

Poor ERP planning can make workers nervous

By: Stefan Dubowski

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The impact of new software implementations on business processes sometimes yields surprises that organizations need to handle carefully, says one software-selection expert. David Teeger is co-founder of Teeger Schiller Inc. (<http://teegerschiller.com>), a management consulting company specializing

In software systems, IT governance, and government grants. He points out that when it comes to reconsidering business processes – an aspect of new software implementations – organizations often face two questions from employees whose work might change:

1. “Do you mean I won’t have to do that anymore?”
2. “Maybe they won’t need me anymore?”

We interviewed Teeger in our research into Canadian software selection processes. This is the second article we’ve developed from that interview. (The first story: “Independence: a key factor in software consulting” http://www.itincanada.ca/index.php?page=shop.product_details&flypage=shop.flypage&product_id=12267&category_id=329&manufacturer_id=0&option=com_virtuemart&Itemid=1)

Teeger says organizations need to be careful when implementing business process changes. It would be best for managers to consider ways to address employees’ concerns well before those two questions come into their minds. While question one might represent satisfaction, question two raises concerns.

“Determine how you are going to be using these people in the future, and then have a discussion with them,” he advises. By laying out the options, organizations go some way towards mitigating the fear, uncertainty and doubt that can blossom in the absence of information.

End users can be rich sources of information if they’re encouraged not only by the way the business-process changes are managed, but also if they’re engaged in the software selection process. Teeger notes that top-notch consultants often canvas users about the technologies they’ve used elsewhere, in positions they’ve held in other organizations.

Knowing what your competition is doing also helps. “Management, if they’re on the ball, will always tell you what system their competitors use,” Teeger says.

He points out that organizations usually have two kinds of ERP platforms to pick: fully-fledged “generic” systems that offer a wide range of functions, and vertical-specific programs that may not have all of the bells and whistles, but provide modules that speak to particular industry requirements (manufacturing versus retail, for example).

There are pros and cons with each type. On the generic side, organizations run the risk of having to explain to a vendor just how their sectors work. “What you don’t want is to end up with a situation where you’re teaching the vendor about your business and your industry – your business yes, not your industry. You want your vendor to teach you about best practices in your industry.”

In those situations, the expertise of vertical-focused value-added resellers makes all the difference. “The implementation is as good as the VAR is,” Teeger says.

The issue with industry-specific ERPs: “You’re dealing with an organization that develops the software, and implements the software, and trains you on the software, and supports the software,” Teeger says. “And if something happens to that company, you could be in trouble.

It’s less likely that a large-scale generic ERP vendor would shut down its shop. “They’re huge and there are hundreds to thousands of people who work for them,” Teeger says, reference developers and partners such as VARs.

The implementation methodology of the vendor itself is another important factor. “There’s an old saying which I’ve used many, many times. And that is, ‘It’s better to have a second-class system with a first-class implementation, than a first-class system and a second-class implementation,’” Teeger says. “You can have the best system in the world, but if you are not using it correctly and you don’t know how to use it correctly, it’s irrelevant.”

Teeger puts plenty of stock in the demonstration process, paying particular attention to the way each vendor’s system handles customer-specific scenarios.

“For example: I need to see in the demonstration process that they can do conversions of storing units of measure, costing units of measure, ordering units of measure for the same widget.... They have to show that to me. If they can’t show it to me and they said yes, they can do it in their RFP, I know what I’m dealing with.”

At the end of a project, Teeger often finds that he’s dealing with an organization that may well have thought it knew what it wanted in terms of an ERP vendor in the beginning – but came to a different conclusion when all was said and done.

“When you start this project, management thinks they know who they want.... It’s fascinating to me how they nearly always change their minds through the process.”

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David Teeger

Director

David Teeger C.A., C.A. (S.A.) graduated as a Chartered Accountant in South Africa, and upon arrival in Canada he obtained his Canadian C.A. designation and joined Richter & Associates, a management consulting firm, where he concentrated his practice on various business sectors including household goods, fashion, automotive parts, public associations, and retail chains. He performed many roles in his 15 years at Richter, including managing the professional services organization in North America and all business operations throughout Europe.

David's professional capabilities include computer audits, feasibility studies, system analyses and assistance in the selection, negotiation and implementation of computerized solutions.

As a founding partner of Teeger Schiller Inc., he has focused his practice on consulting to management. His team of professionals has helped businesses select and successfully install a variety of ERP business solutions and add-on systems including business intelligence solutions to give new life to existing computer systems. David's clients not only rely on him to successfully manage the implementation of their new systems, but to manage the change that occurs in their organizations as a result of the use of these new tools.



Elliot Schiller

Director

Elliot Schiller, Ph.D., C.M.C. began his career as a Chemical Engineer working for Grumman Aircraft, in Long Island, New York. He obtained his Ph.D. at the University of Pittsburgh with funding from the U.S. Atomic Energy Commission, and, after being awarded a Presidential Fellowship, he went on to perform research and development activities at Brookhaven National Laboratory.

Since coming to Canada, he has primarily assisted consumer products and retail organizations in a variety of strategic management initiatives, traveling around the globe on behalf of his clients. In 1987, Elliot joined Richter & Associates, and it is here that he first met David Teeger.

As a founding partner of Teeger Schiller Inc., he has focused the SR&ED / Grant Division on obtaining grants and tax incentives for over 100 companies in the small to medium sized business sector. His team has provided services to the discrete / processing manufacturing, material development, textiles, apparel, automotive and computer sciences sectors. Annually, Teeger Schiller Inc. secures more than \$5 million in government funding to assist its clients in having their business initiatives supported by government funding.



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