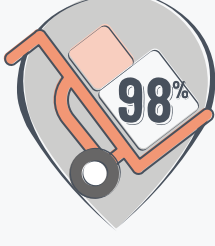CHAPTER 2

Defining Your Destination before Starting the Journey

Setting realistic objectives

We can think of setting objectives as identifying either *"pain"* or *"efficiency"* bumps within our business. We might say that our key objectives for a new ERP implementation are:

98% — OR — 💲 — OR — 🔗

98% On time in full deliveries for our customers

Mobility applications for our sales teams to allow better customer service and order taking in the field
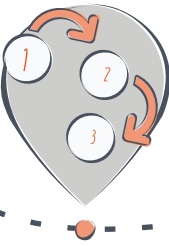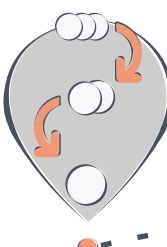
Integration of our existing website to our ERP solution for automatic picking.

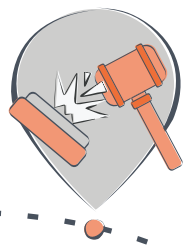## Start with defining existing business processes

Using an organisation chart, work flow diagram, or a processing chart document all major operating functions and data inputs and outputs for each step.
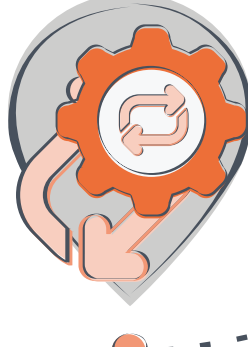
steps

process

decision

The success of creating the original business process documentation or charts, and the ability to optimize processes, depends on bringing together all the company departments.

Each department must clearly define their steps, their processes, and their decision criteria.

re-engineering

Once all the current processes are in the chart or step-by-step documentation, then the re-engineering can launch with good information.

Redefine and optimise for the most efficient business processes within the ERP / CRM implementation.

The easy temptation is to adapt the new solution to the old problems. This has been the downfall of many implementations. To avoid this trap first re-engineer the operations for maximum efficiency and quality – what business objectives do you want to achieve (without the limitations of your old ERP system?). Then overlay the new enterprise software onto the newly optimized business processes.

Determine key bridges to success

Make sure you understand the key elements required for a successful project. Some common ERP project mistakes include:

- Lack of buy-in from key employees or whole departments.

- Inadequate resources allocated (internal resource and / or implementation partner resource).

- Unrealistic expectations for ROI or overall benefits.

- Poor communication to consultants.

- Lack of timely and correct project information leading to poor planning or project management.

The list could go on and on. Without solid management backing, and all cards on the table from every department, a company wide solution will have obstacles coming from all directions. As long as all departments perceive benefits from the new system, and not threats, the change process will be easier to achieve.

Some benefits of a new ERP solution that can be "sold" to department heads include:
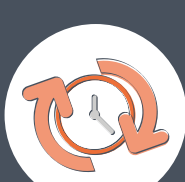
1. Reduced paperwork.

2. Reduced processing errors from manual data entry.

3. Simpler report development.

4. Real-time information across all departments. Guessing inventory or walking back to check stock will become unnecessary.

6. Purchasing, accounting, manufacturing, and engineering can review current and forecast workload with a well-designed ERP solution.

5. Transparency across all departments. Each function can see what the other department requires.

7. Sales to accounting transparency can help avoid credit issues, shipping problems, and customer service issues.

8. Executives can track quoted, closed, in-process, and shipped orders without any delays.

9. Data re-entry and duplicate tasks are reduced or eliminated across all functions.

This is a small sample of benefits for "selling" the changes an ERP / CRM system brings. Once everyone is behind it, an organization can quickly move towards fully integrating their new software solution without having to deal with internal conflict.