Section 04

How is ERP Implemented?

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Implementation Can Vary

Implementation is one of the most crucial pieces to reaping the full benefits to any ERP software solution. It is also one area where you will find extreme variation between ERP software providers. After looking closely at the applications provided with a particular ERP solution, the software's flexibility and ease of use, the implementation process should be examined closely too, so that the amount of time and work involved in putting the software in place is fully understood.

Implementation of an ERP software system requires a significant amount of preparation and planning.

This is true even when replacing an existing ERP system.

The Implementation Process

The extent of guidance and support received from the ERP software provider for this phase can make a big difference in how long the process takes and how smoothly the implementation progresses.

Part of the implementation process will be the training of end-users in the software. This initial training should involve every level of company personnel, from top management to shop floor labor. Training will continue to be an ongoing part of the process as new employees join the company and improvements and changes are made to the ERP software.

Once the full implementation is completed, staff are trained and the software is operating live, ongoing support from the ERP software supplier will be another important factor. The quality of support received after implementation will affect the ability of a manufacturer to maximize the ROI from the ERP software over time.

99%

With Global Shop Solutions, Adams Automatic's on-time delivery rate is consistently over 99%.

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> ## As we see Global Shop Solutions software growing into a more powerful tool, we see our shop growing with it.

— Edward Bond
President/CEO
Adams Automatic

ERP Task Force

Enterprise Resource Planning software, once implemented, will affect and benefit every level of an organization. Because of the huge impact on the entire organization, it is important to begin the process by developing an ERP task force that includes members from a variety of operational segments. The task force should include representatives from management, accounting, sales, IT and general operations.

Without input and leadership from all the areas of the company that will be using and affected by the ERP software implementation, the process can become slanted towards the priorities of one aspect of the software and create frustration in other areas of the organization.

Global Shop Solutions is one of the only ERP systems to provide a software development kit for customizations as well as an app store with over 1,000 free applications for download

1,000
FREE APP DOWNLOADS

A primary purpose of the ERP task force will be to determine the broader goals of the ERP software selection and implementation, such as improved on-time delivery, tighter inventory control or lowering administrative overhead.

Once those goals are determined, the task force will focus on selecting the ERP software solution, and its respective applications, which will best serve the company in meeting those goals.

Another important aspect of the ERP task force is communication of the need for, and benefits of, the new software to the rest of the organization. Full buy-in by management and employees is important for a smooth transition.

Because change, especially major operational changes, can often create resistance in an organization, the selection of the members for the ERP task force is critical. Members of the task force should be individuals who are respected by others in the organization and who demonstrate strong team-building and communication skills.

Every team also needs a captain, one individual who leads the charge, holds the rest of task force accountable and is passionate about the benefits that ERP implementation will bring to the company. This may be the CEO or another lead manager, but it must be one who operates with authority and the full respect of other members of the team.

> ## Global Shop Solutions is such a powerful system and I feel we've only just begun to tap into its potential.
>
> **— Alvin Moore**
> Global Shop Administrator
> Mac Machine

ERP Software Selection

With a well-balanced task force in place and the goals and objectives firmly stated, the process of selecting the ERP software provider and the integrated applications begins. It may be worthwhile to note here the importance of the sequence of these two steps—ERP task force first and ERP software selection second.

The temptation to assign the research and selection of the software to IT or management prior to development of the ERP task force should be avoided. Having input from a broad spectrum of the operational core is just as important in the initial software selection as it is in the rest of the implementation process.

There are five important areas to consider when evaluating ERP software:

- **Comprehensive** - Does the software offer applications that cover every area of operation from quote to cash? Does the software provide the mobility you're looking? What's on the wish list of your shipping and sales departments? Do the applications provide the capabilities they're looking for or will you need to still buy additional software to meet all the needs in your organization?

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> **Global Shop Solutions offers the flexibility to build your own workcenters and customize many of the screens.**
>
> **— Mike Scoggins**
> President/General Manager
> P & S Machines

- **Customizable** - No two companies operate alike. That's why customization is essential for ERP software. The question will be: How customizable is it? What areas can be customized and which cannot? Is customization available at the user level or must the vendor provide custom options?

- **Cohesive** - Does data entered in one screen automatically populate other areas of the software without further manual input? More importantly, are all the software applications in the system written by the same company and designed to work as a unit, or is the package a patchwork of independent software packages sold by a reseller who has little influence on the development of program?

- **User-friendly** - Actually viewing the software screens by scheduling a demo is the best way to test out how user-friendly software really is.

- **Provider stability and support** - Another important piece of comparison in ERP software is the vendor who provides it. ERP software is a long-term investment; it is important that you know that the company will be there to offer support long into the future. It is also vital that the support offered is provided by individuals who are as familiar with manufacturing as they are with the software itself.

Full Company Buy-In

Once the software selection has been finalized, it is time to ramp up the internal company communications about what is coming down the pike. Keeping employees informed and engaged in the implementation process can head-off negativity that festers in situations of uncertainty.

Keeping the lines of communication open for input and questions about the specific benefits and challenges related to the software implementation will strengthen the acceptance and commitment to the new ERP solution.

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Global Shop Solutions gave us the ability to do a better job of understanding our costs.

— Scott Noyes
Purchasing & IT manager
C.E. Smith, Inc

Written Implementation Plan

Detailing out the steps involved in the process, who's responsible for each aspect of the implementation and providing a detailed timeline for the entire process is essential to a smooth transition from current functions to the new ERP software.

IT will play a critical role in keeping things moving along as scheduled, but all members of the ERP task force will be involved in the setup and customization process necessary to prepare the ERP software to receive existing data, provide operational testing, employee training and prep for the live launch of the software.

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> **Our employees are now more cost conscious, more process and procedure aware, because of Global Shop Solutions.**
>
> — **Scott Franklin**
> Vice President of Operations
> California Gasket and Rubber
> Corporation

Training

The sink or swim training method that some businesses use when implementing new software to "save time and money" on training, does neither. Making sure that all employees are thoroughly trained on how to use the software and how the entire ERP software system works together intuitively will save a company much more time and money than skimping on the training process.

Employees will feel more confident and excited about the efficiencies gained through the ERP software if they are allowed the time necessary to become fully comfortable with the software screens and how to enter and access the information they need.

Every company tends to have its software guru that becomes the go-to person when people have questions or problems related to software operation. If possible, it's best to encourage a broader understanding among employees about how the software works and how to find answers for themselves. This avoids over dependence on one or two individuals that may or may not stay with the company long term.

ERP software training may be available in different forms (and at different price points) from different providers. Online video training, in-house training and off-site training options may be some of your options.

Data Conversion and Going Live

Meshing data from several current software programs into one unified ERP program can be one of the more complex aspects of the implementation process. For some companies, converting and implementing one or more applications at a time works best. For others, especially those who are converting from one ERP system to another, the data conversion is better implemented all at once, and everything goes live at once.

Whichever scenario a company chooses, a gradual conversion of individual applications or a major one-time launch of the entire system, it will be the thoroughness in preparation ahead of time that will make the most difference on how successful those launch dates are. ERP software providers may provide assistance on the data conversion, do the conversion for you or leave that portion of the process solely in your hands.

Performing functionality and data tests prior to and following the live launch should be part of verifying that all the correct data has been converted to the new system properly. A first-class ERP software provider will offer an auditing template for your implementation process that will assist you in this verification of data and functionality.

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With Global Shop Solutions bin-to-bin tracking, we know exactly where every piece of material is 100% of the time.

— Amir Saket
Operations Director
Corsair Electrical Connectors

With Global Shop Solutions, customers experience up to 25% labor cost reductions while shortening delivery times and improving quality.

25%

Service & Support

No matter how great a product is, there are always times when you'll need extra help solving a problem or finding ways to further incorporate the benefits of ERP software into your business. Having a variety of reliable and responsive support options will be an important part of any ERP implementation.

As a company becomes more aware of the capabilities of their ERP software through day-to-day use, it is common to submit requests for additional customization or to have questions about how to use the software to accomplish tasks beyond the original scope intended.

An annual service and update contract will be a part of any ERP software purchase. It is important to understand what is in that service package and what will require additional support or consulting fees.

The Value of Understanding the Implementation Process

Implementation is what takes you from initial purchase to full performance. The process in between is as critical as shop floor operations are to your business. The organizational commitment involved for the implementation process is an important consideration when purchasing ERP software.

Schedule a Demo
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Ready to take the next step?
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