



# ENTERPRISE RESOURCE PLANNING

## ERP Product Selection

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# ENTERPRISE RESOURCE PLANNING

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## ERP Product Selection

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# ENTERPRISE RESOURCE PLANNING (ERP)

## ERP Product Selection

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### ERP Product Selection:

### Topic Agenda

- 1.Introduction
- 2.Criteria for Initial Package Selection
- 3.Initial Package Shortlisting
- 4.Final Package Selection
- 5.RFP Process for Package Selection
- 6.Finalizing the Contract with ERP Package Vendor
- 7.ERP Package Market

# ENTERPRISE RESOURCE PLANNING (ERP)

## ERP Product Selection

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### ERP Product Selection:

### Benefits

- An ERP solution that fits well would result in the following:
  - Lower resistance from the users
  - Reduced training needs
  - Less organizational adaptation
- Gap analysis is done for figuring out the gap between the process, data and user interface requirements and ERP offering.

### ERP Product Selection:

## ERP Solution and Vendor Selection

- Gather information about the vendors and their products using available channels and resources.
- Preliminary filtering
  - Demonstration by the vendors
  - Filtering using high-level parameters
  - Decide selection parameters
- Prepare and release RFP (request for proposal) using the business blueprint prepared during the requirements engineering phase
- Analyse and select the vendor
  - Evaluate vendor's ERP system on certain parameters
  - Analysis of financial terms and conditions
  - Detailed demonstration by the vendors

# ENTERPRISE RESOURCE PLANNING (ERP)

## ERP Product Selection

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ERP Product Selection:



Things to be considered for Package Selection

# ENTERPRISE RESOURCE PLANNING (ERP)

## ERP Product Selection

### ERP Product Selection:

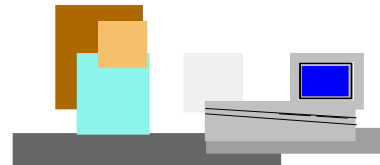
Customer  
Service /  
Support

Package  
Cost

Integration with  
3<sup>rd</sup> Party apps

Functionality  
Fit

Technology  
Maturity



Product Strategy  
Vision, Innovation

Consulting  
Partnerships

Local  
Presence

Industry  
Experience

Financial  
Viability



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### ERP Product Selection: Things to be considered for Package Selection

#### 1) Who will do the selection?

- | Selection committee with CIO / CFO

#### 2) How to deal with ERP Vendors?

- | Requirements
- | Vendor Demo
- | Critical scenarios in new ERP Package
- | References
- | Product comparison

#### 3) ERP Selection – a two step process

- | Short list = screening
- | Comparison – detailed evaluation with weighted scoring > product selection



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## ERP Product Selection

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ERP Product Selection: Things to be considered for Package Selection

### 1) Criteria for **Initial Package Selection**

A) Product Strategy, Vision & Investment in Innovation

B) Financial Viability of the Application Vendor

- JD Edwards, Peoplesoft, Siebel, Retek > Oracle
- Manugistics > JD Edwards
- BAAN, Commerce One

C) Installed Base and Local Presence

- Geography/Country specific
- Industry Domain specific
- MNC

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ERP Product Selection: Things to be considered for Package Selection

### 1) Criteria for **Initial Package Selection** (Cont'd)

#### A) Partnerships

A) Implementation partnerships with Consulting Companies

B) Application partnership with other third party application

B) Technology Maturity – OS, platform (server, middleware)

C) Vendor's Customer Service – support strength, upgrades

D) Cost of the Software – initial capital, AMC, scaling #users,

A) TCO!

E) Initial Package Shortlisting < weighted scores using above criteria

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## ERP Product Selection

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### ERP Product Selection:

- Functionality
- Reliability
- Implementation time
- No process modification
- Maintenance
- Consultancy cost
- Hardware cost
- Training required
- Payment terms
- Total time

### Possible Parameters

- Cost
- No customization
- Platform independence
- Running cost
- Software cost
- Infrastructure cost
- Availability of trained manpower
- Total cost
- Flexibility

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## ERP Product Selection

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### ERP Product Selection:

### More Parameters

- Which RDBMS? Cost sub-parameter
- Uploading the legacy data: Cost sub-parameter
- MRP: Functional fit sub-parameter
- Security: Functional fit sub-parameter

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## ERP Product Selection

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### ERP Product Selection:

### ERP Selection

#### **Implementation Time**

- Implementation time depends on the following parameters:

- 1) Number of sites where ERP has to be implemented.
- 2) Number of modules or functions to be implemented.
- 3) Maturity level of organizations.
- 4) Customization.

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## ERP Product Selection

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### ERP Product Selection:

### Possible Parameters

- 1) Hardware support
- 2) Upgrade support for the software
- 3) Documentation
- 4) Web-enabled access
- 5) Will the software be implemented in modules?
- 6) Will the software be purchased in modules?
- 7) Year-ending accounting
- 8) Posting of transaction online
- 9) Business rules
- 10) Data entry screens
- 11) Report generation
- 12) Master data preparation
- 13) Is the customization cost included in the ERP cost?

### ERP Product Selection:

#### Request for Proposal Process for Selection of ERP Package

- 1)Initial Package Shortlisting
- 2)Final Package Selection
- 3)Deviations in Package Selection Process
- 4)RFP Process for ERP Package Selection
- 5)Finalizing the Contract with ERP Package Vendor
- 6)ERP Package Market

# ENTERPRISE RESOURCE PLANNING (ERP)

## ERP Product Selection

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### ERP Product Selection: ERP Packages (Vendors) Market

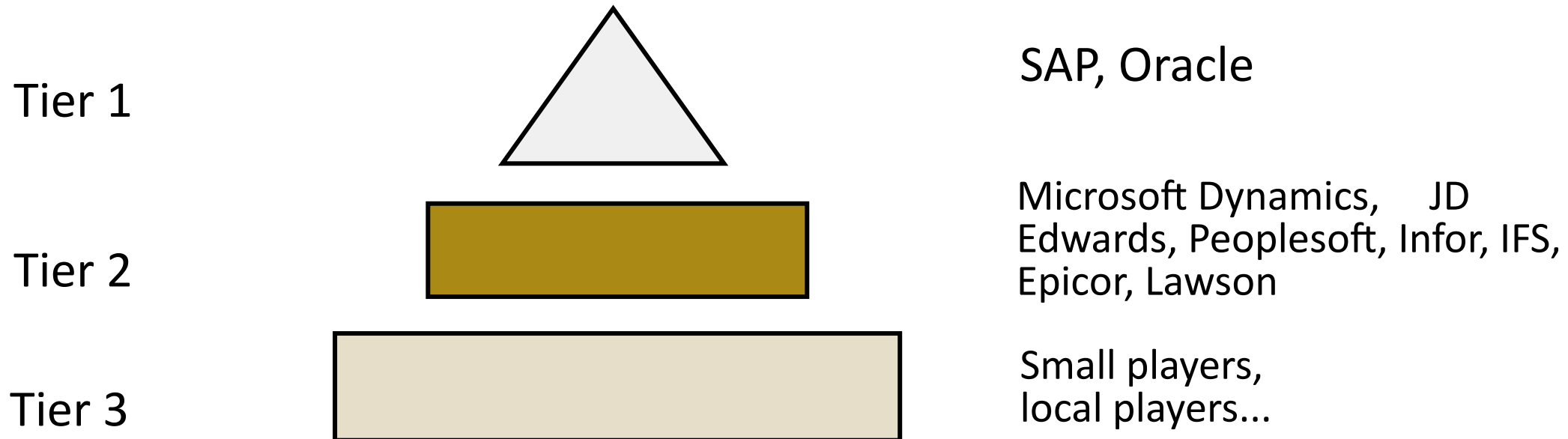
- 1)SAP
- 2)Oracle
- 3)PeopleSoft
- 4)JD Edwards
- 5)Infor
- 6)IFS
- 7)Epicor
- 8)Microsoft
- 9)other ERPs



# ENTERPRISE RESOURCE PLANNING (ERP)

## ERP Product Selection

### ERP Product Selection: ERP Market – Leading Players



# ENTERPRISE RESOURCE PLANNING (ERP)

## ERP Product Selection

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### ERP Product Selection:

### GAP Analysis (Discussion)

- Assess the gap between the offering and the requirements.
- The gap analysis will involve the vendor as well the selection team.
- There are two ways to perform the gap analysis:
  - Vendor makes a presentation of their ERP system.
  - The vendor makes a prototype available to experiment with.
- The selection team asks questions and based on the answers of the vendor, gap is established.
- Vendor may be provided with a detailed requirements document and the vendor submits a response to all the requirements.

### ERP Product Selection: Topic Summary

- Selection right ERP package is critical
- Variety – technology platforms, features, \$s
- Selection committee
- 2-step process – initial & final
- Influences
- RFP process
- Vendor contract
- Package Vendors
- ERP Market



# THANK YOU

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