

# White Paper

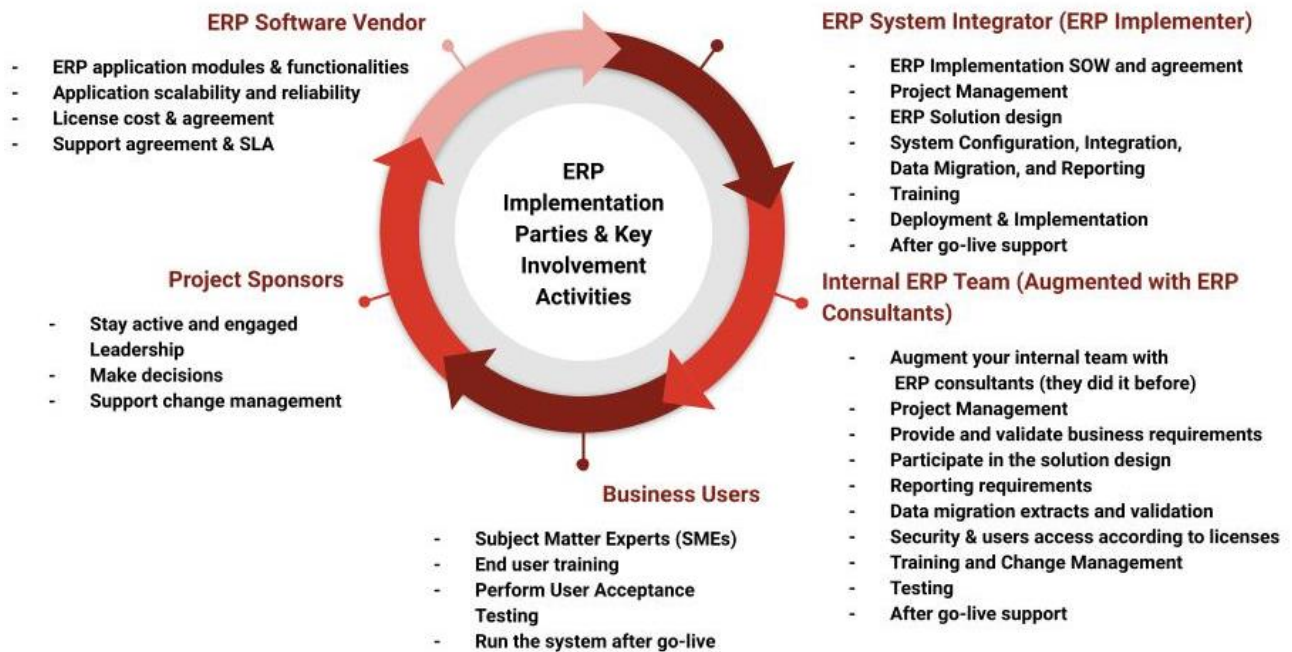
## Beyond the Software:

### Unmasking Key Players and Roles in an ERP Implementation

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## Audience

This white paper is intended for individuals or organizations interested in understanding the roles of various parties involved in ERP implementations. It is particularly relevant for business owners, executives, decision-makers, IT professionals, and other stakeholders involved in planning and executing ERP projects.

## Abstract

An enterprise resource planning (ERP) system is a software solution that helps organizations manage and streamline their business processes, including finance & accounting, sales, operations, procurement, supply chain management, and human resources. Serving as the backbone of an organization, ERP systems provide a central platform for managing and coordinating business processes across various functions. They can improve efficiency, reduce costs, and enhance competitiveness. However, an ERP system is only part of the broader operational landscape and often integrates with other systems for optimal performance. ERP implementations are complex and require collaborative efforts from multiple parties to succeed. Without each party fulfilling their responsibilities, project success is jeopardized.

This white paper focuses on the different parties involved in ERP implementation projects, including the ERP software vendor, system integrator, project sponsors, internal ERP project team, and business users.

## ERP Software Vendor

The ERP vendor provides the ERP software and related services. Different ERP systems offer varied capabilities and features, making them more suitable for specific organizations or industries. Some have robust financial modules, others excel in human resources, project management, or manufacturing. Selecting the best ERP system requires aligning project goals and business requirements with the system's capabilities.

### Key Considerations:

- **License Models:** Evaluate perpetual, subscription, and cloud-based licenses to determine the best fit.
- **System Hosting:**
  - *On-Premise Hosting:* Offers complete control but requires self-management of hardware, software, and infrastructure.
  - *Cloud Hosting:* More cost-effective for smaller businesses, with maintenance and updates handled by the cloud provider.

Your ERP solution is a significant investment intended to serve your organization for years. Ensure the selected software meets current and future business needs, and choose a licensing model that aligns with your organization's requirements.

## ERP Implementation Partner (System Integrator):

The ERP system integrator ensures the ERP system is successfully implemented and integrated into business processes, enhancing productivity and the bottom line.

### Key Responsibilities:

- **Project Management:** Assign a project manager to oversee the entire implementation.
- **Analysis and Assessment:** Conduct a comprehensive analysis of existing business processes and systems to understand requirements for the solution design and build.
- **Solution Design:** Develop a comprehensive solution design map, encompassing system design, configuration, and customization. This design should detail the various components of the ERP solution and demonstrate how the business requirements are addressed within the proposed system. It is essential that the solution design is meticulously crafted based on the documented business requirements and undergoes thorough review by the business stakeholders before the build stage commences. Additionally, the system integrator should deliver a gap analysis report identifying any business requirements that cannot be fulfilled by the out-of-the-box system functionalities, along with proposed alternatives where applicable.
- **Implementation and Configuration:** Handle software installation, configuration, integration, and customization.
- **Testing and Validation:** Test the system to ensure it meets organizational needs.
- **Training:** Provide training to employees for effective system use.
- **Post-Go-Live Support:** Offer ongoing support to address technical issues and assist business users.

Ensure these responsibilities are clearly outlined in the statement of work.

## Internal ERP Team

An internal project team is crucial for managing ERP implementation projects, providing intimate knowledge of operations and ensuring the ERP solution meets organizational needs.

### Key Responsibilities:

- **Project Management:** Coordinate between different parties to ensure timely and budgeted delivery.

- **Business Requirements:** Document and communicate requirements to the system integrator.
- **Solution Design Validation:** Validate the system integrator's design to ensure all requirements are met.
- **Reporting Requirements:** Provide detailed reporting requirements for development.
- **Data Migration:** Extract and validate data from legacy systems.
- **Security and User Access:** Map security profiles and validate against the license agreement.
- **Training:** Train employees via a train-the-trainer approach.
- **Change Management:** Manage changes to processes, roles, and responsibilities.
- **Testing:** Conduct various levels of testing to validate the solution before going live.

Different levels of testing should be conducted to validate the developed solution before giving the green light to go live:

- **Integrated System Testing (IST) or System Integration Testing (SIT):** The internal team tests the developed solution against the business requirements. Any defects identified are sent back to the system integrator for resolution. This stage encompasses system configuration, integration, and customization.
  - **User Acceptance Testing (UAT):** Key business users and SMEs test the system to ensure it aligns with the organization's business practices and processes. This phase is crucial for validating that the system meets user expectations and functional requirements.
  - **End-to-End (E2E) Testing:** This testing ensures all cross-functional components work together as expected. While E2E testing can be part of the UAT phase, it provides a comprehensive evaluation of the entire workflow and business processes.
  - **Data Migration Testing:** Validating the legacy data loaded into the new system is essential to confirm the system's readiness for go-live. Data migration typically requires multiple iterations to ensure stability and accuracy.
- **Post-Go-Live Support:** Support business users during the initial stages of system use.

Augmenting the internal team with experienced external ERP consultants can mitigate risks and ensure best practices are followed.

## Business Users

Business users are employees who use the ERP system daily. Their roles during the project design and build stages are limited, but they must be trained and ready to use the system before the go-live date.

## Project Sponsors

Project sponsors, typically high-level executives, play a critical role in ERP implementation success.

### Key Responsibilities:

- **Vision and Goals:** Define project objectives and desired outcomes.
- **Funding and Resources:** Allocate budget and resources.
- **Project Manager Appointment:** Select an experienced project manager.
- **Project Communication:** Communicate the project's importance to stakeholders.
- **Obstacle Management:** Address challenges to keep the project on track.
- **Guidance and Support:** Provide ongoing support to the project team.

Active engagement and positive leadership from project sponsors are essential to prevent project failure.

## Conclusion

Each stakeholder group has unique perspectives and responsibilities in the implementation process. Effective communication and collaboration among all parties are essential for success. Understanding roles, maintaining open communication, and working towards common goals ensure a successful ERP implementation, completed on time and within budget, providing significant organizational benefits.