

Top Ten Reasons Why ERP Projects Succeed

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Implementing an Enterprise Resource Planning (ERP) project has been compared to scaling and reaching the top of Mount Everest.



It is no wonder. A quick search on the Internet will provide you with an overabundance of reasons why projects fail. In fact, depending on which research you read, only 30 to 40 percent of ERP projects are

deemed successful by the organization implementing the system.

The good news is that if an implementation is done right, you will not have to climb that mountain again. The question then becomes how do you do it right? Here are the top ten reasons we have found ERP projects to be successful.

10 – Create a partnership between your software vendor (and implementation partners) and your institutional stakeholders.

While this concept may seem obvious, we have found the vendor-client relationship is often contentious, and sometimes outright hostile. This fact is particularly true if the institutional community is severely divided regarding the choice of vendor software.

As problems arise during implementation – and they will arise – the blame game often begins. Before long, the project evolves into a standoff, with neither vendor nor client willing to admit fault.

A third party project director is often the best solution for this dilemma. This person can usually serve as an objective mediator to bring the parties together, finding solutions rather than allowing the project to be slowed to a crawl.

#9 – Sell, sell, and continue to sell the ERP to your stakeholders.

Implementing ERP systems are extremely complex and take months and even years to implement. If your stakeholders understand the long-term benefits of the system, they are much more willing to accept any perceived temporary steps backward.

A common malady for some stakeholders is to become complacent with the status quo. You often hear, “We like what we have. It works for us.”

This mindset is predominantly on campuses with strong IT departments, and older, homegrown legacy systems that still function quite well. Typically they have been designed to do exactly what the functional departments want them to do. In these cases, it’s easy to believe that an ERP does not meet their needs. This sentiment will continue throughout the implementation unless you proactively sell constituents on the many advantages of the new ERP.

#8 – Adequately resource your project (especially in the functional areas). Ensure that “backfills” are in place to release key team participants.

The people who do the daily work of running a functional office are the same people who will be essential to implementing an ERP system. No surprise. The people with the most knowledge will be needed for the majority of the project. Priorities will conflict between the demands of the office and the demands of the project.

The most effective solution we have experienced is hiring or contracting with additional resources to serve as backfill for key office personnel. Admittedly, a new resource cannot do everything that an experienced resource normally does; however, the replacement can handle routine work and coordinating with the experienced person for critical decisions.

We have found that institutions who either cannot afford to hire backfills or choose not to do so inevitably struggle in their ERP implementation.

#7 – Communicate and manage expectations at “Go Live.”

Many constituents across the campus community expect the ERP to be an “everything for everybody” solution. Even in the best case scenario, this is rarely true. And inevitably, some functionality must often be re-scheduled into a post-go live phase. All of this combined could create disillusionment with the new system.

ERP implementations at colleges or universities are unique in that they go live for each major module – student, financial aid, student accounts, finance, and human resources – at different times. These times must be scheduled to coordinate with the annual school calendar. For example, finance modules must go live typically on July 1st, while human resources go live on January 1st.

If the project teams are struggling to meet deadlines, they may have to make decisions on the functionality that needs to be delayed in order to meet the original go live date and avoid a full year delay. These decisions must be communicated and “sold” to the campus community to ensure expectations are effectively managed. The campus needs to know what will be in place at go live and when they can expect the additional functionality.

#6 – Ensure the project has sufficient budget.

What project teams feel they have *enough* money budgeted for their projects? The perception of not enough funds is likely to be even greater in a project with the complexity of an ERP.

Careful planning during the budgeting process helps project teams make better decisions on timing and allocation of resources. If budgets are not sufficient to support the deadlines, project resources find themselves working extensive overtime and under constant pressure. Ultimately, morale disintegrates, along with the quality of work. If counter-measures are not implemented, the image of the entire ERP system could suffer – during not only implementation, but long after go live.

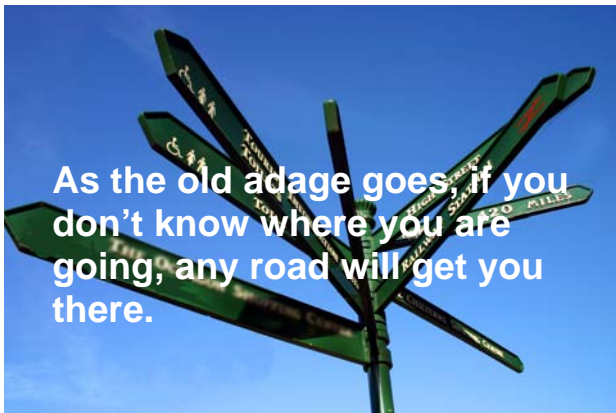
[See “How to Prepare a Budget for an Enterprise Resource Planning Project: 10 Critical Steps” by Arthur J. Herbert, PMP, Collegiate Project Services Consultant, for more information on tips for effective project budgeting.]

5 – Encourage functional ownership of the project.

Doing project work is a way of life for most information technology (IT) departments, while functional departments typically have little or no experience with projects the size of ERP implementations. So, many institutions choose to let IT lead the ERP implementation. Rarely is this decision successful.

In the long-term, the ERP will be owned by the functional areas – they must establish the rules that govern system functionality; they must learn how the system will handle business processes within the department; and they must be able to obtain information by on-line inquiry or by creating their own reporting. This ownership should be in place at the start of the implementation project.

4 – Develop dependency-driven project schedules that can be tracked and managed to provide early warnings and help avoid crises.



Successful ERP project implementations have well-planned project schedules. These schedules are not built from a desired end date. Instead they are built with a realistic view of the amount of time needed for the various tasks. These tasks are linked with clear dependencies – what must happen before a task can begin.

With a schedule, you can track and manage your progress throughout the project. Most importantly, a well-designed project schedule can provide early warnings of problems.

3 – Implement pre-project readiness assessment and overall project planning.

Most institutions have never been involved in a project as complex and cross-functional as an ERP implementation. Additionally, an ERP project requires near full-time participation.

A readiness assessment conducted prior to the project kick-off can help identify areas of strength and potential problem areas in need of improvement. This information is extremely helpful when planning the project budget and the project task.

The assessment could be conducted by an internal resource; however, we have found that assessments are more effective if they are conducted by an external vendor who has extensive experience in ERP implementations.

Typical issues that should be reviewed and dealt with might include:

- ◆ Team effectiveness skills
- ◆ Resource skills
- ◆ Leadership of the project
- ◆ Leadership of the various functional teams
- ◆ Basic level of understanding of project management
- ◆ Sufficient time for project planning and scheduling

2 – Implement aggressive project management processes.

We have heard many variations of the following comment, “In our organization, projects aren’t managed, they just happen!”

This culture may work on small, simple projects, but the magnitude of an ERP implementation requires aggressive and structured project management processes. An ERP implementation is complex and touches virtually everyone on campus.

Without the structure of project management processes, and without a project manager who understands this methodology, the project runs significant risks in time, quality, and costs. Go live dates could be missed and the credibility of the project team and the ERP software itself could suffer dramatically.

1 – Create a project organization structure to provide planning and quick response for decision making and issues management.

The toughest problems with any project implementation involve people issues. Pre-project planning must include the creation of clearly defined roles and responsibilities.

We recommend the following critical roles be filled by qualified people:

- ◆ Project sponsor
- ◆ Project director and/or project manager
- ◆ Functional team leaders
- ◆ Technical team leaders
- ◆ Project coordinator/scheduler

These project roles must be filled by people who have dedicated time to the project; they must be willing to be accountable for dealing with issues and making timely decisions. Many ERP implementations become paralyzed when issues are put on hold and not dealt with quickly.

Climbing the ERP Mountain

Brave climbers have scaled and reached the top of Mount Everest. With careful planning and awareness of these 10 tips, you will successfully climb your ERP mountain.



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