

Reap the benefits from your current ERP system

Nurture

We have experienced organisations change from virtually every major financial business system to a competitor's solution. Has this really been necessary or is it more a case that the incumbent system has remained so static for a number of years that it has become obsolete to the business. With static systems many separate databases and spreadsheets start emerging as people can't access the information they really need, leading to a lack of integration and inconsistencies in management information.

New employees join the organisation often without the necessary training on how to use the system for their needs and established users often have never really maximised the system's capability. Typically management and staff lose faith in the system's capability to adapt to current business needs and the relationship between the customer and supplier can hardly be called a partnership. Hence a new system appeared to be the only satisfactory answer.

The fact is that many of these organisations did not have formalised plans to continually develop the system or indeed had not maintained successful partnerships with suppliers or facilitators to help them achieve the required results of the software's capability. Some simple questions can help one judge whether you are maximising the use of your current system.

- *Are we getting the management information needed to run the business effectively?*
- *Are individuals getting the information they need to do their jobs effectively?*
- *Does any re-keying of data take place?*
- *Are business processes as efficient as they should be?*
- *Does the system enable us to work with our customers, suppliers and partners effectively and them with us*
- *Are all the controls in place to ensure the system is secure and compliant?*
- *Do people use the system effectively?*
- *Do we have sufficient internal knowledge to alter the system to manage change?*
- *Is the IT department fully aware of the systems technical infrastructure to maximise efficiency and to take advantage of new technology that adds value to the business?*
- *Do we have a plan for the next 12 months of where we need the system to be?*
- *Do we have the resources and project management skills to face these challenges?*

Today the trend for organisations is to invest in existing systems, assuming they are still capable of meeting the business requirements, is the correct approach. However to ensure longevity a continuous business improvement programme should be established that ensures the system adapts and develops to keep up with the changing business needs.

All too often we experience organisations that spend vast amounts of money on implementing a new system and then not making suitable investment post implementation to reap the benefits of the initial investment.

Our findings have shown continual development is needed for the following reasons;

- *Aligning information needs to strategy and business plans is key*
- *Recognition that organisations could be much better at measuring and reporting on performance*
- *Identifying areas of improvement and then tracking performance consistently is necessary*
- *Using the right and appropriate resources enables continual and long term success*
- *Measuring the quality of service provided can really assist necessary change*
- *Involving customers, suppliers, partners, users and acting on appropriate advice brings large returns*
- *Straightforward and regular system improvement is better than occasional major change*
- *New and existing users typically have had insufficient training to use the system to anything like its full potential.*
- *The need to upgrade the software to take advantage of new system developments provided by the supplier that add value to the business*
- *To keep abreast with technology including upgraded databases and operating systems to both aid support and improve business and IT based operations*
- *To enable integration with other new business systems and to aid access to external systems for such activities as E-Procurement*

Change is a business constant so your ERP system needs to evolve sufficiently quickly to enable your organisation to adapt appropriately. However context and history are always important in understanding change so being able to retrieve and analyse current and historic data is key.

Having the necessary infrastructure to keep management information up to date helps sharpen focus, control costs and efficiency savings and enables problems to be captured early. In summary it should ensure all necessary information is captured, challenge or confirm priorities and help generate options for change.

So what are the key ingredients for continual system improvement? In our view it is understanding where business processes need to be improved and understanding the impact of any new process, ensuring the system provides accurate, pertinent, timely and complete information to those who need it, when they need it, wherever located.

Finally an understanding what are the information requirements that will make a significant difference to your service quality and financial stability and then making sure this information is easily accessible to the business.

Remember it is people who bring about change so as with initial system implementations business improvement programmes need structure, planning, teamwork and strong leadership. Both cultural and process changes need managing so ensure the people with the correct skills are in place to make this happen as swiftly and efficiently as practical.

Information needs that evolve from market conditions, legislation, compliance, new initiatives and new competitors will all bring about change. This means people need to be constantly aware of what is required of them and adapt accordingly.

Effective communication and strong management throughout the business is key to ensure everyone embraces this change positively. The business system must also be changed to reflect these new requirements otherwise credibility is lost.

An up to date system will ensure longevity of investment and will improve performance throughout the business leading to a sustainable, financially stable and service led organisation. It can differentiate you from your competitors and impress staff, partners, customers and suppliers.

In order to achieve continued best results from an ERP system time, effort and on-going resource is required but if done correctly and in a well structured way the benefits will be substantial.

A well trained and organised team can keep external costs relatively low leading to a motivated environment that greatly assists business success. The need to change solutions may just be a lot further away than you imagined.