4.0.1. **KEY SUCCESS FACTORS** :

One of the most common fallacies with ERP implementations is that organizations are prepared for the undertaking. Organizations need to not only recognize and understand the success drivers, but also to take action on related preparatory recommendations that support them.

Success is defined as getting what you want with the ERP implementation, on time, on budget and with a satisfactory Return on Investment (ROI).

The key success factors are:
1. ProjectStartup
2. ManagementCommitment
3. ProjectScope
4. ProjectTeam
5. Change Management, Communication and Training
6. Customizations/Modifications
7. Budget
8. ProjectClosure

1. **ProjectStartup**

Perform the due diligence of getting the project on the right track by preparing all the necessaryinformation and communicating it to the appropriate personnel.
Recommendations:

- Prepare/review the businessstrategy.
- Prepare/review the ITstrategy.
- Prepare/review the ERP strategy.
- Prepare/review the project scope (included in more detailbelow).

• Prepare the organization for process changes and the new system by applying theproper change management strategies andtechniques.

2. ManagementCommitment

An ERP implementation is going to impact how a company operates by updating business processes and changing system transactions. IT should not be the only area responsible for the project. Senior managers and mid-level managers should be involved in the project from its inception to its completion. This gives the project the proper visibility across the organization and shows the staff in general the importance of theproject.

Recommendations:

• Involve management in project sponsorship, a steering committee, issue escalation and issue resolution. This involvement will help to maintain management support and keep them informed about theproject.

3. ProjectScope

The core ERP system will most likely not satisfy all the needs of the organization. Develop the ERP strategy and understand the components of the ERP, and how it will fit with other systems and tools. Define your project scope from a position of knowledge, fully detailing what the project is going to include.

Recommendations:

• Understandthebusinessrequirementsandplanhowtheyaregoingtobesatisfied
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• The ERP will satisfy some of your business requirements. Put together a plan as to how other business requirements such as data management,

business intelligence, social media, etc. will be met.
• Document items that are not inscope.

4. ProjectTeam

The core project team should be composed of full-time personnel, including a project manager and others representing the core areas of the business. If a consulting integrator is used, the core project team needs to have a good and cohesive working relationship with the consultants. Also, identify a set of resources from the various areas of the business to provide subject matter expertise.

Recommendations:

• Use proven implementation methodologies and tools for theproject.
• Empower the implementation team to makedecisions.

• The core project team should be in the same location to aid in communication.Create a competency center for post go-live supportneeds.
• Identify subject matter experts (SMEs) from pertinent areas across theorganization.
• Project team to have a good working relationship with theconsultants.

5. Change Management, Communication andTraining

The ERP project will not only result in changes in systems, but also process and organizational changes. A change management team will be necessary for the organization to deal with the impact. The size of the team will vary depending on the size of the project and amount of changes. Training falls under change management, and the most common method is to "train the trainers." Normally the software vendors or the consulting integrators will train the trainers, who are employees in the organization. This approach is most helpful, because the organization will end up with the trained professionals on its staff.