



## 5 Tricks for choosing your next ERP system. 5 Tips to make it a success

Everyone has probably been in this situation: you wake up one morning knowing that today is the day to start changing things. Or you've just come to a new job and you're full of enthusiasm about improving things. As software helps with your daily activities, sooner or later you will realise that you need to turn your attention (or at least an eye) to that, too, and if you are not an experienced IT manager, you might find this task challenging. Of course, nowadays, when cloud services are getting into our life, it is not IT managers in most cases who search for new software, because only you, as CEO, CFO or COO, know best what business challenges your software needs to solve. Isn't that true?

In this article, I will provide some insights into software selection. As we've gone through hundreds of software selection tenders, I'd like to illustrate how it looks from our, the software vendor's, perspective. I'll be discussing replacement of the Enterprise Resource planning (ERP) or any other core business system.

First of all, the process is very different according to whether we are talking about a new or a mature business. New businesses can align themselves better to software standard capabilities, while mature organizations often require software to align with their own existing business process. That makes a big difference.

Some common statements we hear from our customers during the first meetings:

- “We need an out-of-the-box system”
- “We will change our business process accordingly”
- “We are just like any other business in the sector”
- “All these requirements we listed are a must-have and required at the time the system goes live”
- “What's the big issue about data migration? Just move the data across to the new system!”

Now, let's see what actually happens:

### 1. “We need an out-of-the-box system”

Fair enough for a new business, but it never works for a mature business, at least with the core systems – it ends up with customizations, ugly work-arounds, or disappointed users.



Look for the “best fit”; don’t fall for the illusion of a 100% fit. I have seen many cases where even a 70% fit was deemed to be good enough.

### 2. “We will change our business process accordingly”

This statement looks reliable during the software selection phase and the analysis phase, when we define the “as-is and to-be” of the business’. The difficulties begin at the UAT (user acceptance testing) phase, with the end system users – your employees – not ready for the change, or sometimes not willing to accept it.



Top-management support and readiness to think about it from the very beginning is necessary. When you select your new core software system – look for a vendor who has in-depth understanding of your industry sector and is good at managing change.

### 3. “We are just like any other business in the sector”

As software vendors, we see many companies from the inside – their processes, people, procedures, culture and much more. This gives us an understanding of how different from each other in fact they are. It ends up with the customer wondering how “standard software” differs from “our standard process”. Your business is very special, even if as per your understanding it is “standard”.



Consider how flexible the software system is, whether it is flexible enough to accommodate your way of doing things. Doing business in your own way is often your biggest competitive advantage!

### 4. “All these requirements we listed are a must-have and required at the time the system goes live”

This implicates a “big bang” approach, which is risky. All the literature advises starting big things from small steps in order to be successful. And this relates not only to your business or ERP implementation – it can be successfully applied to your personal life as well. Check out some good articles on this topic:

<https://blog.bufferapp.com/make-it-big-by-starting-small>

<http://tinybuddha.com/blog/a-small-guide-to-big-changes/>

I am sure you will find many more.

So, getting back to the topic. If the scope is too large, it may lead to missed deadlines or rescheduling your ERP software implementation process.



When you select the software, look at the modularity of the system, the possibility to implement the system in stages – start with the basic functionality that is crucial for your business NOW, and add more functions as you go.

##### **5. “What’s the big issue about data migration? Just move the data across to the new system!”**

Data migration is often underestimated; it ends up with budget overruns or with the legacy system running in parallel “to look up historical records”.



When you select software, look what tools it has for data migration (templates, structure, procedures), see if the new data structure is flexible enough to accommodate your historical records.

I’d like to wish you good luck when changing or looking for new business management software. But both of us know that luck is not what you really need. Looking forward to hearing some feedback on the experience you’ve had with software implementation.