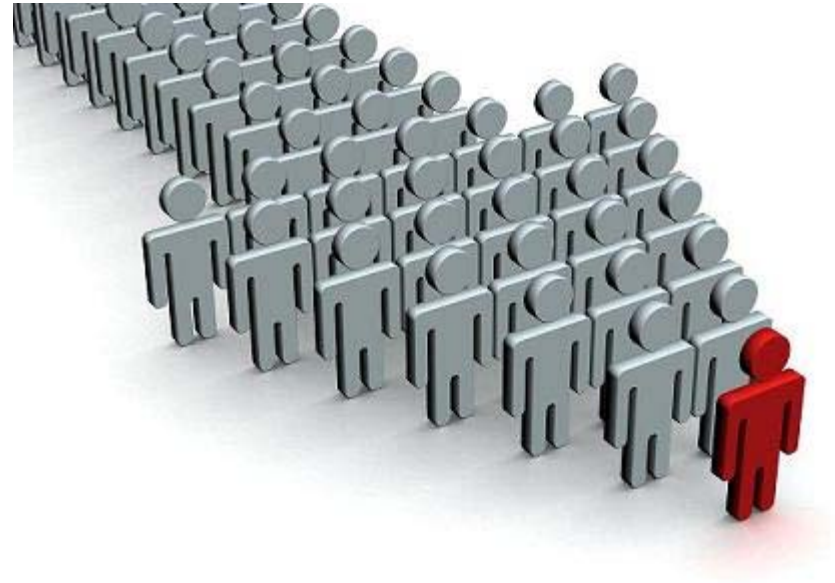




Confederation of Indian Industry
Since 1895



Preparing for an ERP implementation

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 **Astral**[®] Consulting Ltd

Session Agenda

- ▶ Introduction
- ▶ Characteristics of SMEs
- ▶ Need for ERP
- ▶ Preparing towards ERP implementation

Characteristics of SMEs

- ▶ Rapid and continuous growth
- ▶ Centralized decision making
- ▶ Non-availability of timely information for decision making
- ▶ Informal communication and reporting
- ▶ Ever increasing raw material costs leading to lowering margins
- ▶ People driven, not process driven

General Operational Challenges

- ▶ Forecast and Plan for Future Customer Orders
- ▶ Capture Actual Customer Demand
- ▶ Translate Demand into Finished Product
- ▶ Create Supply and Synchronize with Demand
- ▶ Control costs & improve quality
- ▶ Manage Inventory & maintain visibility across the Supply Chain
- ▶ Collaborate with suppliers
- ▶ Utilize resources effectively and efficiently

Roadmap to success

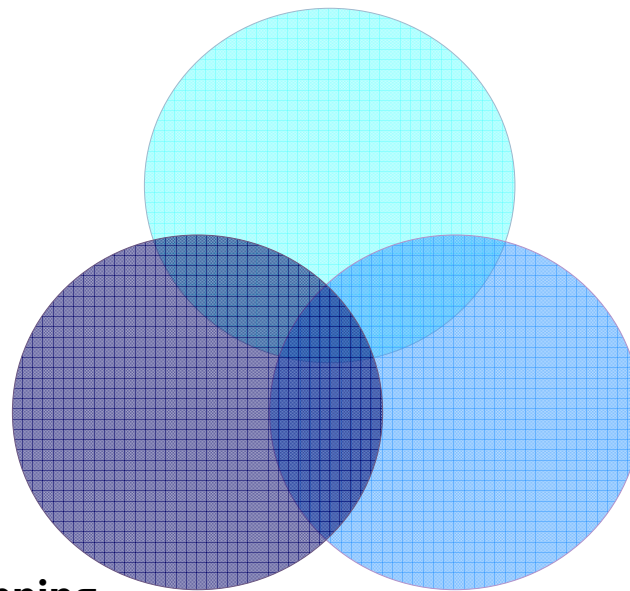


Implementing the right ERP



ERP Business Benefits

Help reduce operating costs



Support Strategic Planning

Facilitate Day-to-Day Management

Focus is business process change

- ▶ ERP is not just implementing a software package, it is a foundation lever for change...BUT Initiating and sustaining Business Process Change is the ultimate objective...



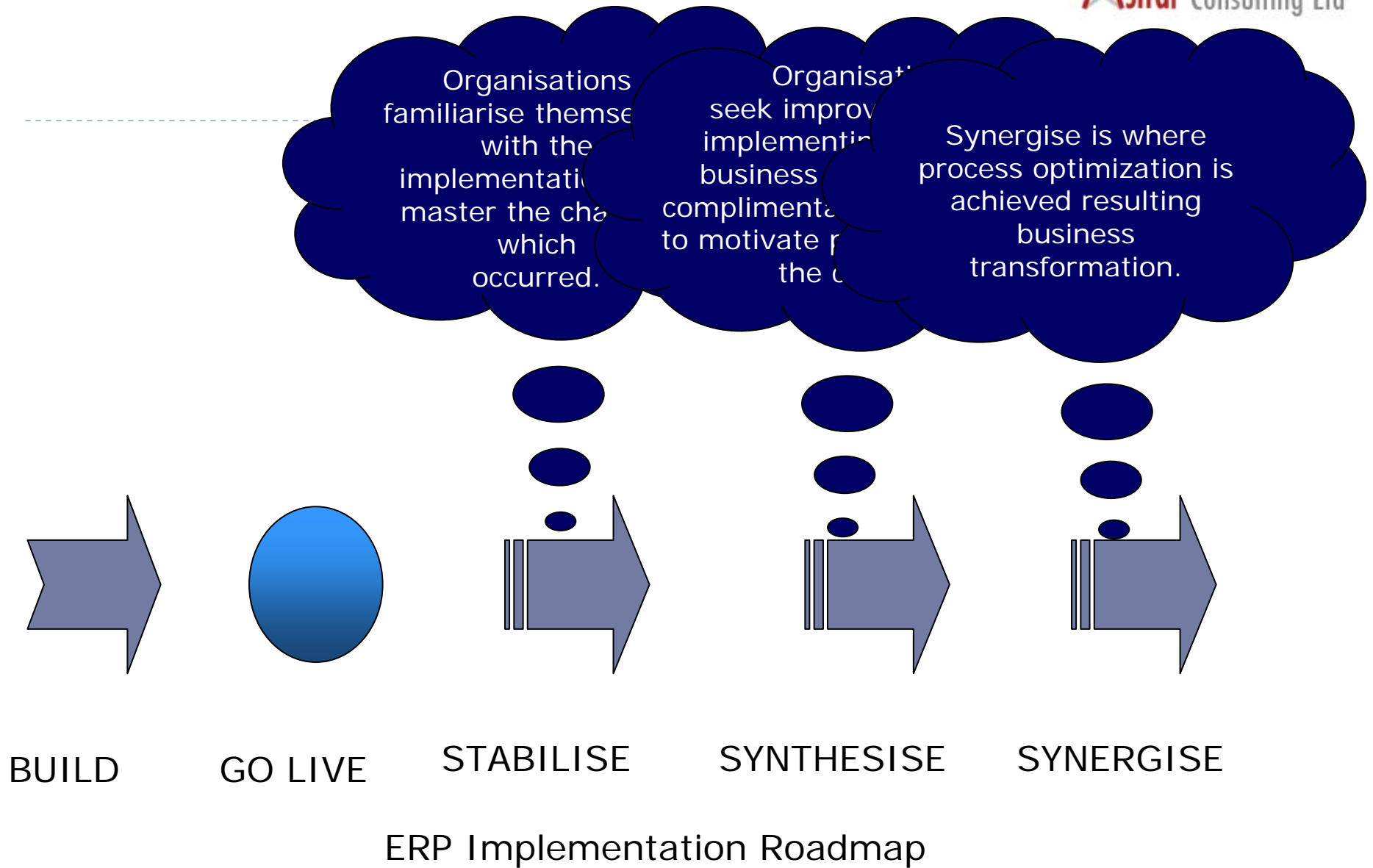
Package Implementation

Resource intensive

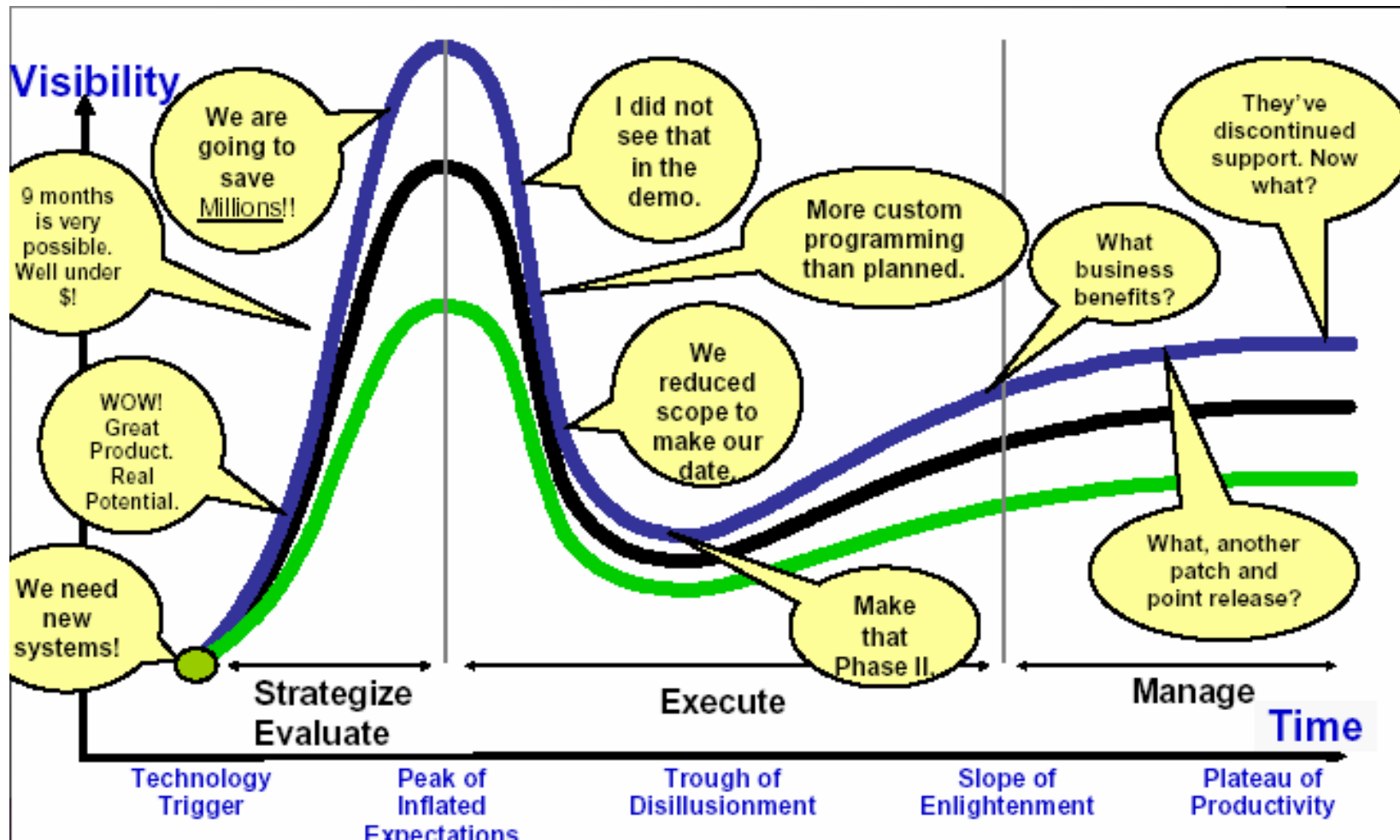
Opportunity to re-create

Business Solution

▶ Large Change Initiative



Implementation Reality

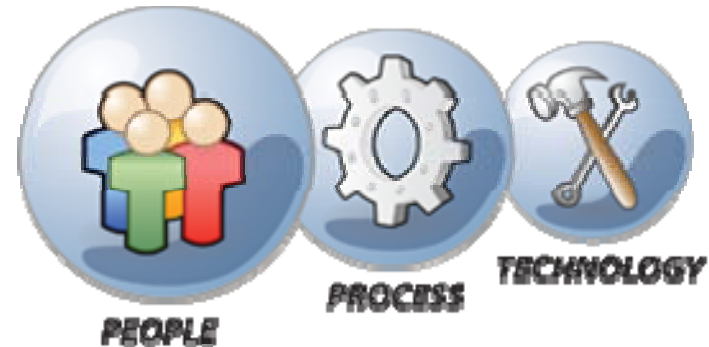


Project Critical Success Factors

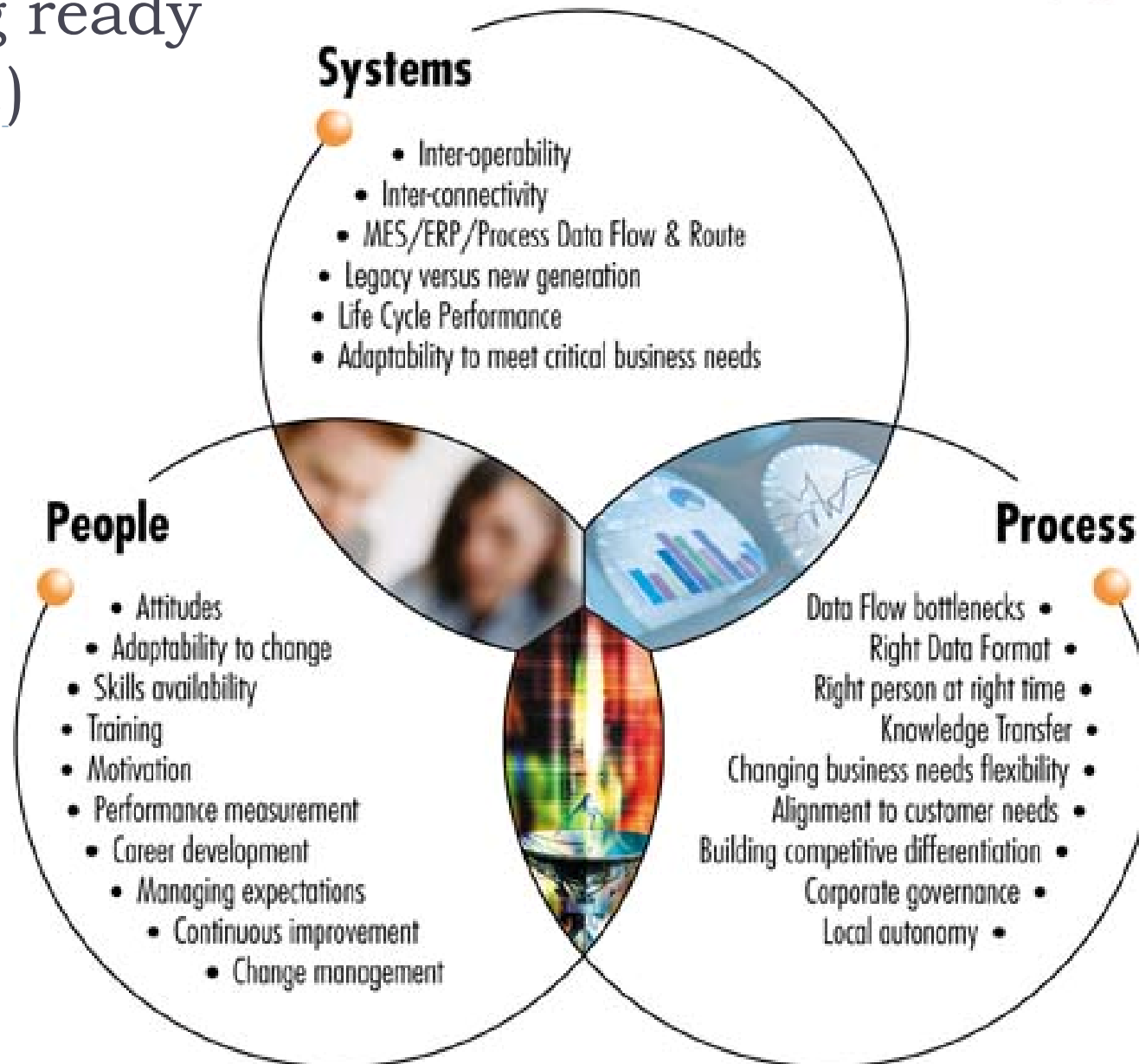
Vision	Vision	Vision	Vision	Vision		Vision
Communication	Communication	Communication	Communication		Communication	Communication
Skill	Skill	Skill		Skill	Skill	Skill
Tools	Tools		Tools	Tools	Tools	Tools
Incentive		Incentive	Incentive	Incentive	Incentive	Incentive
	Action Plan	Action Plan	Action Plan	Action Plan	Action Plan	Action Plan
Chaos	Slow Change	Frustration	Fear	Rejection	Confusion	Real Change

Getting ready

- ▶ **People**
 - ▶ Project Structure & Organization structure
 - ▶ Should be aligned to processes
- ▶ **Process**
 - ▶ Implementation Process
 - ▶ Adapt / fine-tune your processes to those of the ERP
- ▶ **Technology**
 - ▶ Hardware
 - ▶ Software
 - ▶ Integrated Systems

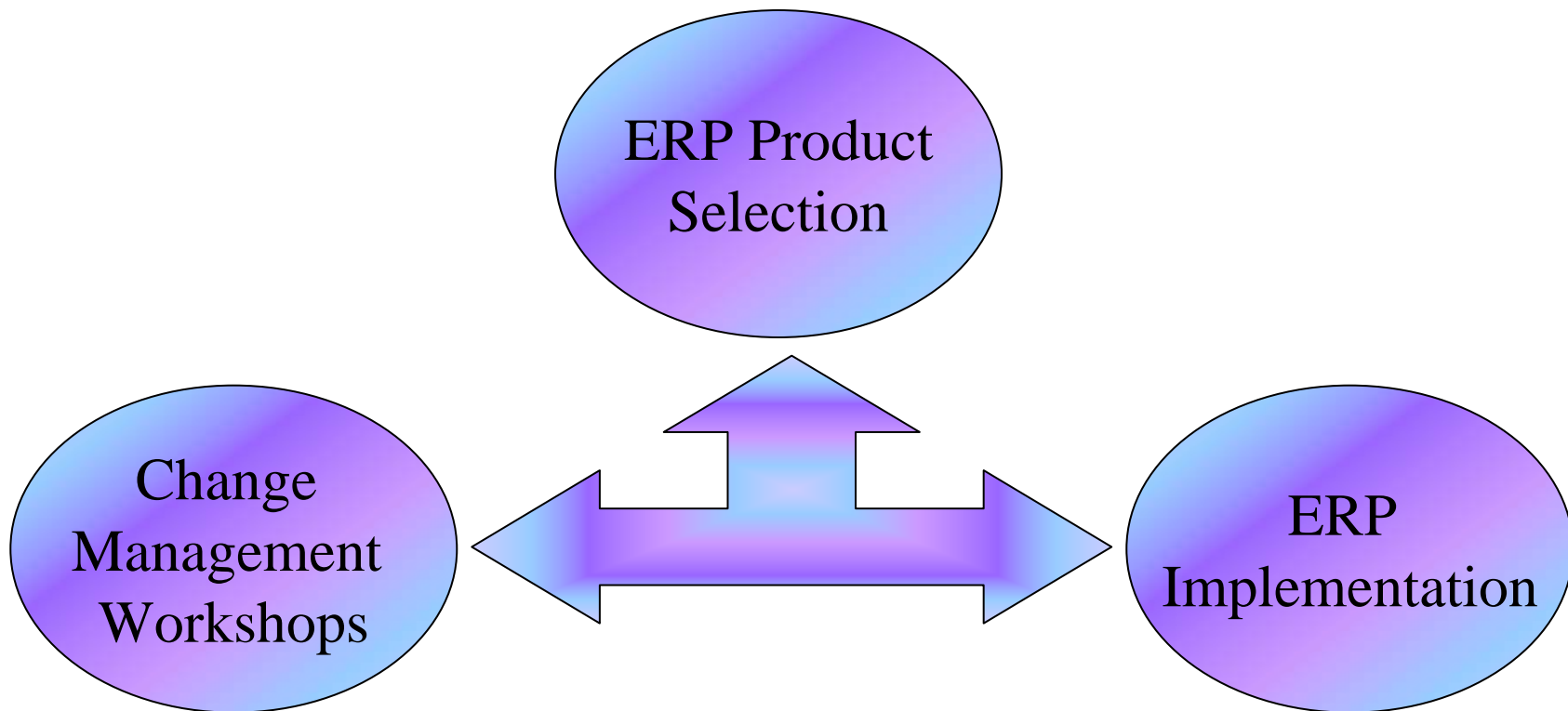


Getting ready (Contd.)



- Process**
- Data Flow bottlenecks
 - Right Data Format
 - Right person at right time
 - Knowledge Transfer
 - Changing business needs flexibility
 - Alignment to customer needs
 - Building competitive differentiation
 - Corporate governance
 - Local autonomy

ERP Implementation



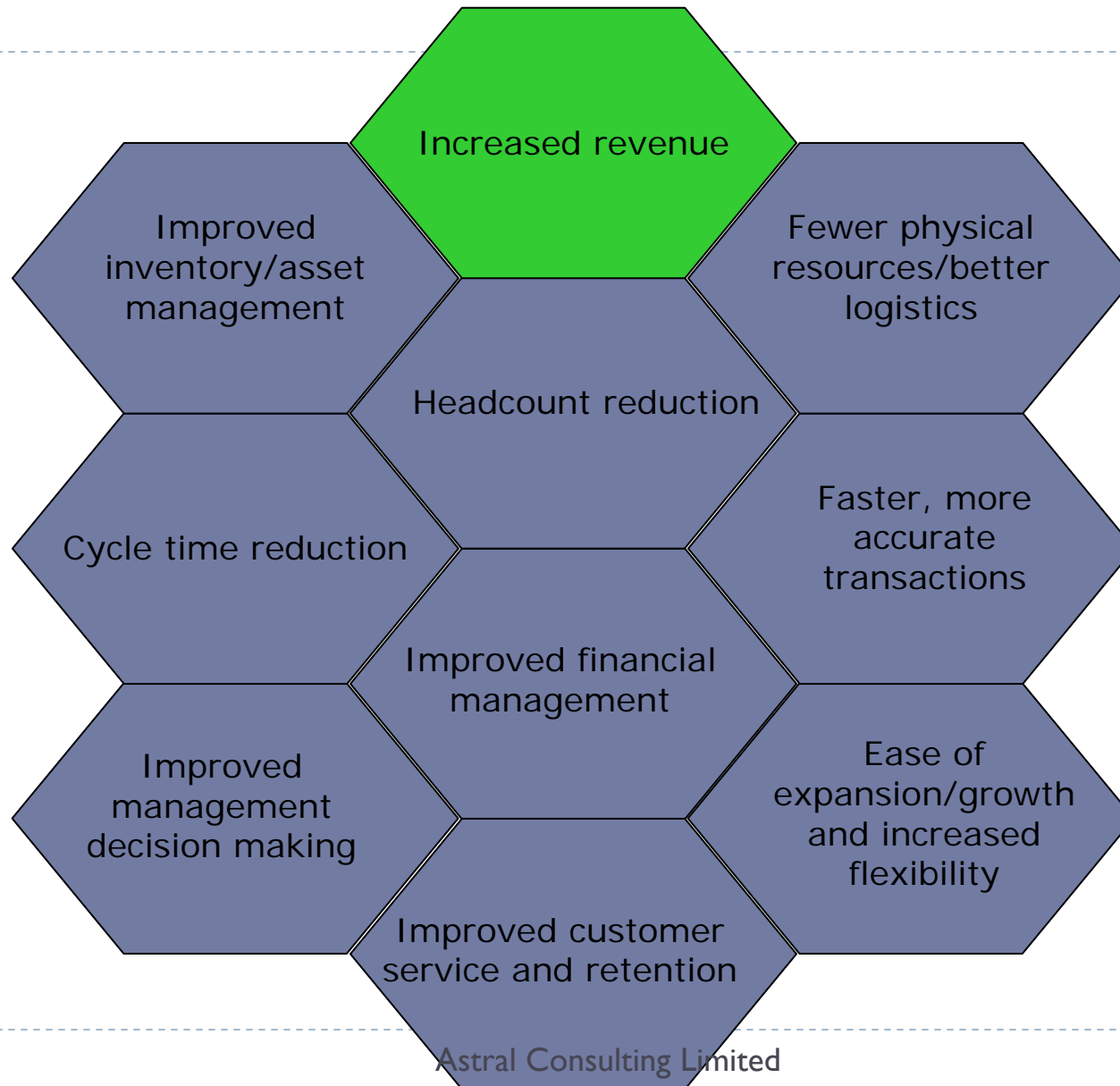
Product Selection Criteria

- ▶ **Suitability**
 - ▶ Minimum customization requirements
 - ▶ Type of industry the package is generally used and found successful
 - ▶ Should integrate majority of the functions of the organisation
- ▶ **Technology**
 - ▶ Always go for the latest
 - ▶ Scalability
- ▶ **Operating cost**
 - ▶ Consider manpower, human resources and connectivity
- ▶ **Product cost**
 - ▶ Determine tangible savings and workout payback
 - ▶ Should match the organisation investment plan

Change Management

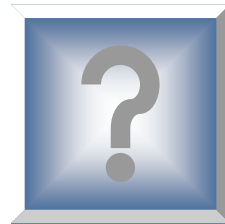
- ▶ These workshops helps to
 - ▶ Convey to different levels of staff, what ERP is about and the benefits arising out of the same
 - ▶ Inform how the organisation has to prepare itself for the change
 - ▶ Make known the basic methodology for implementing ERP and the responsibilities of every user in the implementation process
 - ▶ Teach the basic Do's and Don'ts during the implementation phase of an ERP
 - ▶ Assist the organisation in identifying the Core Team for the implementation
 - ▶ Formation of various teams for the project and fixing the roles and responsibilities

Sum up – ERP Benefits



Summary

- ▶ ERP is going to integrate the entire processes of the organization
- ▶ ERP may require a change in the way we are presently required to do an activity
- ▶ **ERP is a Business Project, NOT an IT project**
- ▶ ERP Implementation requires commitment from every individual within the organisation
- ▶ We need to keep realistic expectations and manage scope aggressively
- ▶ **Change Management** is the Key to success
- ▶ Process mapping has to be done initially to include the best practices while the ERP is being implemented
- ▶ Implement on time and on budget
- ▶ **ERP is a tool – Utilize it well for realizing its benefits**



Thank you