

Top 10 ERP Project Success Factors

by Alex Hankewicz

August 25, 2008

A recent study by the Dutch consulting firm Somers & Nelson featured a list of over 20 critical success factors for ERP deployment. The list was compiled and ranked by US IT professionals, whose firms had either deployed an ERP system within the past year, or that were about to deploy an ERP system.

Here are their top ten success factors for ERP deployment:

1) Management Support

Senior management, aside from authorizing funding, must be seen playing an active role in providing top-down leadership for the project, and should participate in key decisions related to the project. Senior management also needs to be viewed as a resource where the project manager (PM) can turn to leverage stakeholder cooperation, as well as a resource whereby requests for resource management can be funneled.

2) Project Team Knowledge

Talent resources within the IT field are highly specialized—and scarce. Frequently, resources are contracted for a specific period of time and according to both the skill set required and availability. The PM has to be able to assess the skills sets required and where they will be needed in the project life cycle. If resources are not available, the PM must be capable of mentoring and encouraging—even teaching—new skills to team members in order to reach a particular milestone.

3) Interdepartmental Cooperation

There is a reason most projects have a collaborative look and feel to them: the PM has to build teams, and to do so usually must reach across other departments, working around conflicting schedules and other constraints, to foster the cooperation of the resources needed from these departments. The paradox here is that the goal of deploying technology is to introduce business functions across several departments in a seamless fashion.

4) Clear Goals and Objectives

In the project-mapping process, a blueprint is defined and continues to evolve throughout the project life cycle through a series of stages—identification, validation, and refinement—before acceptance as a business process model.

5) Project Manager

The PM has to be aware of different project management methodologies in order to select the particular model that is best aligned with the project scope. The PM also needs to have effective interpersonal skills to properly motivate personnel to action and to effectively communicate with all levels of company management. Furthermore, the PM must be sensitive to cultural and global differences in work ethics and management styles.

6) Management of Expectations

This is important because vendor expectations could be overstated, or members of senior management, if not closely aligned to the project, might have their own ideas as to what constitutes a successful outcome.

7) Project Champion

This role is usually filled by someone from senior management, such as the chief information officer (CIO). This person is not only the senior voice and face of the project, but is someone who can champion ideas and deal with the PM's concerns, communicating them to senior executive management for resolution if need be.

8) Vendor Support

This is critical to the overall project management model. It requires in-depth study, as no request for proposal (RFP) document can suffice. The PM and the team will have to consult with external users of the system and the vendor's previous clients to evaluate the level of support provided by the vendor. Sometimes a software vendor will lower its costs (optimizing its profits) by outsourcing the maintenance and support layer of the project. It is therefore critical that a stipulation be placed on the RFP, stating that the vendor cannot outsource maintenance and support.

9) Vendor Selection

This is the pivotal piece of the project management puzzle, since the enterprise is going to manage its resources and align its growth to the chosen software solution. It is recommended to select a vendor that offers a software solution that a) has a reputation for being a stable product, b) has a history of few releases, c) has a large network of users to refer to, d) is scalable, and e) does not require a great deal of customization.

10) Project Communication

In today's project management world, where code may be written in India and support located in Central America, companies are working with applications that are used globally. The need to communicate effectively across several levels of management located in different time zones in addition to managing priorities is key. To successfully adhere to the project schedule, parts of the project can be outsourced across the globe and across many departments.

To unite all parties, hold a scheduled meeting that crosses as many time zones as possible. Use NetMeeting or other telephone and visual tools where files and information can be shared, key decision makers can be communicated with.

Source:

