Tutorial 10

ERP Implementation Issues – Data and System Integration and Configuration

Objectives:
- ■ **Explore the key integration issues – data & system integration**
- ■ **Discuss Configuration Management and its importance**
- ■ **Identify the main drivers for Master Data Management**
- ■ **Discuss the impact of change management on ERP Implementation**
- ■ **Define organisational change management**
- ■ **Discuss Kotter's 8 Step Process for Leading Change**

Data and Systems Integration

1. Discuss some of the key integration issues that an organisation might face during ERP implementation.

   Key Integration issues
   No one vendor can respond to every organisational need
   Best of breed applications
   Multiple applications not designed to work together
   Data integration issues
   Best of breed

   Legacy systems

   Process integration

   Application interfaces
   Integrate disparate IT applications
   Critical to the success of any organisation

2. What is configuration management and why is it important?

   A systems engineering process for establishing and maintaining consistency of a product's performance, functional and physical attributes with its requirements, design and operational information throughout its life. (*ANSI/EIA-649B, ""National Consensus Standard for Configuration Management"*)

   When applied over the life cycle of a system, provides visibility and control of its performance, functional and physical attributes

   •verifies that a system performs as intended, and is identified and documented in sufficient detail to support its projected life cycle

   •facilitates orderly management of system information and system changes

3. What is MDM (Master Data Management) and what are the main drivers for MDM?

    -   Lecture 10 Slide 10 - 14

4. Discuss the benefits of data integration.

    -   Lecture 10 Slide 4

Change Management

5. What do you understand by the term "change management"?

    "Change management is an approach to transition individuals, teams, and organisations to a desired future state." [Kotter, J. (July 12, 2011)]

6. Why is it important to manage change?

    -   It's one of the critical success (risk) factors

    -   Lack of Change management strategy throughout the implementation will impede a successful outcome

    -   According to Markus, experts estimate that as much as 75% of organisational change efforts involving technology fail (even when the technology performs acceptably). This is due to people's negative reactions to changes in their work, organisational business processes and the technology they use.

7. What are some of the key points to note when managing change?

    -   Slide 30

8. In general, there are 3 groups of people who respond differently to change: the pessimists, the "fence sitters" and the "early adapters". How would you manage each group when bringing about change in your organization?

    -   Slide 31 & 32

9. Discuss some of the best practices in organisational change management.

    -   Slide 33 & 34

10. What are some of the contributing factors to failure in change management?

    -   Slide 35

11. Discuss Kotter's 8 step process for leading change.

    -   Slide 36 - 40

Case Study:

When going through these case studies, identify how effective change management is imperative to the success of each project:

- An aerospace and defense organization determined that in order to <u>achieve the most ERP ROI</u>, it must address internal organizational issues prior to implementing the upgraded software.
- A professional services organization identified operational <u>savings opportunities of 29percent</u> of total labor costs.
- A City Government realized <u>quantifiable improvements in their change management process in less than two months</u> after the start of the engagement.

ERP Case Study 1| Aerospace and Defense

Problem Highlights

- Lack of executive and stakeholder alignment
- Lack of business process standardization and oversight
- Lack of true business benefit realization from ERP software
- Lack of effective project governance structure

Solution Highlights

- Assessed employee usage / non-usage of the system, including workarounds, customization and pain points via on-site focus groups and one-on-one interviews
- Assessed past organizational change management initiatives at the organization, including training (for new hires and existing staff members), communication and end-user buy-in strategies and tactics
- Assessed executive leadership team, including its overall structure and project governance framework, via one-on-one video interviews
- Provided a complete written analysis of the organization's current state and key recommendations (with timeline) of steps to take to reach its desired state
- Presented and discussed analysis and findings with executive leadership at several key milestones throughout the project

ERP Case Study 2| Professional Services

Problem Highlights

- Outdated legacy systems
- Multiple, non-integrated systems
- Exponential organic and M&A growth
- Siloed ERP systems and operations

- Nonconforming global business processes
- Manual business processes
- Dual or triple entry on certain processes

Solution Highlights

- Defined current business processes, pain points, opportunities for improvement and system strategy and produced a roadmap for the next three to five years
- Developed organizational readiness assessment to identify potential barriers to change
- Conducted organizational change management and communication needs analysis and activities
- Evaluated technical infrastructure and produced an IT strategy and roadmap to complement the overarching system strategy

ERP Case Study 3| Government

Problem Highlights

- Organizational cultural challenges
- Current system shortfalls
- Unrealistic project goals and poorly managed expectations
- A history of issues with business technologies
- Lackluster training
- Ineffective communications and channels
- Workforce transition ambiguity
- Lack of benefits realization
- Low user acceptance
- Lack of process standardization

Solution Highlights

- Actionable roadmaps for benefits realization
- Workforce transition clarity that led to more effective and efficient training
- change management gap identification, including more effective communication tactics and user-acceptance tactics
- Audience segmentation to provide the right information to the right stakeholder □
    Prioritized action items to close change management gaps