



LEVESYS
SMARTER
CONSTRUCTION
SOFTWARE

COMPLIMENTARY WHITE PAPER

5
critical
steps
to make
sure
your
ERP
implementation
is
successful

5 critical steps to make sure your ERP implementation is successful

In the construction industry, being a cutting edge company that embraces innovation and new technology can be the difference between being a true industry-leader and struggling to remain profitable.

If your contracting or service company in the Australian construction industry reaches a point where you find your software systems and processes are holding you back from reaching your potential, you have only two choices: either choose to remain functioning with the existing inefficient systems or choose to implement an integrated ERP system.

In the first case you will have to accept that these systems will constrain your company's development and growth. The second choice however can see your company become extremely successful with vast improvements in control, productivity and efficiency, particularly if the implementation process is done well.

A key problem however is that many companies have seen their ERP implementation achieve very poor results – a costly mistake in a competitive industry. So, how you ensure your company achieves the maximum benefit an ERP can offer while escaping the risk of ERP failure?

It has been found that an ERP implementation's success or failure is determined by factors that are controlled by the purchasing company (you), not by the software vendor. More specifically, research combined with extensive experience has identified 5 critical steps you need to follow to ensure a successful ERP implementation. The five steps are:

Step 1.

Gain Buy-in from Senior Management

- Your company's decision to implement an ERP system should have the full support of all senior managers. This will ensure that the benefits of implementation are communicated effectively throughout your company.
- For the best outcomes, each individual throughout your company should also agree with the need for the ERP system, and should understand how it will assist them with their day-to-day duties.

Step 2.

Establish an Implementation Team and Champion

- Your implementation team should consist of qualified people, empowered to make decisions with regards to their particular expertise in your company.
- The "champion" should be a clear and unambiguous leader from your company's senior management. The champion must have the final say and full responsibility for all duties related to the ERP implementation project.

Step 3.

Link the ERP Inextricably with the Strategic Plan

- It is important that your business' strategic goals and objectives, and how the ERP system will be used to achieve these, are clearly defined and communicated to everyone in your business.
- People are naturally resistant to change and will come up with inventive ways to maintain the status quo. It is therefore imperative that communication and change management is well planned and executed. Otherwise the integrity and potential of the new system, with its strategic business data and information, will be heavily compromised.

It is imperative that communication and change management is well planned and executed.

Overall, improvements in control, productivity and efficiency can be achieved in companies in the construction industry through the successful implementation of an ERP Software system.

Step 4.

Choose the right ERP vendor

- Enter into the ERP vendor search with your selection criteria already clearly defined to avoid being seduced by flashy bells and whistles.
- The first step is to record and map your company's existing business processes, i.e. record them as they already exist.
- Next, determine what processes need to be added, changed and integrated. It is vital to know exactly what your management's information needs are and what is required out of the system prior to starting the search for an ERP vendor.
- Research construction industry suitable ERP vendors and identify one that aligns with your revised processes. It should closely fit with your organisation's culture and needs.
- Ensure the vendor's software is reliable and has a reputation for success in the Australian construction industry. When push comes to shove, it is critical that the ERP vendor becomes a business partner rather than a mere supplier. Remember, your company has to trust and be able to do business with the ERP vendor for 5, 10 or more years.

Step 5.

Implementation Plan and Training

- An implementation plan must be developed, with milestones set. Progress through these milestones must be tracked throughout the implementation process.
- Education and training must take place before, during and after the implementation as it is extremely important in ensuring the best results are achieved. Knowledge of the ERP system should span across your entire organisation, with extensive training of end users.

A good training program will allow your company to become autonomous using the system and achieve the highest ROI. Further, concise, quality documentation of your business processes will aid your trained personnel and drive down induction costs for new people.

- Users should meet regularly to share their knowledge and experiences of the ERP system – either between people within your organisation, or externally with personnel from other companies. This will ensure a more thorough understanding of the system across your company.

Overall, improvements in control, productivity and efficiency can be achieved in companies in the construction industry through the successful implementation of an ERP Software system.

Exceptional project management however is required for a successful ERP implementation. While this process requires significant planning, resources and effort, the rewards a successful ERP implementation will deliver to your construction company will far outweigh these factors.

For more information on successfully implementing your ERP system contact LEVESYS on +61 7 3004 6100 or email info@levesys.com.