

ESSENTIAL  
ERP

*SELECTION  
STRATEGIES*

The logo for ENCOMPASS SOLUTIONS, INC. features the word "en" in orange, followed by a white greater-than sign (>), and the word "compass" in white. The entire logo is centered within a large, dotted white circle.

en>compass

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“*Even if you’re on the right track,  
You’ll get run over if you just sit there.”*

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WILL ROGERS

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## WE CAN HELP

# INTRODUCTION

**ERP SELECTION CAN BE AN INTIMIDATING PROCESS. IT'S EASY TO FEEL OVERWHELMED WITH OPTIONS WHEN YOU DONT KNOW WHERE TO BEGIN. LET'S START WITH THE BASICS.**

If you're looking for a solution, chances are there's already a problem. Whether your business is running on outdated and siloed systems or you need something to ramp up productivity, new tools will can enable your workforce and processes to rise to the challenge.

Enterprise Resource Planning (ERP) software solutions are some of the most powerful tools a business can utilize. They refine and automate processes, mitigate waste, and drive ROI. The problem is, where do you begin looking for the right solution for your business?

We've compiled this helpful resource to detail eight of the most essential strategies for ERP selection. Keep in mind, there are plenty of pitfalls to avoid during the process. We'll tell you what to look for in a solution and why it's important. This way, you can ensure that you select the right solution for your needs.

After the research is done and your selection is secured, all that is left is to onboard your workforce and ensure company buy-in. The result is a smooth transition from the old way of doing things to the future of your enterprise's operation.

**Let's Begin!**



“Spectacular achievement is always preceded by unspectacular preparation.”

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Robert H. SCHULLER



**PLAN YOUR**  
**PROCESS**

# PLAN FOR SUCCESS

When it comes to an endeavor at the scale of an ERP implementation, there simply can't be enough said about proper planning. Here are a few essential tips to ensure you start your search on the right foot.

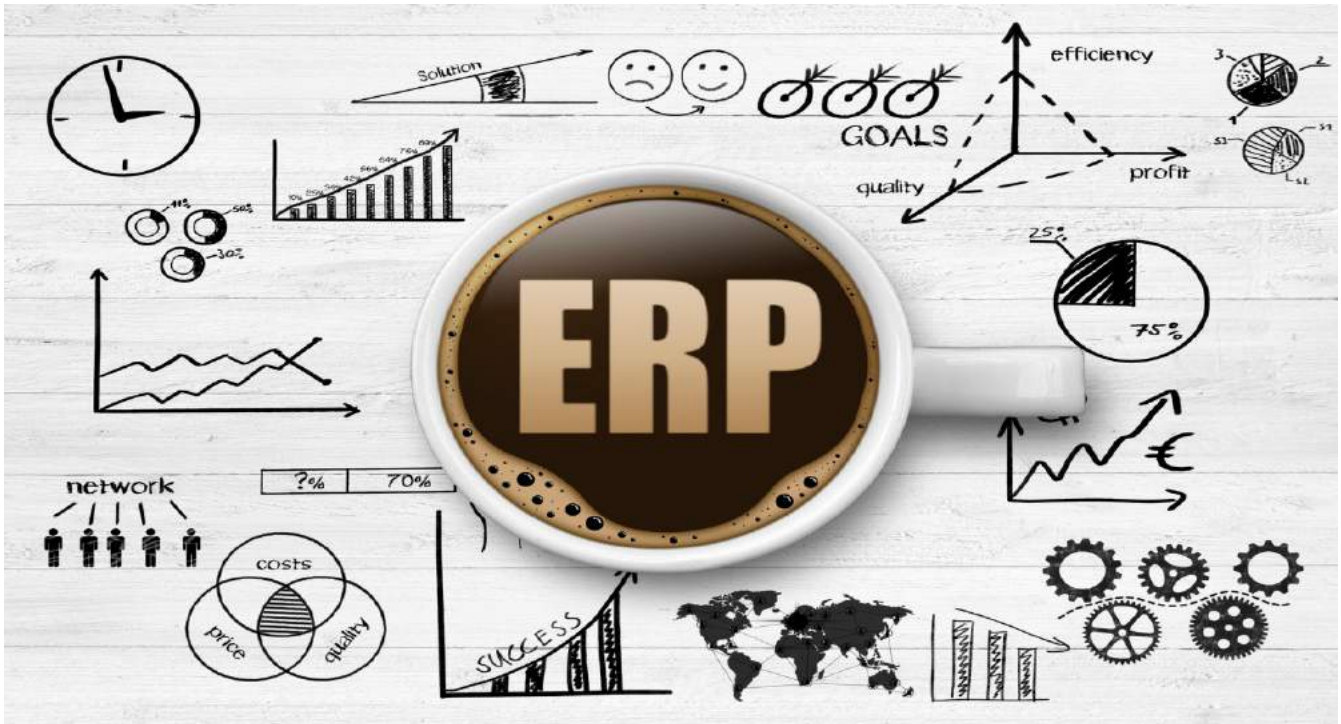
- 1 IDENTIFY NEEDS**

Before you begin shopping for solutions, you need to have an idea of what you are looking for. Outline your business' essential needs by identifying each department's current set of tools and processes, how they can be improved, and what explicit deliverables you need or want from a solution.
- 2 TAKE OWNERSHIP**

Without accountability from your business' end, all the external support in the world can't make your ERP implementation a success. By assigning ownership from an internal standpoint, you know that there is a dedicated resource ensuring everyone is on-task and following the procedures designed to lead to your Go-Live event.
- 3 LISTEN TO EXPERTS**

Accepting that you don't know it all when it comes to ERP may be one of the biggest steps in setting yourself up for success. Many business owners want to assert full control during the selection and implementation process without question. This can place a stranglehold on your progress when working with expert consultants and solution vendors who want your business to succeed just as much as you do.

With just a few strategic steps and an open mind, you can align your enterprise for success during a stressful progression of events. After all, while ERP solutions are being evaluated, selected, and eventually implemented, you still need to run your business. Plan your ERP process from evaluation to Go-Live with the help of consultants and implementation experts in the field of ERP solutions.



## THE PITFALLS OF ERP IMPLEMENTATION AND HOW YOU CAN AVOID MAKING OTHERS' MISTAKES:

- ➔ **2/3** of ERP projects fail - it's a scary statistic, made even more unnerving when coupled with how easily failure can be avoided. The statistic is attributed primarily to flimsy business cases, malformed requirements, poor strategic planning, erroneous budgets, and weak training programs. However, the right investments in the right places can lead to the right outcome.
- ➔ **95%** of those failed implementations saw less than **10%** of the allotted budget for the ERP project dedicated to education, training, and change management. A business cannot expect to use such powerful tools to their full potential if the investment in education and on-boarding isn't in place from the beginning.
- ➔ **39%** of ERP users are left dissatisfied - a direct result of poor training plans, weak trainers, and ineffective management. The impact is a complete drag on operations moving forward from Go-Live.

Data derived from ERP Focus, Carlton R. (23/08/2017) Statistics provided by Ziff Davis, as excerpted from 2007 report compiled by Yan-Goh Ng, Ph.D.



**PICK THE RIGHT**  
**PARTNERS**

# DON'T SKIP PARTNERSHIP



**IF YOU ARE INEXPERIENCED WITH ERP SOFTWARE, MAINTAINING THE SYSTEM CAN BE AN OVERWHELMING, IF NOT A PRECARIOUS UNDERTAKING. EVEN IF YOU AND YOUR TEAM ARE WELL-FUNDED AND TALENTED, THE RIGHT PARTNERSHIP CAN MAKE ALL THE DIFFERENCE.**

## ERP VENDORS

ERP vendors are the source of your ERP system. They develop the software, regularly releasing updates and patches to address bugs or implement new features. It is very important to find an ERP vendor that speaks to your needs in an ERP system and supports you as a customer.

## CONSULTANTS

Consultants have years of experience guiding businesses through difficult decisions and process improvements. Finding a consultant that specializes in your industry will go a long way in avoiding mistakes when implementing an ERP system, automation, or other process improvement campaigns.

## PROJECT MANAGERS

If your teams are not experienced with keeping a project of this size within budget and on-time, bringing on an experienced project manager to delegate tasks and ensure critical milestones are reached throughout the implementation process will be instrumental in your success.



# ADDITIONAL SUPPORT



**ASIDE FROM VENDORS, CONSULTANTS, AND PROJECT MANAGERS, THERE ARE MANY OTHER LEVELS OF SUPPORT YOUR ORGANIZATION CAN UTILIZE. THESE SERVICES ENSURE CONTINUED SUCCESS FROM EARLY ON IN YOUR ERP PROJECTS TO WELL BEYOND GO-LIVE.**

## IT SUPPORT

Whether dealing with hardware on-premise, hosted options, or solutions based in the cloud, additional support on the IT front can enable your enterprise to reach its full potential until an in-house team can be assembled and take ownership.

## MANAGED SERVICES

Addressing everything from application trouble shooting, process auditing, ongoing maintenance, database migration, and hotfixes, Managed Services providers deliver supplemental support that can fine tune your business' processes and performance.

## ESCALATION SUPPORT

ERP vendors have clients across the globe. This can make it difficult for certain issues to be resolved quickly. In this case, Value-Added Resellers (VARs) are especially useful. VARs are an extension of vendors, can service or maintain your ERP system, and can step in directly to resolve issues.





**WEIGH**  
**RISK VS.**  
**REWARD**



## Risk Management

Having an idea of the risks associated with an ERP implementation and a plan of action to mitigate those risks is one thing that needs to be evaluated throughout your project.

Hiccups can come in many forms during pre-implementation and throughout the project phases. Doing your due diligence and preparing accordingly can't be stressed enough. Bringing on seasoned consultants and other professionals with a history of successful implementations to draw from can make all the difference. This way, you can avoid the pitfalls you might succumb to in tackling the project alone.

*"Many ERP implementations are difficult, lengthy and over budget, are abandoned, scaled or modified, achieve only partial implementation, are terminated before completion, or failed to achieve their business objectives even a year after implementation [2], [12]."*

*One explanation for the high failure rate is the poor change management and project management skills [13], [14]. Also, the risks involved the ERP projects are not properly assessed or managed."*

*- Risk Management in ERP Project in the Context of SMEs*

## POTENTIAL RISKS INVOLVED IN ERP IMPLEMENTATION CAN INCLUDE BUT ARE NOT LIMITED TO:

### → Operational Risks:

- Failing to conform business processes to fit the software.
- Misallocation of in-house resources during the implementation process.
- Lack of effective project management.

### → Financial Risks:

- Failure to take into account ongoing system maintenance costs.
- Poor time budgeting, leading to additional costs not budgeted for in the initial project review.

### → Technology Risks:

- Lack of integration support for existing systems and future needs.
- Failing to account for new hardware and software required.

### → Personnel Risks:

- Lack of critical personnel to oversee systems, pre- and post-implementation.
- Turnover during and after implementation.
- Lack of buy-in from end users and/or upper management.

**WHILE THE RISKS THAT BUSINESSES ARE CONFRONTED WITH DURING AN ERP IMPLEMENTATION ARE NUMEROUS, THE REWARDS OF SUCCESS FAR OUTWEIGH THEM.**

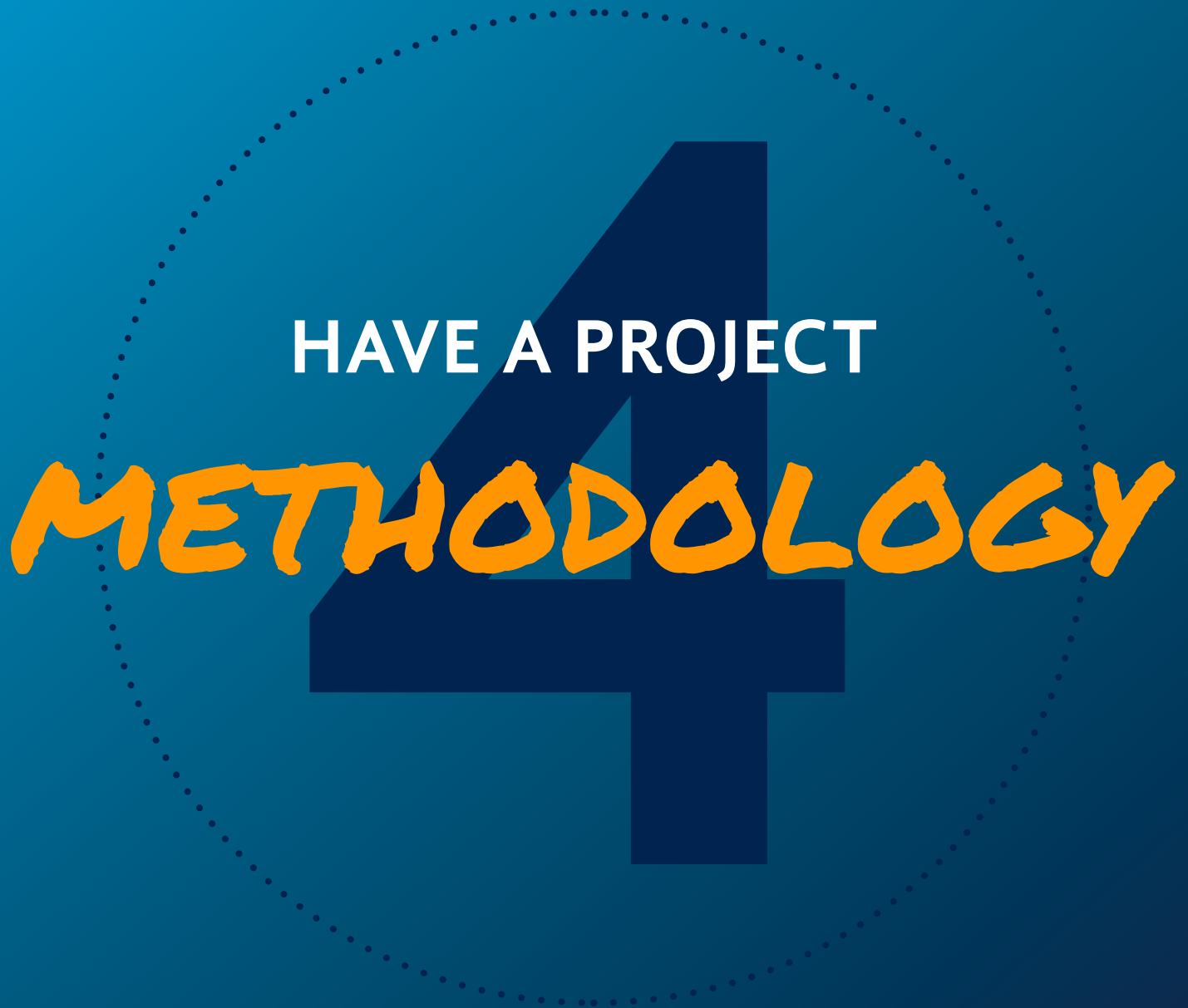


First and foremost, proper planning is going to make implementation much easier on your team. Budgeting time and resources ensures that you don't run the risk of exceeding your allotted budget for the implementation or the project timeline.

Ensuring your smooth transition from an outdated ERP system, or no former system at all, to an up-to-date solution will help your business thrive. You can leverage the benefits of modern technology and more easily maintain stride with advancements going forward. This will ensure your business' competitive edge when compared to industry peers that combat the necessity for change. Simply put, the old ways may work, until they don't. Then where will your business be?

**A modern ERP solution can deliver advantages for your business on several fronts. Here are just some benefits of a successful ERP implementation:**

- > **Competitive advantages** that come with modern, responsive, and intuitive tools.
- > **Increased efficiency** through the elimination of manual and repetitive tasks.
- > **Accurate forecasting** for more precise estimates and better resource management.
- > **Effective collaboration tools** that bring teams and departments together, rather than keeping them siloed across your business.
- > **Scalability** with a system that grows alongside your business to facilitate future expansions.
- > **Easy integration** of all enterprise data, delivering the visibility your business needs to make the most informed decisions, quickly.
- > **Workflow automation** that eliminates redundancy, improving overall performance.
- > **Mobility** provided by architectures that deliver your critical data to teams in the field or on the move.
- > **Detailed reporting tools** that allow you to generate custom snapshots of data sets you need to make quick and quantifiable decisions.
- > **Security and integrity** of data, ensuring you and your customers are never left exposed.
- > **Improved productivity** through the removal of redundant tasks that free your talent up to take on more pressing matters that contribute to the growth of your business.
- > **Compliance** comes easier with a unified system that provides all the documentation necessary when conforming to regulatory requirements.
- > **Flexibility** comes built-in with the ability to rework and customize your ERP.



**HAVE A PROJECT**  
**METHODOLOGY**





**EVALUATE DEPLOYMENT**

**OPTIONS**

# DEPLOYMENT OPTIONS

## ON-PREMISE

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This is the traditional route when it comes to deployment options. An on-premise deployment comes with a higher initial cost of ownership. This is due to licensing fees being paid up-front, customer-purchased hardware, such as servers, and the in-house or third-party IT staff required to manage and maintain that hardware and the ERP software itself. Security, backup, power, network, and environment all fall under the responsibility of the customer, in this case.

On-premise deployment has the lowest long-term cost of ownership. This is a result of the ERP software license is owned by the customer.

## HOSTED

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Hosted deployment has a lower up-front cost than on-premise. One reason is because the required hardware is rented and stored in a hosted data center. With this arrangement, security, backup, power, network, and environment are the responsibility of the data center.

Long-term costs are similar to that of on-premise deployment in that the customer has purchased a perpetual license for the ERP software.

## CLOUD

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A more modern solution to deployment that many vendors are aligning their solutions with, cloud deployment often falls in line with a monthly subscription arrangement, meaning the customer does not own the license to their ERP software outright.

Cloud deployment contracts typically span 12-36 months, depending on the agreement reached between vendor and customer. With this arrangement, all associated hardware and software maintenance are included. Hardware is located in a vendor-managed data center.

*Note: ITAR-compliant companies and government organizations may not be eligible for cloud-based deployments.*

“ A good ERP is more than just software. It involves an institutional commitment to connecting people, processes, and resources.”

James YOUNG





PICK AN ERP SOLUTION THAT  
**GROWS WITH  
YOU**

# CASE STUDY

## DOXSTEEL FASTENERS

### *The Project*

*Up to the point of implementation, Doxsteel Fasteners had been utilizing Microsoft Excel to manage their business. Because of the technological limitations of their current system and the company's rapid growth, Doxsteel Fasteners had outgrown the capacity and functionality of the software for its US- and Mexico-based operations.*

*Doxsteel Fasteners had spent the previous 9-10 months unsuccessfully implementing an ERP solution. This was due to challenges related to the inexperience of internal resources with ERP functionality, understanding business requirements, and the level of support from the assigned consulting team.*

*Taking these specific details into consideration, Encompass Solutions, Inc. was tasked with performing an effective business process review, recommending the best course of action, and executing the implementation and training necessary to achieve Doxsteel's desired outcome.*

### *The Challenge*

*The challenge this project posed was introducing an ERP system in a very manual environment that used handheld hardware and FTP for export invoice approval by authorities. The systems would have to accommodate rapid growth and future expansion as well. A bilingual Operations Manager would need to facilitate training while new processes would need to be learned by rote on the plant floor. Forms, reports, and labels would also need to be created separately for each language.*

### *The Goals*

*Doxsteel Fasteners implemented their ERP solution with the primary goals of:*

- *Automating costly manual processes to eliminate inefficient processes.*
- *Improving project planning, forecasting and customer sales management.*
- *Providing better information to make more informed decisions.*
- *Providing visibility to manage and track costs to measure and improve profitability.*
- *Growing revenue and profitability.*

### *The Next Steps*

*The Doxsteel Fasteners team will be taking advantage of this project to review and update business processes, while leveraging standard software capabilities whenever possible. The recommended business process workshops will address some of the additional challenges facing teams today with visibility of data, consistent and accurate information, and a reduction in redundancy of data entry.*

### *The Results*

*Training was conducted with bilingual Encompass Solutions, Inc. consultants, both in Financial and Operations segments, side-by-side with the client's Subject Matter Experts who were familiar with Epicor and US operations. On-site support both for Go-Live and afterward was critical to the success of the project, which finished on time and under budget.*



**DON'T IGNORE**  
**USER**  
**EXPERIENCE**

# WHY CARE ABOUT USER EXPERIENCE (UX)?

Your ERP software can be the most robust and capable in the world. However, if your employees can't work easily and comfortably within the system, it's all for naught. This is why you need to get your teams involved with the implementation. Show them you are considering their overall experience and value their input. After all, they are the ones who will be working within the system day-to-day.

Beyond the aesthetics of interfaces, you should consider how intuitive they are or are not. Can your users easily navigate through their daily workflow? Can they jump from one section of the software to another seamlessly? How easy is it to get lost in a task, start again from scratch or jump to the middle of a process if something needs to be updated on-the-fly?

Another important consideration that owners, executives, and upper-management often overlook is the cost of training after turnover and during on-boarding of new employees. If an ERP system is excessively complex and favors functionality over accessibility, it will work against the business and lack buy-in from users. In short, UX needs to be simple, even when the data you are working with is not.



## GOOD UX

- Seamless use across all devices, i.e. desktop, laptop, mobile phones, tablets, and machine control panels
- Intuitive navigation (see Fitts' Law)
- Minimal load times
- Effective use of spacing between visual elements
- Few instances of vertical or horizontal scrolling for data entry pages
- Updates do not drastically change appearance or location of buttons, fields, and menu items



## POOR UX

- Functional across only one specific device, i.e. desk-locked users
- Jarring color choices to represent charts, graphs, and other data in the system
- Supporting programs do not integrate fluidly, such as specialized machining programs or CRM
- Excessive hangtime, loading, and general lag when carrying out operations
- No high-level interface, meaning users must dig for data
- Inconsistent software response from one action to another



**EVALUATE**

**SOLUTION  
VERSATILITY**

# ERP



## YOUR ENTERPRISE SWISS ARMY KNIFE

### IT'S ONE THING TO HAVE AN ERP SOLUTION SUPPORTING YOUR BUSINESS, BUT IS IT VERSATILE ENOUGH FOR YOUR UNIQUE NEEDS?

- ➔ **Considering Customization** - How easily can you conform the system you are evaluating to your business' style of operation? Will you need to change your processes to fit the system or will they be an easy fit for the solution? In a perfect world, ERP would be plug and play. However, the reality is there will be a give and take. Customization is possible, but costly. When evaluating ERP solutions, consider how much you have to give up in terms of process compared to how well the solution can accommodate the way you've grown accustomed to executing tasks.
- ➔ **Accommodating Change** - Two things we hope all businesses are planning for are growth and expansion. At some point you will want to consider whether or not your ERP system can easily incorporate new locations your business opens, new companies you may acquire, and new markets you may enter.
- ➔ **Incorporating Integrations** - ERP solutions are designed to encapsulate the core functions of business. However, enterprises are all unique and enter the implementation conversation with essential systems that are required for them to operate. Fortunately, ERP vendors understand this and can integrate hundreds of essential programs and software into your ERP solution. Just like businesses, no two ERP solutions are exactly the same. So, make sure the solutions you are evaluating can integrate your essential business software.

# TESTIMONIALS

“ THIS FEELS LIKE A TRUE PARTNERSHIP,



*and I couldn't be more pleased with it. When we partnered with Encompass, our momentum picked up exponentially. The Encompass team listens, responds, and takes action. It's refreshing in your industry to find a company that is truly interested in helping their customer base achieve their goals in an efficient manner, without belaboring the process unnecessarily. Your business model is one that encourages growth. Thank you for everything."*

Grey Metal South  
[www.graymetalsouth.com](http://www.graymetalsouth.com)

“ ENCOMPASS IS COST COMPETITIVE, RESPONSIVE AND SUPPORTIVE.



*Their outstanding service has been helpful and forthright in all our ERP endeavors."*

General Dynamics  
[www.gd.com](http://www.gd.com)

“ WITH ENCOMPASS, ALL OF OUR FINANCIAL SUPPORT ISSUES ARE RESOLVED



*and we are educated on the cause. We wanted to be sure the provider we chose would adhere to an internal method of development and documentation as well as being extremely knowledgeable about our ERP. Encompass has gone beyond our expectations."*

Masterbuilt  
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# WE CAN HELP

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**ENCOMPASS SOLUTIONS, INC. IS COMPRISED OF EXPERT CONSULTANTS WITH MORE THAN 200 YEARS OF COMBINED EXPERIENCE IN BUSINESS CONSULTING, SOFTWARE SELECTION AND IMPLEMENTATION, AND MANAGED SERVICES.**

We'll partner with you in putting your business on the path to success with consistent process improvement and modern technologies that reduce waste and increase productivity.

Don't hesitate to get in touch with the Encompass experts for more information or a discovery call to see how your business can benefit from our expertise. We look forward to hearing from you.





ESSENTIAL

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SELECTION  
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