

5 THINGS TO NEVER, EVER CONSIDER WHEN PICKING AN ERP

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Only 69 percent of companies who've recently completed an enterprise resources planning (ERP) software implementation would select the same vendor again, if given the opportunity. While the vast majority of companies who implement ERP obtain measurable benefits, dissatisfied customers report problems with customization potential, consultants, and projects exceeding budgets and/or timelines.

To avoid the downfalls of your competitors, here's a lighthearted list of things to avoid when selecting an ERP vendor:

1. Pick the First Software You Find

Selecting ERP software is, by nature, time-consuming and research-intensive. Unfortunately, taking shortcuts and picking either the most common solution or the first one you engage with won't drive the results you want. You're also less likely to experience a

successful implementation if you take shortcuts during the selection process.

Kevin Beasley, CIO at ERP vendor VAI, reports that one of the most common pitfalls is related to the internal documentation of processes. This should ideally occur before software is selected or implemented. An experienced consultant can review your internal documentation for completeness. If you don't understand how your company already works, you simply won't get results from a new technology solution.

2. Choose Consultants Who Use the Most Jargon

To be clear, use of confusing technology terms does not equal qualification. If your consultant or sales representative is throwing out acronyms faster than you can look them up, it's definitely not a sign they're an expert. Seek out consultants who use language you can understand and, more importantly, are committed to

listening. No two organizations are the same, and understanding the needs of an individual business is critical to recommending the right solution and features.

Process improvement expert Shawn Casemore reports that failing to properly vet vendors is a key mistake companies make when it comes to selecting ERP. His recommendation? Always ask for at least three references, and then check them out.

3. Go With What Your Competitors Are Using

Just because your competitors are using it doesn't mean that ERP is a good solution for your business. If you're able to verify that your competitor's implementation was absolutely painless and their adoption is stellar, maybe you should consider using the same vendor. However, blindly picking the same option is another way to doom your success rates.

ComputerWorld's Lisa Pierce



writes that many companies “underestimate the length of time, devotion to detail and energy” required to successfully engage with vendors and choose a solution that’s just right.

4. Expect Your ERP to Run the Show

All too often, organizations take what software architect Akan Iza calls the “kitchen sink approach.” While enterprise resources planning software can revolutionize the way your company works and collaborates, it’s unreasonable to expect the software to take over every single one of your business processes the first day you sign

the contract.

Instead, create a list of priorities. Is your first goal to centralize data assets, or better track ROI? Do you hope to increase communication and collaboration? Rank the business processes and needs that matter most to your organization.

5. Plan for the Here and Now

Often, customer dissatisfaction with ERP can arise from perceived rigidity with software solutions. As companies grow and scale, their needs will change. If they implement a very cut-and-dry legacy system with few

opportunities for customization, it can fail to meet their needs a year after implementation. If a vendor is offering you a dream of a deal, ensure it will meet your needs if you suddenly need to go PCI compliant. Or open a new office across the country.

Avoid picking a solution that fits only your current needs, but might be flimsy if your company meets your growth targets. Never go with a solution that’s not ready-to-scale at a cost that’s reasonable. Sometimes, the most important question you can ask a vendor is, “What if?”

