



ERP IMPLEMENTATION CHALLENGES

Dr.Arun Korath

Associate Professor, College of Business and Economics, Dilla University, Ethiopia.

Abstract

Market is not arrogant enough to believe that ERP software vendors are the guardians of best practices. Nor do they blindly subscribe to the notion that the customer is always right. What market do know and believe is that a good implementation partner will balance customer needs and wants with the fundamental value proposition of the ERP software to ensure customers have relevant information to make informed decisions. This paper deals with some practical guidance that implementation partners can utilize to vet business requirements.

Key Word: ERP, Challenges, Permission.

YOU MUST BE GIVEN PERMISSION TO CHALLENGE CUSTOMER REQUIREMENTS

Regardless of your previous experience or how smart you think you are in order to be effective as an ERP implementation partner, you must be given permission by the customer to challenge their ERP requirements. It is rare to receive this permission automatically but rather it must be earned by the implementation partner. Figure 1 shows the core principles that can be used to earn that permission:

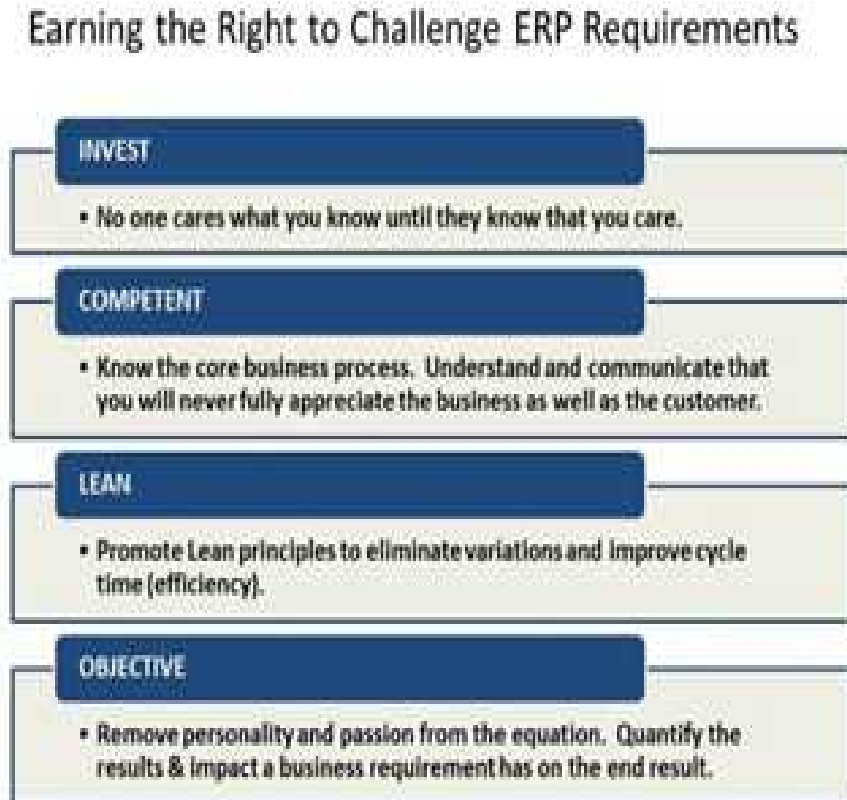


Fig 1: Principles for permission

Knowing ERP functionality is simply not good enough. A competent implementation partner is able to advise and influence their customers to draw the right conclusions and make informed decisions. Next we will discuss how a good consultant guides the customer towards making an informed decision.

LEAD BY ASKING INFORMED QUESTIONS

In early days of ERP consulting, everyone is taught to ask open-ended questions to prompt the customer to provide as much information as possible. This approach is good as long as the information is value-add and guides the customer down the right path. But too often ERP consultants mindlessly ask the customer 100+ ERP functional questions that why". The Figure 2 provides key concepts that questions should drive customers to consider:



Asking Informed Questions



Fig 2 Asking Informed Questions.

Use questions to educate. Use questions to persuade. Questions should lead customer to challenge assumptions and perceptions in their current environment. A perceived requirement may be a limitation of the current system or organizational structure. Just remember that asking the right questions is just the beginning to changing minds.

An Enterprise cloud computing is a controlled, internal place that offers the rapid and flexible provisioning of compute power, storage, software, and security services (Leena and Sushil, 2010). Cloud enables enterprises to unleash their potential for innovation through greater intelligence, creativity, flexibility and efficiency, all at reduced cost. Today, cloud computing gives businesses more control and flexibility over the technology they deploy and the way they deploy it. It helps organizations reduce costs and focus resources on gaining strategic advantage. While deployment strategies differ, it is critical that an organization's infrastructure is managed as a utility made up of secure, scalable and standards-based building blocks of integrated IT resources from storage to servers and network management tools (Leena and Sushil, 2010).

According to (D. Nurmi et al.), Cloud computing systems provide a wide variety of interfaces and abstractions ranging from the ability to dynamically provision entire virtual machines (i.e., Infrastructure-as-a-Service systems such as Amazon EC2) and to flexible access to hosted software services (i.e. Software-as-a-Service systems). All, however, share the opinion that delivered IT resources should be clearly defined, provide reasonably deterministic performance, and can be allocated and de-allocated on demand, hence need for cloud integration for our conceptual ERP web model. We have focused our research on an implementation framework of the cloud computing system since this paper provides a solid foundation on the application-level development methodology.



At present, it is common to access content across the Internet independently without reference to the underlying hosting infrastructure just like the power grid supply. This infrastructure consists of datacenters that are monitored and maintained around the clock by content providers. Cloud computing is an extension of this paradigm wherein the capabilities of business applications are exposed as sophisticated services that can be accessed over a network (Rajkumar Buyya et al, 2009). Cloud service providers are incentivized by the profits to be made by charging consumers for accessing these services. Consumers, such as enterprises, are attracted by the opportunity for reducing or eliminating costs associated with "in-house" provision of these services. However, since cloud applications may be crucial to the core business operations of the consumers, it is essential that the consumers have guarantees from providers on service delivery. Typically, these are provided through Service Level Agreements (SLAs) brokered between the providers and consumers.

THE BEST PRESSURE IS PEER PRESSURE

As a third-party external resource with limited knowledge of the customer's business model, there are limitations implementation partners will have on generating customer ownership and adoption. What consultants should do is facilitate and promote a process where relevant information is presented and evaluated. Do not evaluate business requirements in functional silos but as part of the larger business process across all business stakeholders. Visibility across the business process creates accountability – especially with peers within the customer's organization. The basic value proposition of ERP systems is providing the automation of best practices – that is common business practices – across a broad market/industry. A direct contradiction against this key benefit is when a business requirement has to be addressed via a software customization. Additional scrutiny such as competitive advantage, efficiency, effectiveness, differentiator, cost reductions and cycle time reductions should be undertaken to validate the additional investment required.

NOT CHALLENGING BUSINESS REQUIREMENTS IS A DISSERVICE TO CUSTOMERS

A fundamental expectation that customers have for ERP solutions is to have a flexible and cost-effective business solution. A key assumption required for cost-effectiveness is that ERP "out of the box" functionality addresses the majority of the customer's business model. Customizations have both a short-term and long-term impact on cost effectiveness. Too many ERP implementation partners take the easy option of catering to user requests without leading the customer through a critical analysis to determine both the short-term and long-term implications of a specific customization. There are legitimate needs for customizations. It is not an ERP implementation partner to prevent customizations but rather to ensure that customers have appropriate expectations and conclusions as a result of their implementation decisions.

SUMMARY

Good ERP implementation partners educate their customers in how to best utilize ERP software to support their business. This not only requires ERP software knowledge and but more importantly requires the business acumen to understand current requirements and advise on future requirements. Customers, if you are looking for an implementation partner that can act as a leader then you will have to pay a higher rate versus a staff augmentation partner. ERP vendors play a very important role during an implementation – especially where it comes to best practices that are not delivered out of the box by the ERP software. ERP vendors should provide multiple processes and examples of working with customers to influence software roadmaps and/or co-develop automated solutions. Action speaks louder than words! True partnership requires an investment from every player.

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