# WHAT'S EATING ERP INTEGRATIONS?

## THE PROMISE

Over the past decade, companies worldwide have spent hundreds of billions of dollars on enterprise systems implementations. Their goal: a substantial return on investment (ROI). ERP suppliers deliver powerful software that promises stunning transformations in their clients' business through consolidation of suppliers, more effective support of customers, and greater efficiency and the implementation of new business models.



Relatively small changes in adoption and on-going usage can have a major impact on the bottom line.

## THE RESULTS

Too often, though, the results of these implementations under whelm. Despite considerable investments of time and money, the majority of ERP customers are dissatisfied with the level of adoption and usage in their new software.

For example, Panorama Consulting Solutions recently assessed the outcomes of nearly 200 worldwide ERP implementations.  Their findings, published in their **2010 ERP REPORT**, reveal a problem:

- **52%** of ERP initiatives fail to deliver at least 50% of the expected business benefits
- **61%** of ERP projects take longer than expected
- **74%** of ERP projects cost more than expected
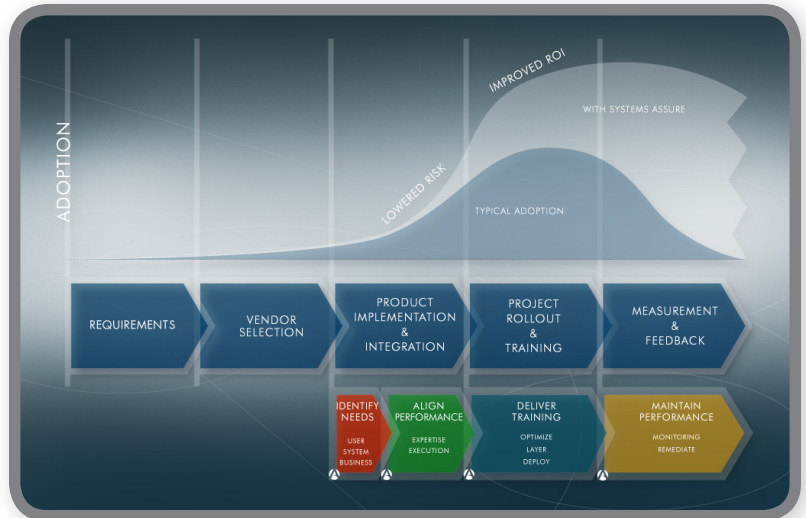- **59%** of ERP customers are unhappy with their ERP software

The aftermath of an ERP integration too often features higher risk to the project's desired ROI, dissatisfied members of the executive team, and legal action against systems integrators and major software firms.

## THE REASONS

Why the schism between promise and results?

Experts offer numerous suggestions, surprisingly few that relate to software vendors' capabilities. Instead, they cite reasons such as the following:

- Clients' failure to communicate about or support the system
- Missed management expectations
- Poor adoption by end users
- Inability to manage business process change
- Inadequate training and performance support opportunities

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At bottom, the disconnection often stems from clients' inability to effectively assure end-user performance: When employees don't properly adopt new ERP software, technical success quickly sours into business process failure.

**THE IMPORTANCE OF END-USER PERFORMANCE**

Why are companies failing to ensure that their employees actually use a new system effectively? Most companies measure ERP implementation success with the wrong metrics: hitting key deadlines and rolling our functionality that meets technical specifications scoped before the project started. These measures are certainly key components of success, but they're also easy to report. By focusing on this low-hanging fruit, companies lose sight of the big-picture metrics that indicate real business gains:

> *"When employees don't properly adopt new ERP software, technical success quickly sours into business process failure."*

- End-user adoption of the new system in a real business environment
- Improvement in end-user performance following initial roll out
- Sustained performance improvement over time
- Impact of performance improvement on an organization's bottom line

**INADEQUATE CHANGE MANAGEMENT AND END-USER TRAINING**

To meet these essential metrics, change management and end-user training must be integrated components of an ERP implementation plan.  Too often, these key success factors are afterthoughts, inadequately linked to the overall implementation plan.

Common scenarios include the following:

- **SYSTEM INTEGRATOR OWNERSHIP**: Many integrators aren't in the position to own end-user training or performance support. They often face time and budget constraints, resulting from the pressure to produce a functioning system.

- **TECHNICAL DEPARTMENT OWNERSHIP**: Too often training is controlled by an organization's technical department. Unfortunately, technical experts rarely excel in training or change management. As a result, some turn to tool-based documentation or training solution, requiring their HR teams to develop training with these tools based on limited knowledge of the actual technology and new business processes.

- **INADEQUATE RESOURCES**: Only the most sophisticated client organizations have the dedicated internal resources to manage the constant change processes that result from an implementation. For example, a Learning and Development team of five professionals might be asked to manage performance support for a group of 20,000 end users—or more.

- **OFF-THE-SHELF TRAINING**: Off-the-shelf training often includes little more than glorified technical documentation that fails to capture the multitude of changes and customizations made to the system during the implementation process. This gap is often filled with overwhelming screen captures and text-based system walk-throughs that neither prepare end users to utilize the system nor endear them to the new technology.

- **NO LONG-TERM PLAN**: Sophisticated clients may monitor system performance and help desk activity, but few have adopted performance technologies to measure, analyze, or remediate on-going end-user performance issues.

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The bottom-line: effective organizational change management and training are key differentiators between best-in-class ERP implementations and those that fail or under deliver.  Read Allen Communications'  "Solution" white paper to ensure the success of your implementation.

## SYSTEMS ASSURE

Allen's systems training approach, **SYSTEMS ASSURE**, helps clients and their systems integrators accelerate deployment, sustain effective usage, and lower the risk of project failure.
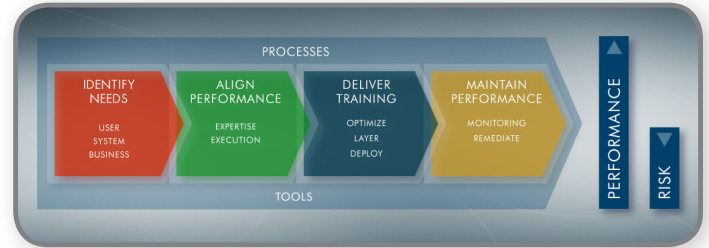


Developed through Allen's 30 years of experience with global clients, Systems Assure is designed to improve end-user performance and lower the risk of project failure and unachieved ROI. When Allen talks about ERP training, we mean a true blended-learning approach tailored to our customers' needs and business processes. Systems Assure provides you with the assurance of successful end-user training and adoption in support of your complex and critical enterprise systems.

To learn more about how Systems Assure by Allen Communication can help make your ERP software implementation a success, visit **www.allencomm.com/consulting-services/systems-assure.aspx**.