

CEF 512: ERP System Engineering

Presenting the paper: **CRITICAL SUCCESS
FACTORS FOR ENTERPRISE
RESOURCE PLANNING IMPLEMENTATION
AND UPGRADE**

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Brief overview

- Case study of two organizations that had implemented and upgraded erp system.
- Analysis of 7 critical success factors
 - broken down into 4 phase model.
- Compare critical success factors across the phases of ERP implementation and upgrade process.

Literature review

- Many authors have written on CSF in relation to different aspects like
 - Use of development tools & methodology to increase CSF
 - Social enablers to CSF
 - Selection of software

4 phases and 7 CSF

- 1. Chartering phase
 - CSF[2]: business plan and vision, top management support and championship)
- 2. Project Phase
 - (CSF[3]: ERP Team composition skills and Compensation, Project Management and system analysis, Selection and Technical Implementation)
- 3. Shakedown phase
 - (CSF[2]: Change management, communication)
- 4. Onward and upward phase

7 Critical factors

- Business plan and vision
- Change management
- Communication
- ERP team composition
- Project Management
- Top management support and championship
- System analysis, selection and Technical Implementation

1) Business plan and vision

- Good vision, goal and business plan
- Plan is critical and specifies
 - Benefits, resources, cost, risk, timeline
- Clear vision to guide ERP implementation
- Vision & mission should be measurable in
 - Goal and target
- Non ambiguous goals and visions
- All theses sums up to **aligning business to IT strategy** (not the other way round)

2) Change management

- Training of users
 - How system works
 - How it impacts the business
- User involvement and feedback
- Placement of support and help desks

3) Communication

- Expectations and goals communicated to all stakeholders via all levels of implementation
- Very important stakeholders understand capabilities & limitations of ERP to prevent “overselling”
- Open and honest
- Communication plan include
 - Rational of ERP implementation
 - Details of change

4) ERP Team composition

- Involve people with both business and technical knowledge
- Bring end users
- Best minds join to foster innovation and creativity
- Performance tied to compensation
- Team members empowered to make quick decisions
- Balance project team
 - Internal staffs and consultants

5) Project management

- Responsibility of project be clearly assigned.
- Scope of ERP implementation project be clearly defined and controlled
- Change on original project be evaluated based on
 - Business benefits – implementation time
- Additional time and cost
- Milestones, delivery dates, be realistic and well stated (no exaguration)
- Timeline be enforced
- Progress be tracked by monitoring milestones and target
[Completion dates, cost, quantity and performance]

6) Top management and Championship

- Top management support to ERP imptn
- Project designated as top priority by mgmt
- Mgmt willing to allocate valuable resources to the imp'tn project (time, money, presonel)
- Champion be advocate of project
 - Manage resistance and change
- Champion => top official to facilitates goal setting and legimizing change
 - Be able to acquire resource from organization

7) System Analysis, Selection and technical implementation

- Testing
- Integration of data from previous systems & other IS is critical
- Use existing middleware(new) for integration
- Reduce customization, if must, Use tools and methodologies from vendor to reduce time and cost
- Effective trouble shooting & error handling
- Select package with least customization (experience)
- Package must meet business process

Thanks
Questions???