to hire a third party from outside the university to bring the ERP management skills and experience to the project.<sup>5</sup>

### **Technical Readiness**

Technical staff play tremendous roles in the implementation of an ERP system. Not only will your institution need the right number of technical resources, but these resources will likely need training in new skills, especially moving from mainframe legacy systems to more modern ERP systems. Factors that will contribute to a technical readiness judgment will include:

- Has the institution been able to retain IT resources in the past?
- Does the institution have openings for specific skills they have not been able to fill?
- Does the institution have any IT resources with experience in implementing software packages similar in size and complexity to an ERP system?

An important consideration while examining your technical readiness is to determine if outsourcing or backfilling are possible options to support the technical work on the project. Most institutions find it difficult to release technical staff from their day-to-day operational responsibilities to complete project work and participate in the extensive training needed for an ERP. Providing “backfill” IT resources for daily routine operations can help free some staff members to devote the time needed on the ERP project.

### **Functional Readiness**

Staffing levels and the experience levels of the functional staff are just as critical and will thus form a crucial part in determining the “readiness” of the institution to embark on the ERP project.

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<sup>5</sup> Swartz, D. and Orgill, K. “Higher Education ERP: Lessons Learned” (*Educause Quarterly*, 2001) p. 20-27.

Functional areas in many institutions have small staffs, which make it difficult for individuals to be released to work on the new ERP system and attend the necessary training. Functional staff generally find it difficult to outsource some of their everyday duties. Your institution may need to consider hiring additional staff to meet both project and operational obligations of these campus departments.

### **Resource and Effort Readiness**

Does your institution have an informed understanding of how big your ERP implementation will be – especially in terms of the tremendous need for financial and people resources?

Without previous experience, many institutions are blind to the vast amount of time and resources they will need. Here are some specific recommendations:

- Talk to other institutions who have implemented ERP systems.
  - Talk to their information technology departments.
  - Encourage the functional areas to talk with like functional departments.
  - Ask about their lessons learned.
  - Find out what has changed after implementation.
- Clarify and set realistic expectations across your institution, especially for the specific stakeholder groups involved. Make sure they all know how extensive this project will be and the levels of support that will be needed from all areas.



### **Ready or Not?**

The first step in properly preparing for or assessing the current state of your ERP implementation is recognizing the key areas of readiness – beyond just time and money.

Many institutions successfully implement new ERP systems each year, and you can too. Help your institution be prepared to meet the challenges of an ERP implementation head-on by assessing your ERP readiness.

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