



# Top Five Factors for ERP Implementation Success

## Factors That Can Improve Your Institution's Likelihood of Success in Implementing an ERP System

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What factors affect the success or failure of a large-scale project or change initiative? In this article, we outline what constituents at 12 higher education institutions identified as key factors or strengths they feel their institutions have that will help them implement their Enterprise Resource Planning (ERP) systems. These same factors can be applied to any major project or change initiative.

### Top Factors Needed to Ensure a Successful ERP System Implementation

Faculty and staff at 12 higher education institutions were asked what strengths their institutions had that would help them effectively implement a new ERP system. The strengths that consistently came out on top included the following:

1. Consensus on the Need to Change
2. Knowledgeable, Experienced, and Dedicated Staff
3. Supportive and Aligned Leadership
4. Technical Capabilities and Support
5. Institutional Teamwork



Individually, each of these factors will contribute to the success of a large project or major change initiative. Collectively, these factors create an environment ready for success.

### Consensus on the Need to Change

Consensus on the need to change is a key factor in helping institutions navigate their way through significant change. A natural human reaction is to work to eliminate pain or dissatisfaction. The more *pain* people experience with their current conditions or situations, the easier they accept the goals of a new and improved future. They will also work harder to reach these goals.

When planning an ERP implementation, leadership should identify, clarify, and communicate the current situation and the resulting problems. Next, leaders must articulate and describe the future after the project or change is implemented. Institutional constituents will be more open to large-scale change if they see both the present problems and the improved future.

Different constituents will feel varying amounts of *pain*. In the case of implementing a new ERP system, some constituents are comfortable working around their outdated systems. In these situations, leadership needs to communicate the *pain* from an institutional perspective to help gain the consensus needed for the change (i.e. inconsistent data across the institution, the inability to create comprehensive reporting, and unsatisfactory student services).

Creating consensus around the need for change is an important element in any organizational change initiative.

### Knowledgeable, Experienced, and Dedicated Staff

Having knowledgeable, experienced, and dedicated staff is the second most-mentioned institutional strength to facilitate a successful ERP system implementation. These staff members are the people who are dedicated to the institution and care about its mission and service to students. They are also the ones who will be critically involved in the project and are most often affected directly by the institutional change.



Whatever type of change you may be initiating, a key strategy to take advantage of this strength involves recognizing these people and engaging them early on and continuously throughout the project. These staff members can help you position the need for change, lead and manage your project team tasks, and provide great vehicles for two-way communication.

### Supportive and Aligned Leadership

Alignment of and support from leadership was the third most-mentioned strength that institutions indicated would be helpful when implementing their ERP system. Leadership buy-in and ongoing support are critical components in any successful change effort.

Leaders should take responsibility for determining, clarifying, and communicating a consistent message of support for the initiative as well as reinforcing the need. In addition, especially with large-scale changes or projects like an ERP implementation, leadership must recognize the volume of work involved in implementing the change and the impact upon the various functions of the organization.

## Technical Capabilities and Support

Specifically for large technology projects, institutional stakeholders indicated that having internal technical capabilities, strong technical support, and institutional commitment to technology are important for project success. Having these capabilities can facilitate the implementation process and the effective transfer of knowledge and necessary skills.

This factor is also extremely important for other types of projects or change initiatives. Experience and skills in the applicable areas are needed to implement a project or initiative with an increased likelihood of success. If these skills are not available, hiring a third-party to provide those skills can be advantageous.

## Institutional Teamwork

Not surprising, higher education constituents indicated that teamwork is a critical component for implementing large-scale projects or change initiatives. Teamwork can be built when working on a project; however, starting with people who general like each other and work well across functions can help make a significant change or large project easier and more effective. This knowledge is helpful when putting together project teams who will be assigned specific activities and tasks.

If institutions have not implemented many enterprise-wide projects (i.e. an ERP system implementation), faculty and staff are unaccustomed to working on teams with other functional areas. In these cases, providing an orientation to working on a team can help familiarize people with a new way of collaborating. Team leadership orientation helps leaders learn a new way to manage and accomplish tasks.

Rank	Strength	% of Institutions Reporting this as a Top Strength
1	Consensus on the Need to Change	100%
2	Knowledgeable, Experienced, and Dedicated Staff	92%
3	Supportive and Aligned Leadership	92%
4	Technical Capabilities and Support	83%
5	Institutional Teamwork	83%

## How We Collected Our Data

These data are from 12 institutions of varying types and sizes. We used two primary methods for data collection at each institution: personal interviews with campus stakeholders and online surveys distributed via email. Both methods were tailored to the individual participant's role at the institution: technical, administrative, executive, or academic.

On average, we conducted 60 interviews at each institution. Approximately 60% of interviews were conducted with administrative or executive staff, 30% with technical staff, and 10% with academic staff. A much larger number of stakeholders were invited to participate in an online survey to maximize flexibility and time efficiencies. On average, we received between 100 and 300 completed online surveys at each institution.

Establishing these factors are in place in your institution and making necessary improvements in the areas that are lacking BEFORE an ERP system implementation or any change initiative is key to the success of the project.

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