



# ENTERPRISE RESOURCE PLANNING

## ERP Consulting Partner Selection

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# ENTERPRISE RESOURCE PLANNING

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## ERP Consulting Partner Selection

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### Selecting an ERP Consulting Partner:

1. Overview
2. Things to be considered for selection
3. Request for Proposal method
4. In-house implementation team vs. External consultants
5. ERP Consulting Companies
6. Offshore Implementation

# ENTERPRISE RESOURCE PLANNING (ERP)

## ERP Consulting Partner Selection

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### Selecting an ERP Consulting Partner: **Selection**

- Size of the Selection team: 4–10 people, could be 60 for large organizations
- Time: Two to six months, up to one year is not unusual
- Reports from consultancy firms
- Follow Selection Process

Selecting an ERP Consulting Partner:

## Ways of Selecting a Vendor

- **Competitive bidding:** The vendors bid and the most competitive one is awarded the contract provided he fulfills the requirements.
- **Two-phase acquisition:** The selected bidders are asked to do some additional work on which they are evaluated and awarded the contract.
- ERP vendors are generally selected through **competitive bidding** only.

# ENTERPRISE RESOURCE PLANNING (ERP)

## ERP Consulting Partner Selection

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Selecting an ERP Consulting Partner:



Things to be considered for Partner Selection

# ENTERPRISE RESOURCE PLANNING (ERP)

## Selection Criteria for ERP Consulting Partner

### ERP Consulting Partner Selection

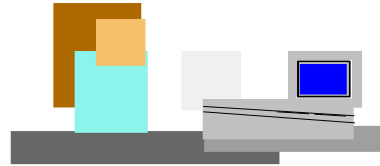
Selecting an ERP Consulting Partner:

Process  
Consulting  
Experience

Industry  
Experience

Client  
Satisfaction

Client  
References



Price and Value  
for Money

End-to-End  
Service

Reputation

Quality of  
Project Mgmt

Quality of  
Tools & Methodology

Global  
Presence

Things to be considered for Partner Selection

- 1) Vendor's Industry Experience
- 2) Process Consulting Experience
- 3) Client Reference and Client Satisfaction Level
- 4) Ability to Provide End-to-End Service
- 5) Quality of Project Management
- 6) Quality of Tools and Methodologies
- 7) Presence in Different Geographies
- 8) Global Delivery Capability
- 9) Reputation and Branding
- 10) Price and Value for Money
- 11) Selection matrix for partner comparative evaluation and selection



### Selecting an ERP Consulting Partner

## Request for Proposal (RFP) Method for Selection of Consulting Partner

- What is an RFP?
- RFP process (details next slide)
- Sections of a typical RFP
  - | ...
  - | Scope of project
  - | Duration of project
  - | Payment schedule
    - | Performance bonus/penalty clause
  - | ...
- Bids
- Evaluation
  - | Technical
  - | Financial

### Selecting an ERP Consulting Partner: Request for Proposal (RFP) Method for Selection of Consulting Partner

- RFP process
  - | RFI Process Outputs (optional)
  - | RFP Preparation
  - | RFP Release – selected vendors
    - | Conference Call
    - | Common Meeting
    - | Media Advertisement
  - | RFP Response collection
  - | RFP Evaluation
  - | Partner selection
  - | Contract Negotiations
  - | Partner Finalization
  - | Contract Signing
  - | Project Implementation Start/Kick off

# ENTERPRISE RESOURCE PLANNING (ERP)

## ERP Consulting Partner Selection

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### Selecting an ERP Consulting Partner: In house Implementation Team –

#### In house Implementation – Advantages: External Consultants

- ✓ Need not pay external consultants
- ✓ Team may have better process knowledge

#### In house Implementation – Disadvantages:

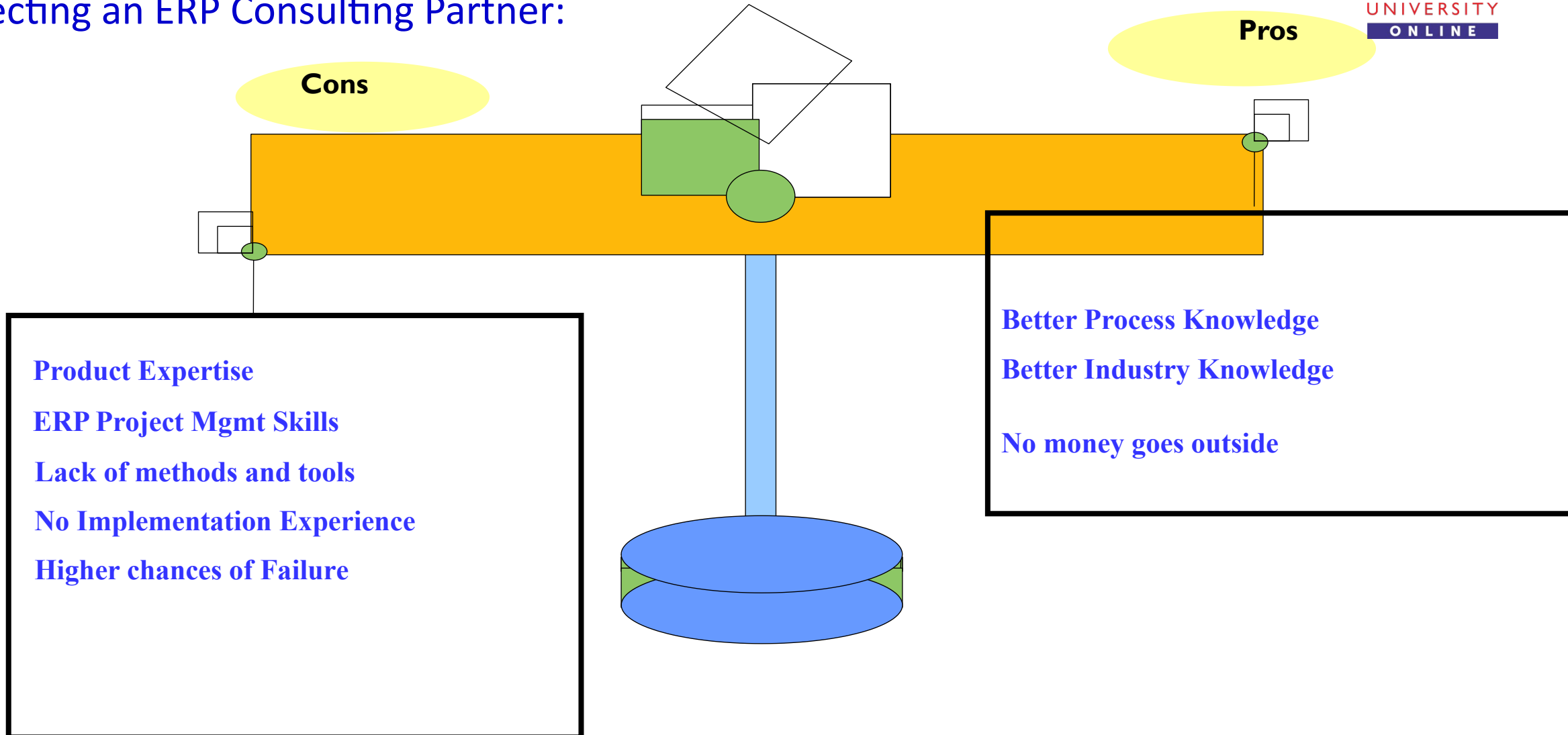
- ✓ External consulting team will have better package knowledge
- ✓ In house team do not have access to methods and tools which a consulting company brings as part of their implementation methodology
- ✓ Implementation is not their core competency
- ✓ May lack on ERP project management skills
- ✓ Overall may not work out to be cost effective if all internal costs are factored

#### In house Implementation – Where it may work:

- ✓ Better suited for roll outs
- ✓ Some help from external consultants on specific areas

# Pros and Cons of In-house Implementation

Selecting an ERP Consulting Partner:



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Selecting an ERP Consulting Partner:

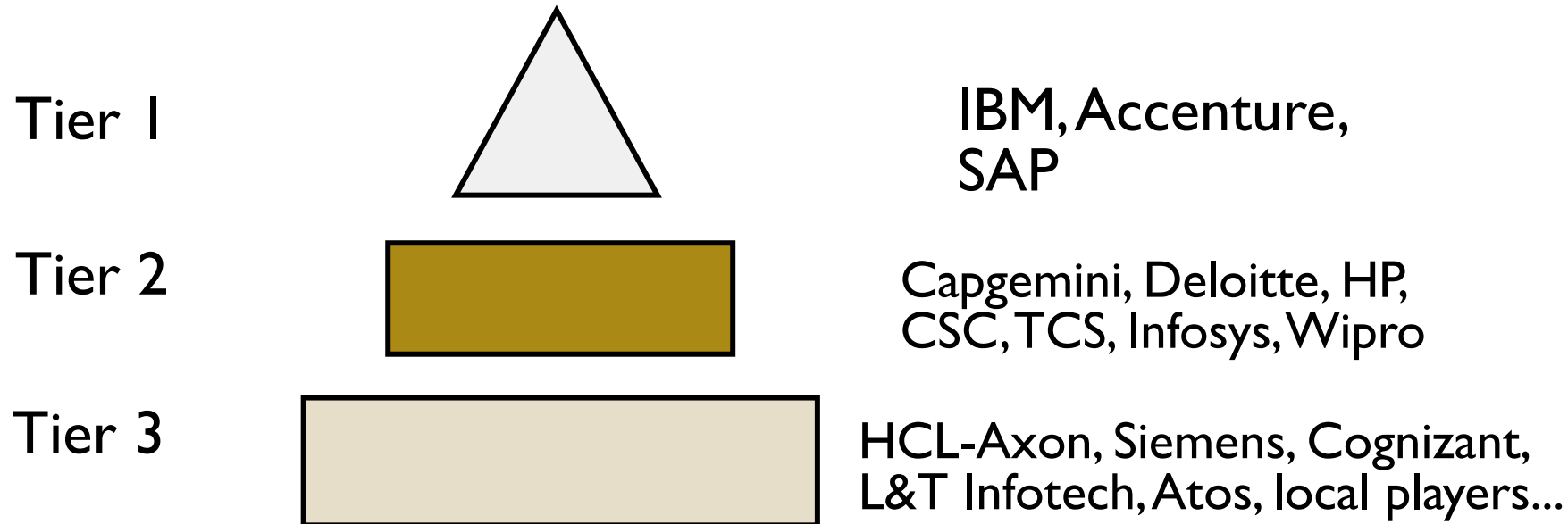
- IBM
- Accenture
- SAP,
- Cap gemini
- Etc. (see next slide)
- other ERP Consultants

## ERP Consulting Companies

# ENTERPRISE RESOURCE PLANNING (ERP)

## ERP Consulting Partner Selection

### Selecting an ERP Consulting Partner: ERP Consulting Companies – Global



# ENTERPRISE RESOURCE PLANNING (ERP)

## ERP Consulting Partner Selection

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### Selecting an ERP Consulting Partner: Doing Part of ERP Projects from Offshore

#### ✓ PROJECT PHASE

- 1) Project Preparation
- 2) Business Blueprint
- 3) Realisation
- 4) Final Preparation and Go Live
- 5) Support

### Selecting an ERP Consulting Partner: Doing Part of ERP Projects from Offshore

- ✓ Activities that commonly get offshored
  - | Development
  - | UT, Volume testing
  - | Training content preparation
- ✓ Support Activities that can be offshored to limited extent
  - | Configuration
  - | Data migration
- ✓ Activities that are difficult to offshore
  - | Business blueprinting
  - | Integration testing
  - | UAT
  - | End User Training
  - | Change management activities



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### Selecting an ERP Consulting Partner: **Topic Summary**

- Factors for selection
- RFP method and process
- In-house vs external consultants
- 3 tiers of consulting companies
- Offshoring – GDC/ODC



**THANK YOU**

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