

A Checklist for Selecting ERP Software

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Intro

*By nature, ERP software solutions are large and complex, and therefore for a particular company it may be a real challenge to select the solution best-suited to the business environment. In this **Checklist for Selecting ERP Software** we talk about six basic steps intended to help organizations choose and introduce an ERP system that matches their business needs. Each of the steps includes several tips and suggestions that make the checklist more understandable and practicable. You can use the checklist as a general guideline for selecting ERP software for your business environment. It is available for downloading as a PDF file. As usual your comments are welcome and much desired.*

1. Define Requirements

The very first step in selecting ERP software for your business is defining the requirements the system needs to meet. In other words, you must have a deeper understanding of your business problems in order to be sure you know what to solve through the use of ERP. If you do not get the right understanding of your business and the requirements for the product, you may end up trying to find a solution that addresses wrong issues.

Here is a small checklist for defining ERP software requirements:

- Do you define your business needs up front?
- Do you use a multi-departmental approach to get a big picture view of ERP requirements?
- Are your employees involved in needs assessment?
- Do you rank all required functions and features by importance?
- Do you try to seek ERP vendors to match your own needs with vendors' potential offerings?

2. Match Requirements

Once you know what business needs to solve and what requirements need to be matched, your next step is to deal with ERP vendors. You can request each vendor for their ERP competencies

and experience. Do they provide custom solutions that really address the unique needs and objectives of your industry? You must check whether your vendors are versed enough to handle your unique business needs and ERP requirements.

Take these steps to analyze vendors and determine if they can be helpful for your organization:

- Have a list of vendors and solution partners who can potentially match your requirements
- Check each vendor's experience and competencies against your specific needs
- Get a demo version for functionality evaluation and testing
- Involve key personnel in trial to ensure complete evaluation
- Check what ERP software features are missing and then request vendors for other solutions that include those features
- Select a system(s) that really addresses your business needs and meets your requirements
- If there is no system matching the requirements, do not stop! Just continue seeking other solution partners and ERP developers

3. Ensure Training and Support

Once you have selected an ERP software solution that matches your requirements, the next step is to find out whether the vendor provides adequate support and training resources. Please note it is a very important aspect that you must consider, because most ERP solutions are rather complex and require a lot of employee time and effort to be introduced into working environments. Your personnel need to be trained in the use of ERP software, and also provided with comprehensive support resources, including tech documentation, user guides, manuals, online resources, live chat support, remote support session, webinars, email support.

I suggest you consider these steps about ERP support and staff training:

- Request your vendor for support service
- Find out service terms, including cost, period, additional options, IT administration, etc.
- Check if they can provide their trainers
- Find out what training options are available (e.g. webinars, presentations, live chat, online documentation)
- Be sure the service provider has at least 2-3 employees dedicated to phone and remote support
- Agree upon a training schedule with the provider
- Request your IT guys for a maintenance schedule agreed with the provider

4. Benefit from Independent Consultancy

Along with ERP training and support highlighted at the previous step, you may also need to find and hire an external expert who has a broad experience and expertise in using and supporting different ERP systems. This person (or company) needs to be interested in ERP success of your company, so be sure he or she does not have any vested interest in the vendor's solution.

This tip is applicable to you only if your company does not have an internal IT department. In such cases you will benefit from an external software consultant who will help your staff select and deal with ERP software solutions. I suggest you contact consulting companies that provide IT-related service. Also please consider these suggestions:

- Look for independent consulting companies that are not interest in any vendor's solution
- Hire a software consultant that fits the bill
- Be sure this consultant can negotiate effectively with your personnel and the vendor as well
- Merge your internal staff training schedule with the consultant's activity

5. Engage Employees

At this step, your company has an implemented ERP software system, and your workers are provided with all necessary training and support. Your IT dept knows how to configure and administer the system and also what to do in case of some issue. But the fact that the system is introduced into your working environment does not actually mean that this system is used effectively by personnel. The point is that although your employees are well trained, they are likely not to understand the big picture view. They just know what tasks and activities they are assigned to, but do not realize how they contribute to the business processes at company level. Without right employee engagement and understanding your ERP software appears to be static and inflexible.

Here is an action plan I suggest you to ensure high employee engagement:

- First consider the use of your ERP software as a changing process that requires continuous audit and control
- Then, make a milestone schedule to track and measure your ERP project on a regular basis
- Be sure every user knows how to operate the system (you can check the user's training status)
- Ensure knowledge transfer between the users
- Hold weekly (and daily if needed) meetings with your staff to explain them the business processes and how the system manages those processes
- Focus each user on his/her own contribution to the company's success

- Explain user collaboration contributes to process chain efficiency

6. Commit Resources

And the final step of this ERP software selection checklist is about the need to allocate as many resources as required. It means your ERP project may (and definitely will) require unexpectedly high resource commitment because ERP implementation is a long and challenging journey. And you must be ready for such a journey.

Use the following short checklist about resource commitment:

- Are you ready to commit enough resources, both financial and management?
- Will you never skimp when allocating resources to your ERP project? (because otherwise you're likely to select and introduce a system that does not fit into your original requirements)
- Do you spend enough time to review and analyze each vendor's solution?

Conclusion

The listed steps of this template showed us 6 best practices of ERP software selection. Business planners and analysts can follow the guidelines to understand how to define and match their business requirements, select and deal with ERP vendors, cooperate with consultants, engage workers, and ensure resource commitment. I hope this publication will help you make the best choice. If there is something you want to suggest, please leave your comments here www.mymanagementguide.com/checklist-selecting-erp-software. Thank you.