ERP Selection and Implementation Tips from Manufacturers Who've Done It Successfully

At a Glance

We talked to manufacturers from the automotive, metalforming, food and beverage, and aerospace industries about their process in selecting an enterprise resource planning (ERP) system and gathered their responses.

In this paper, you'll discover:

- Real-world tips for selecting the right system for your business.

- Recommendations for ensuring the success of your implementation.

- Techniques for managing change and getting the most from your investment.

- Pointers for embracing modern technologies.

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When you're making a decision as big as which ERP to select and implement, you often want to talk to people like you who've done it successfully. We gathered a group of manufacturers and asked them to give their best insider tips and advice on how to go about this endeavor to a successful conclusion. In this white paper, you'll find a collection of tips and advice from our customers. Even though we hope that it is your intention to select and implement the Plex Manufacturing Cloud, these nuggets of hard-earned wisdom are universally applicable and valuable, no matter what system you choose.

1: Look for a system that works for your business—not the other way around.

You shouldn't have to force-fit your business practices into whatever the ERP system enforces. Look for a system that provides what you need for the way you do business as a manufacturer. If you're in the automotive industry, your ERP system must be able to support industry EDI and Advanced Product Quality Planning (APQP) requirements, for example. A solution for the food and beverage industry must offer traceability and quality management functionality that the industry requires. While this may sound obvious, it is something that many selection teams overlook. The best approach is to create a short list of solutions with rich capabilities in your industry and successful users in businesses similar to yours. Keep your future strategic plans in mind when evaluating an ERP, so it can grow with your business without major upgrades and overhauls.

The system should be configurable to fit your business needs without modifying program code so you can fine-tune that functionality to support your company's unique processes and procedures. Take advantage of the industry best practices that are embedded in the system's design and functionality. Don't hide or cripple new capabilities by using the tailoring tools to recreate old formats and content.

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2. Don't cling to the past.

People will naturally want the new system to look and work just like the old one. The best way to overcome the natural instinct to cling to the familiar is to help your users develop a vision of the future—how the new system will make them more productive and more effective, make their day-to-day work lives less stressful and help the company grow and thrive.

It is equally important to pick an ERP system that is easy to use for your team. A new ERP should make things easier, not more cumbersome. The design of the user interface, the way information is presented and the navigation through the screens and functions, the consistency of the tools across the entire suite— these details make the difference in whether your users will embrace the new system and welcome the new functionality or resist change. Make sure that the interaction with the system is as easy and effective for a top floor executive as it is for a plant floor machine operator.

3. Leverage best practices.

A system that is designed for manufacturing will include best practices in quality management, inventory management, lot management, operational analysis, material visibility, and more. Taking advantage of these will deliver superior results because they've been proven over hundreds of implementations.

The challenge for your implementation team is to recognize the differences that truly add value, compared to the ones that are simply artifacts of previous software limitations or obsolete practices that are of no value. Most teams will engage in an implementation planning process similar to value stream mapping to document current practices, future desired procedures and the steps necessary to make the transition. Today's systems offer great flexibility to allow screen and report labels to be specially configured, which can be a great help in gaining user acceptance and reducing the learning curve. Before changing these labels in your new ERP, be sure that there is a consensus within the company so that all users will understand exactly what each field, column, or function means.

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4. Embrace the cloud.

Cloud-based ERP offers scalability, extensibility, and is always current. As your company needs change, system expansion is only a phone call away. There is no waiting for new hardware to be delivered and installed, no disruption or down time for changes to be implemented, and no capital costs. The system is often automatic and invisible.

Connectivity to existing IT infrastructures and ecosystems means you can extend the system to coexist with other systems or add on as needed. Since no software can fill every need, you need the ability to link to external data sources or build an experience that is unique to your business. Be sure to look for the availability of partner solutions that meet your needs and integrate easily with the cloud-based ERP system. With the cloud, you also get automatic updates. This means there are no upgrades or versions to grapple with, and all users are on the same version. There is no disruption to your business.

If security is an issue, cloud ERP providers manage system security and availability as a mainline business function, not a secondary consideration. A reputable cloud provider will use the "defense in depth" model to ensure data security at the physical level, during transmission, and to thwart known cybersecurity threats or defend against new ones. The provider should be able to prove business continuity, financial stability, and growth as well as offer at least 99.9 percent uptime and have a comprehensive disaster recovery plan.

5. Assemble a strong, cross-functional team.

You'll want your best people on the implementation team. These are the people who have a history of getting things done—and it's not necessarily the manager or the person with the loftiest title.

Our customers tell us that implementation must be driven by the subject matter experts (SMEs) and business process owners because they will be the ones using the system. An ERP implementation is not an IT project but rather an opportunity to break down operational siloes. A successful ERP is one that enables everyone in the enterprise to access, collaborate on, and make more-informed decisions using the data collected. It's an opportunity to

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transform how your business operates so you want to make sure you encourage cross-functional collaboration from the start. This is often why many ERP implementations don't deliver because while technology is a critical component, people and processes are just as important.

Your ERP provider should have consulting resources available to help you configure the system and train users. The provider should also have a rich network of partners and experts who are familiar with your industry that you can engage if needed.

6. Be prepared to address change.

Successful implementation of a new system is very dependent on effective change management to overcome resistance and enlist enthusiastic support across the enterprise. Addressing the "what's in it for me?" question, early and often, is critical.

Most people fear change simply because the new thing, whatever it is, is new and unfamiliar. There is an innate suspicion that the "new" will be harder than the old, that it will be more difficult to get things done or they might fail in the performance of their job because they are unable to operate the new way. These fears must be addressed before your users can become supporters of the new system. A structured approach to implementation will help keep the project on track and make sure that change management gets the proper attention. Ensure that you also provide education and training to eliminate the "unknown" that underlies resistance to change.

Build a sense of ownership by getting users involved early in the selection process. If they are part of the selection and planning process, they will feel responsible for its success. One of our customers handled this in a very unique way. A typical scenario is upper management or a group of stakeholders makes the decision and everyone conforms to the new system. But at this company, the CEO asked a consultant to do the research then formed a small team of employees to select more than a dozen ERP systems. This small team whittled the list down while more employees were added to evaluate those solutions after each round. Once the final three were narrowed, they conducted a blind survey of all three asking which was the better solution. Throughout this process (about nine months long), the CEO achieved endorsement across the company.

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Our customers also tell us that articulating the benefits helps build a sense of positive anticipation by painting a picture of how the new system will provide more information, in more effective ways, to drive performance improvements. Your core team members are the change agents that drive the process. Once they see the benefits, they'll get on-board for continuing forward.

Final Thoughts

Most companies will go through an ERP system selection and implementation once every seven to ten years, so few team members will have first-hand experience to lean on. It is also important to gather advice and information from ERP providers and their experienced implementation staff, outside consultants, and other advisors who know your business and have experience with other ERP projects. Education and training resources from your ERP provider, partners, and independent resources like APICS can also help with overall manufacturing management and process improvements.

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About Plex

Plex is the Manufacturing Cloud, delivering industry-leading ERP and manufacturing automation to more than 550 companies across process and discrete industries. Plex pioneered cloud solutions for the shop floor, connecting suppliers, machines, people, systems, and customers with capabilities that are easy to configure, deliver continuous innovation, and reduce IT costs. With insight that starts on the production line, Plex helps companies see and understand every aspect of their business ecosystems, enabling them to lead in ever-changing markets. Learn more at www.plex.com.