Some Important Do's and Don'ts in ERP Selection

By Elliot Schiller, Ph.D., C.M.C.

How often have you thought one of the following?

- It takes too long to enter all this information!
- Why can't I just see how much inventory I have and where it is?
- I can't get the report I want even though the information is in the computer!
- These reports don't balance. Which one should I believe?
- Why does it cost so much to have something changed?
- Why can't our computers talk to each other?
- Our competitors have this information; why can't we?

Too often, probably. You purchased your computer system from a vendor whose software was customized for your industry, who seemed to know what he was talking about, and whose references were all happy. So what went wrong?

Potentially, a number of things. Most organizations embark on the task of new system selection without all the necessary parts in place. This process requires planning, negotiation, analysis, project management and, especially, experience. But seldom do the needed skills reside within a company's existing IT staff, so the task too often gets assigned to the person in the company who "knows the most about computers." This is like asking a taxi driver to fix your car.

Worse, many people maintain an out-of-sight, out-of-mind approach when it comes to their systems—a result of intimidation, fear, anxiety, procrastination or an aversion to spending money on anything other than new equipment or raw materials.

Are you one of those people? If so, it's time to force yourself over that psychological hump. When your system is ill-suited to the business, out of date, or both, even small problems can lead to unnecessary expense—and that's going to make you kick yourself for not upgrading the system when you knew you should have.

The next step is getting smart about the kind of system you need. Here's an indispensable checklist to follow:

- Get management's commitment and a pre-approved budget.
- Select a steering committee from the users who best know your business operations.
- Create a list of your business requirements, based on both current functionality and current deficiencies.
- Research the software solutions that might meet your company's needs.
- Invite the best candidates in to demonstrate their software.
- Identify any gaps that exist between the software solutions and your business scenarios.
- Identify all costs associated with the solution.
- Consider the product's compatibility with other systems your company uses.

Some Important Don'ts

- Do not buy the sales representative. Buy the system and the company instead. (You'll need them longer.)
- Don't think that, because you were trained, you're fully familiar with the system. Does someone who just received a driver's license truly know how to operate a car?
- Use the system as it was designed. Resist the urge to overdo modifications when you first go live.
- If you don't have the manpower to do it all at once, go live in phases (e.g. demand functions, supply functions, and accounting functions).
- Do not go live prematurely for the sake of meeting a deadline. It isn't worth putting your business at risk.
- Don't think the vendor's project manager will manage your interests or your part of the implementation. They're hired to manage their own.

Ignoring your current system may seem like the easy, safe choice—but the easy, safe choice is seldom the right one. You've worked hard to distinguish yourself from your competitors through your merchandise, your marketing and your customer care. Shouldn't your computer system be an asset, too?

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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
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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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