

# Global ERP Implementation: How to do it first-time right!

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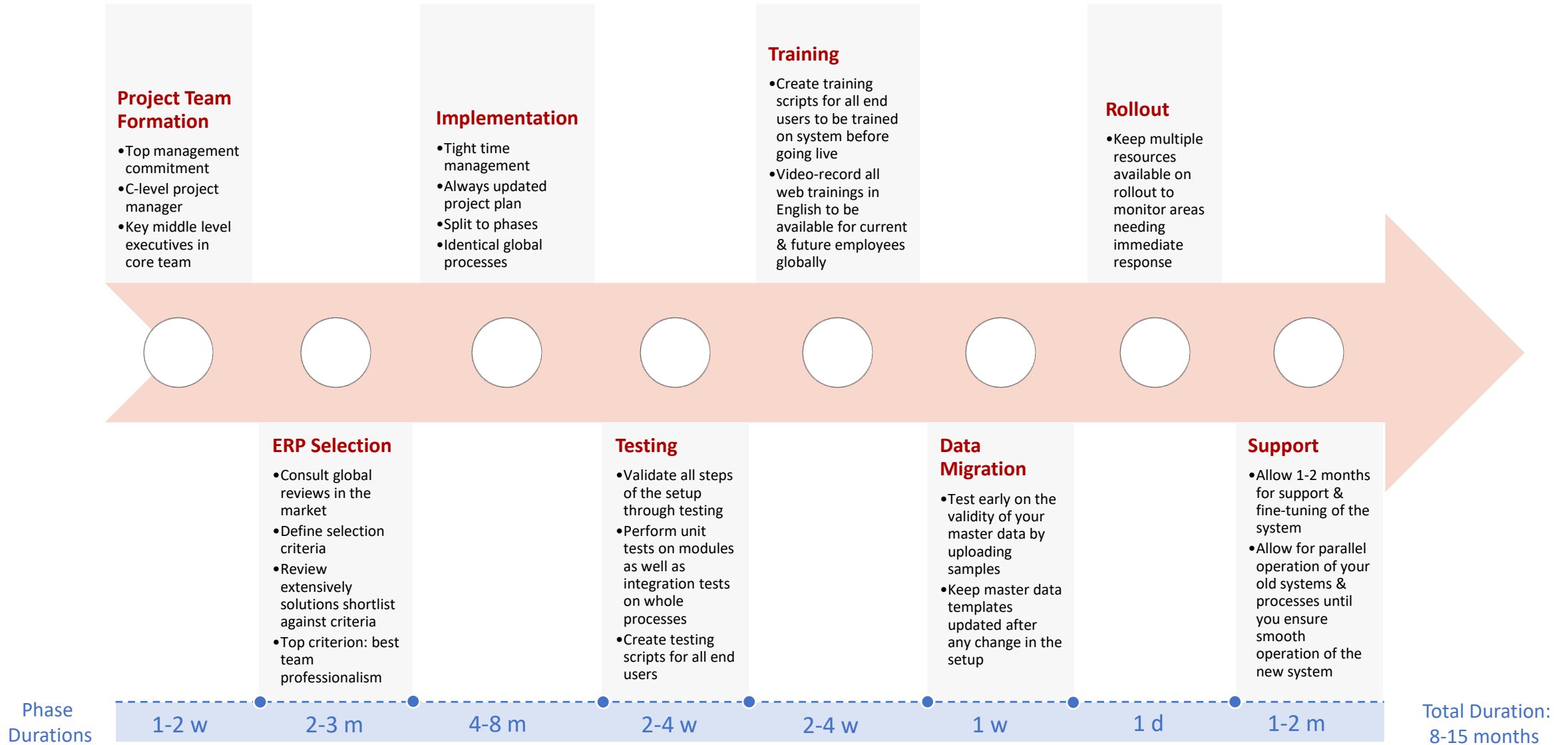
*Group CFO*



# ERP Implementation

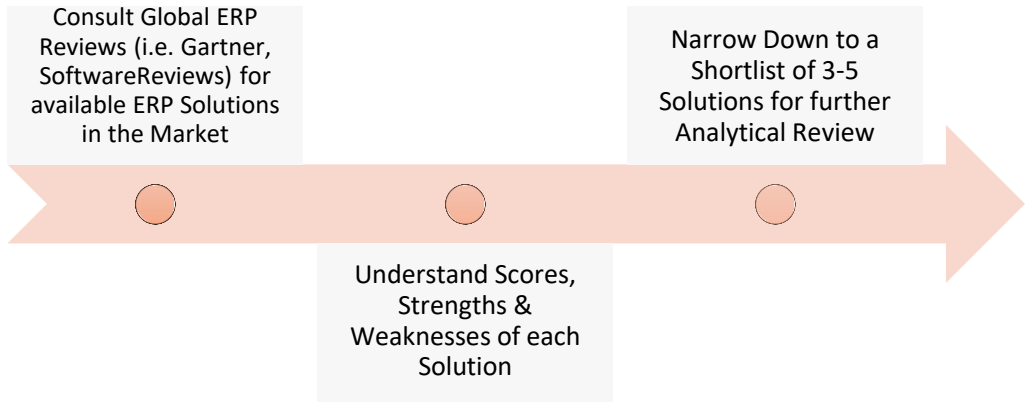


## The phases of an ERP project and their Key Success Factors



# ERP Selection: Part A

Investigating the global market for suitable solutions



ERP	Composite Score	Net Emotional Footprint	Vendor Capabilities	Product Features	Likelihood To Recommend
ERP Solution 1	8.1/10	+81	80%	79%	82%
ERP Solution 2	7.3/10	+64	75%	74%	80%
AVERAGE SCORES	7.4/10	+70	74%	74%	77%



## VENDOR CAPABILITIES

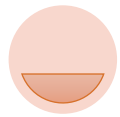
ERP	Overall Capability Satisfaction	Business Value Created	Breadth of Features	Quality of Features	Product Strategy & Rate of Improvement	Usability & Intuitiveness	Vendor Support	Ease of Data Integration	Ease of IT Administration	Ease of Customization	Availability and Quality of Training	Ease of Implementation
ERP Solution 1	80%	78%	82%	81%	81%	79%	77%	79%	81%	77%	78%	80%
ERP Solution 2	75%	78%	80%	75%	75%	72%	71%	72%	75%	77%	72%	77%
CATEGORY AVERAGE	74%	75%	75%	75%	72%	74%	74%	74%	74%	73%	72%	75%

## PRODUCT FEATURES

ERP	Overall Capability Satisfaction	Accounting & Financial Management	Analytics & Reporting	BI & Performance Management	Industry Specific Capabilities	Procurement Management	CRM	Governance Risk & Compliance	Human Capital Management	Job & Project Management	Service Management	Supply Chain Management
ERP Solution 1	79%	84%	77%	78%	80%	79%	80%	78%	75%	82%	81%	76%
ERP Solution 2	74%	82%	67%	70%	74%	81%	71%	69%	73%	74%	75%	77%
CATEGORY AVERAGE	74%	78%	72%	73%	75%	76%	73%	75%	74%	75%	74%	79%

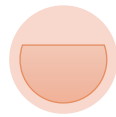
# ERP Selection: Part B

Review & evaluate all shortlisted solutions extensively



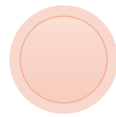
## Define Key Criteria for Selection

- Cost, both total and annual P&L impact
- Implementation Time
- Team Professionalism
- Functionality
- Etc.



## Contact ERP Providers and arrange multiple workshops to review the team & solution

- Assess the professionalism & capabilities of the implementation team
- Understand the strengths and weaknesses of each solution
- Map all information in a compact comparison matrix
- Keep top management informed all the way



## Make Final Selection

- Decide which solution best serves the needs of your company
- Make recommendation to the Management
- Make very clear contractual terms re: timeline of the project and potential penalties in case of delay

ERP	One-off Capex Cost (incl. licenses purchase)	Licenses Annual Opex (for 70)	Other Annual Opex	Total Annual Cost	Localizations	Implementation Time	Team Professionalism	Standard Functionality	UI	Database	Product Features & Satisfaction <sup>1</sup>	Vendor Experience & Capabilities <sup>1</sup>	Consolidation	Planning	HR
1 ERP Solution 1	206.050	0	39.422	60.027	Yes	3 months core functionality (all countries), TOTAL 5.5 MONTHS	Very High	Excellent	Old but very functional	Common	Medium to High	Low to Medium	Strong	Budgeting	HRM & Payroll
2 ERP Solution 2	200.000	46.147	8.000	74.147	Yes	4 months core functionality (Country A, Country B), 1 month live, 6 months Country C, TOTAL 7 MONTHS	High	Medium	Very nice & user-friendly	Common	Very High	High	Yes	Budgeting	HRM (excl. Payroll)
3 ERP Solution 3	160.000	38.253	12.000	66.253	Yes	3 months core functionality (Country A, Country B), 4 months Country C core functionality & localization, TOTAL 6 MONTHS	Moderate	High	Very nice & user-friendly	Common for Country A & Country B, different for Country C & every new country	Very High	High	Yes	Budgeting	HRM (excl. Payroll)
4 ERP Solution 4	200.000	100.000	20.000	140.000	Yes	7-8 months	High	Medium to High	Very User-friendly		Very High	High	Yes	Budgeting	HRM (excl. Payroll)
5 ERP Solution 5	450.000	175.000	0	220.000	Yes	6 months	Very High	High	Semi user-friendly	High	Medium to High	Low	Strong	Strong	Full HRM ?

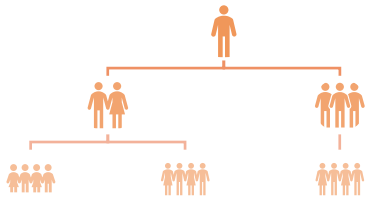
ERP useful life 10  
No of users 70

# ERP Evaluation: Licenses & Scaling Analysis



It is critical to understand how costs are scaling up according to users increase

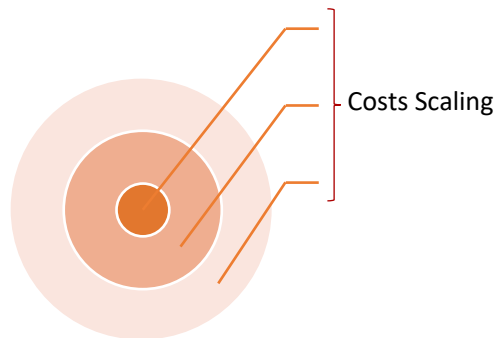
Number of users & licenses is a critical parameter for the cost of the project



## # of Licenses Analysis

	Total	Full	Team Member	BI
<b>Total</b>	<b>70</b>	<b>26</b>	<b>44</b>	<b>18</b>
<b>Finance</b>	<b>43</b>	<b>16</b>	<b>27</b>	<b>10</b>
Group CFO	1	0	1	1
Corporate Finance	3	1	2	3
FP&A	2	1	1	2
Consolidation	1	0	1	1
Accounting & Finance	7	7	0	3
Accounts Receivable - Calls	22	0	22	0
Accounts Receivable - Accounting	7	7	0	0
<b>Sales</b>	<b>6</b>	<b>0</b>	<b>6</b>	<b>1</b>
Sales Consultants	6	0	6	1
<b>Bus. Ops</b>	<b>15</b>	<b>6</b>	<b>9</b>	<b>1</b>
Relationship Managers	3	0	3	1
Partnership Managers	6	6	0	0
CX	6	0	6	0
<b>Commercial</b>	<b>6</b>	<b>4</b>	<b>2</b>	<b>6</b>
Sourcing Analysts	6	4	2	6

Costs scale with users, though not in the same way for each solution



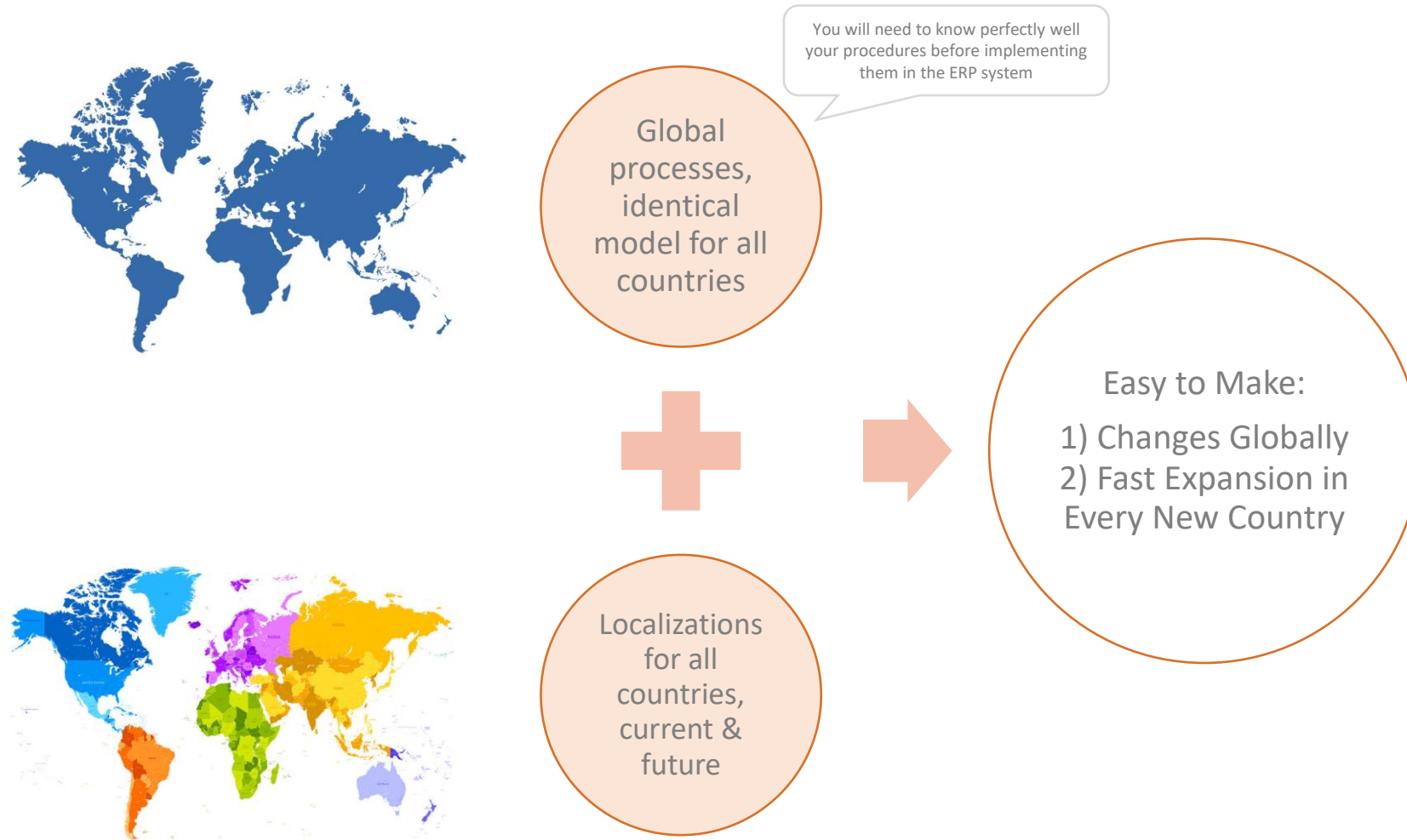
## Annual Cost - Users Scaling Sensitivity Analysis

No of Users	ERP Solution 1	ERP Solution 2	ERP Solution 3	Δ 1 vs. 2	Δ 1 vs. 3
70	60.027	74.147	66.253	14.120	6.226
120	64.795	101.109	93.577	36.315	28.783
170	69.563	128.072	120.901	58.509	51.339
220	74.331	155.034	148.225	80.703	73.895
270	79.098	181.996	175.549	102.898	96.451
320	83.866	208.959	202.873	125.092	119.007
370	88.634	235.921	230.197	147.287	141.563
420	93.402	262.883	257.521	169.481	164.119

Although solutions 1 & 3 are similar in cost at the level of 70 users, when scaling up to 420 users, solution 3 is disproportionately more costly

# ERP Evaluation & Implementation: Ensure your ERP is Glocal

Keep your processes global, ensure localizations exist for all countries



# ERP Implementation: Manage Project efficiently



Manage project efficiently in terms of time and communication to avoid pitfalls

Time & communication management are key for success

**1. Create plan in highest detail**

**2. Account for other day-to-day tasks apart from project**

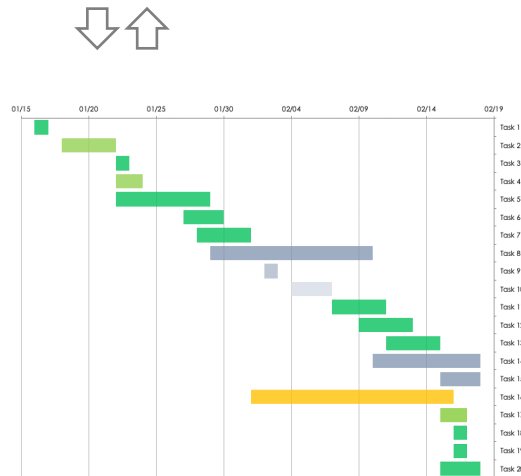
**3. Validate plan with all stakeholders**

**4. Update plan at every change**

**5. Communicate changes to all involved parties**

**6. Keep top management informed of progress**

TASK NAME	START DATE	END DATE	DURATION #days
Task 1	01/16	01/16	1
Task 2	01/18	01/21	4
Task 3	01/22	01/22	1
Task 4	01/22	01/23	2
Task 5	01/22	01/28	7
Task 6	01/27	01/29	3
Task 7	01/28	01/31	4
Task 8	01/29	02/09	12
Task 9	02/02	02/02	1
Task 10	02/04	02/06	3
Task 11	02/07	02/10	4
Task 12	02/09	02/12	4
Task 13	02/11	02/14	4
Task 14	02/10	02/17	8
Task 15	02/15	02/17	3
Task 16	02/01	02/15	15
Task 17	02/15	02/16	2
Task 18	02/16	02/16	1
Task 19	02/16	02/16	1
Task 20	02/15	02/17	3

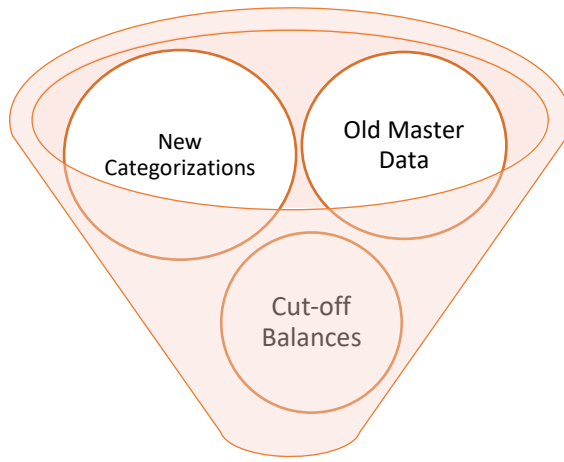


**7. Allow for plenty of testing and debugging**

**8. Do not go live if critical functionality like invoicing has issues**

# Data Migration

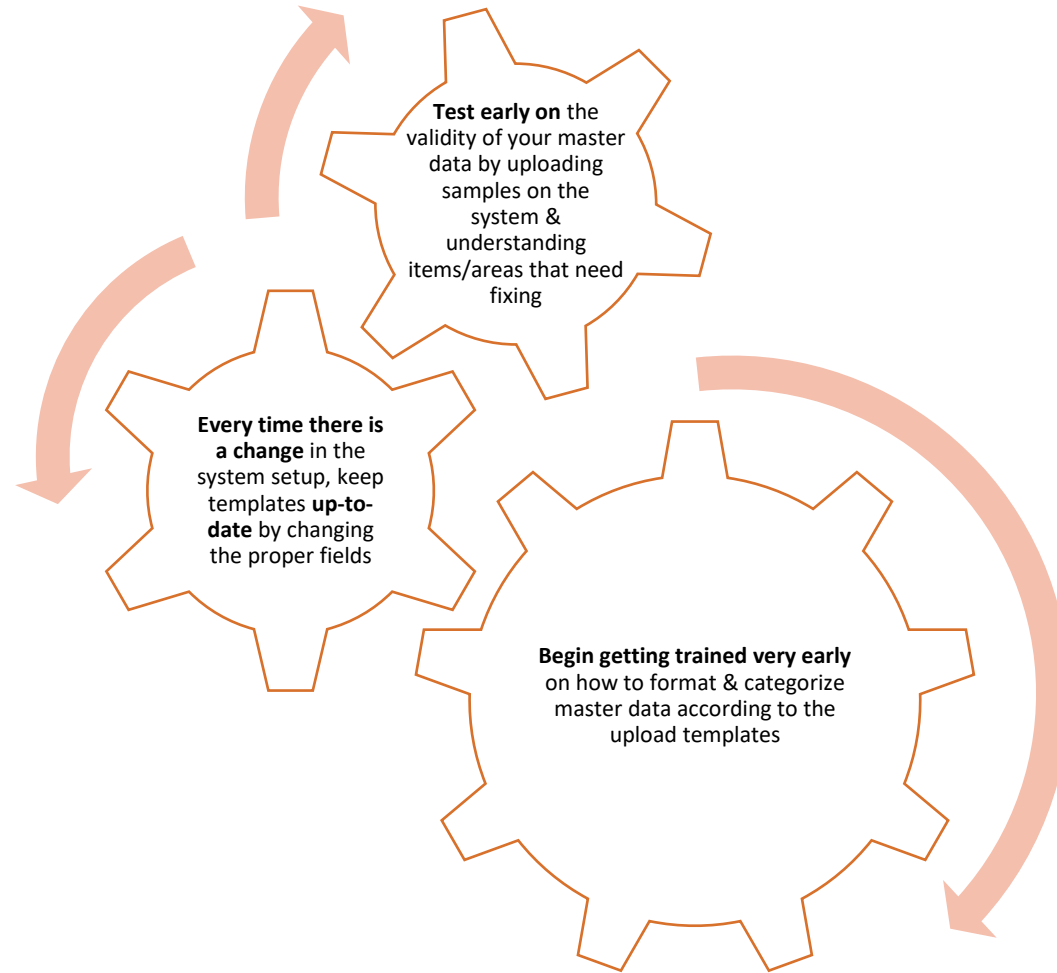
One of the most critical parts of the project



Synchronized & Categorized New Master Data with Balances

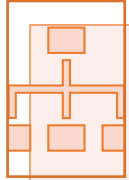
Item	Item Description	Item Category	Item Type	Item Unit	Item Stock	Item Price	Item Cost	Item Margin	Item Tax	Item Status	Item Date	Item Location	Item Supplier	Item Buyer	Item Contact	Item Email	Item Phone	Item Fax	Item Website	Item Address	Item City	Item State	Item Country	Item Zip
Item 001	Item Description 001	Category 001	Type 001	Unit 001	Stock 001	Price 001	Cost 001	Margin 001	Tax 001	Status 001	Date 001	Location 001	Supplier 001	Buyer 001	Contact 001	Email 001	Phone 001	Fax 001	Website 001	Address 001	City 001	State 001	Country 001	Zip 001

Upload in new system





# Key Take-Aways



**1.** Assign Project Manager role to a senior executive



**2.** Document ERP solutions scores, strengths & weaknesses to select & present proposed winner



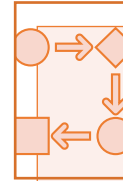
**3.** Apart from good system functionality, select the solution with the highest team professionalism



**4.** Ensure localizations exist for all geographies, current & future



**5.** Account for scaling costs during selection process



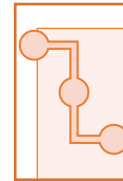
**6.** Understand & document all your business processes before implementing on the system



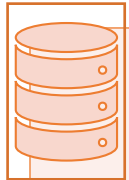
**7.** Keep your processes identical across all countries



**8.** Perform tight project management for such a complex project



**9.** Split project to implementation phases, do not go for the total scope in one step



**10.** Take the data migration sub-project very seriously early on



**11.** Test & re-test the system before going live, ensure critical functions like invoicing are flawless



**12.** Train end users extensively both with guidance and on their own following pre-defined scripts

**Thank you !**