Reinvigorate Your ERP System or Replace It?

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ICMA Conference Presenter

#ICMA2018
Who am I?

- Tracey Rau
- ERP Guru
• Go to your internet app
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OR

• Go to your texting screen, touch the icon in the upper right hand corner
• Type in 22333 in the To: field
• Text ICMA2018 to join
What does ERP stand for?

Environment Resource Production

Easy Reporting Product

Enterprise Resource Planning

Extremely Resourceful Products
What is an ERP system?

- A suite of **integrated applications** that is used to capture, track, report and share data across an organization

- Typically this includes:
  - Financial Systems
  - Human Resource Systems
  - Revenue Systems
  - Also can extend to other areas
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<th>Timeframe</th>
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Implementation Statistics

How successful? How long does it take?

Realize that a lot of organizations have the same problems (the majority)
Implementations are messy!
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# Issue: Implementation wasn’t fully completed

**Result**
- All modules were not implemented
- Majority of features were never implemented

**Reinvigorate**
- Review your maintenance contract
- Review any shadow systems being used to identify gaps
- Have your vendor train staff on features and functionality not being used
Issue: Takes longer to enter data

Result
• Negative attitude toward the new system
• Process may need improvements through redesign

Reinvigorate
• Reevaluate your processes
• Is the data being entered being used for decision making?
• Need to educate the end user on why they have to enter more data
Issue: Unable to get information from the system

Result
• Custom reports never created
• Dashboard and custom inquiries never set up

Reinvigorate
• Invest in custom reporting tools and dashboard training
• Assign new role for ERP reporting and dashboards
Issue: Staff turnover

Result
• New staff struggles with the new system
• No one understands how and why the system was configured as is
• Many are frustrated and assume it is an inefficient system

Reinvigorate
• Bring in vendor to train staff
• Create an in-house core group that can train others
• Implement ERP training when onboarding
Issue: Failing partnership with vendor

Result
• Vendor relationship is soured
• Staff is discouraged and frustrated with the vendor
• Staff wants to replace the system

Reinvigorate
• Meet with vendor’s management team to voice concerns
• Assign an ERP point person to “bird dog” and escalate support tickets
• Attend user groups
Current Vicious Cycle

- Staff believe ERP cannot provide the functionality it needs
- In house expertise is limited to a few resources
- Discouraged attitude, continued use of shadow systems and inefficient processes
- Vendor support is unresponsive
Reinvigorate or Replace?

Assess → Strategic Direction → Status Quo, Optimization, Go To Market
Questions to ask in your assessment

1. Is your vendor still very active in the marketplace?
2. If you are not on a current release, what are the costs to upgrade to the most recent release?
3. If you purchase a new ERP system, will you be in the same situation as you are now? What will change?
“Also” a Technology Project

Process

People

Technology

ERP
Typical of an ERP Implementation

Anxiety

- Can I cope?
- At last, something will change!
- This is bigger than I thought

Fear

- How will this impact me?
- Did I really do that?

Threat

- Who am I?

Guilt

- Change, what change?

Denial

- This can work and be good

Gradual Acceptance

- Moving Forward
- I can see myself in the future
- I’ll make this work if it kills me

Depression

- Happiness

Hostility

- Can I cope?
- At last, something will change!
- This is bigger than I thought

Can I cope?

At last, something will change!

This is bigger than I thought

Change, what change?

This can work and be good

Moving Forward

I can see myself in the future

I’ll make this work if it kills me
Process Improvement Cues

- Duplicated Efforts
- Cycle Time
- Searching and Indexing
- Internal Process Controls
- Role Ambiguity
- Recognize Past Practices
- Multiple Sources of the Truth
Lessons Learned

• Strong governance structure
• ERP training should be built in your annual budget
• Continuously reassess processes
• Assign key roles to support the ERP system – staffing and backups
• Revisit your key performance indicators (KPIs)
• Attend users groups
• Build your vendor relationship