DOSIER – 3

How to create a team for your ERP?

While as a management we attempt to answer this question we have to understand or answer few more question to get to the answer?

Why are we implementing or implemented an ERP system?

The answer probably should be to move from any existing system to a more organized, accountable, distributed process driven system.

What are these systems?

They could be

Sales system i.e. Order to Cash

OR Purchase System – Procure to Pay

OR Logistic system – Delivery of goods to customer or receipt of material from supplier

OR Production System – i.e. conversion of unfinished goods to finished goods

OR Quality System – may be for inward, in-process or outward material or services

OR Plant Maintenance System – for monitoring the maintenance both in terms of health of machines and understanding the expenses on maintaining the health

OR HR systems – Hire to Fire with control on development of resources

OR Finance and Accounting System – from building the structure, to control, audit and compliance

Why do you need a dedicated In-house ERP team or do you at all need a dedicated in-house IT team?

While we run an ERP system the problems which we face are of 3 types

- Understanding Related
- Data related
- Setup/configuration/Customization/Solution Related

Some business processes doesn't function the way they should be. The reason could be issue in the setup of the process or could be understanding of the user, could be because of wrong data selection or incomplete data selection.

80% of such cases are understanding of the system or data related issues and are not setup related issues, after the stabilization of an ERP i.e. 6 months post implementation or the HYPERCARE period.

It is important to understand that primarily an in-house team have or should have the skill set to clear these understanding issues. It is easy to hire and retain such resources who can help in resolving issues related to understanding and data.

For issue related to setup, the issues require a more skilled and experienced person, with consulting background or implementation background. It is difficult to Hire and Retain resources with consulting skills as their growth in a non IT company is restricted.

In my opinion the best solution is to identify good business users from each department and assign them with the implementation team for the duration of implementation. It may disrupt your current process for 6 months but it will save your cost for a longer length of time. Since these resources are assigned to the consultants they get hands-on training on each system suited for your operation from the consultants. They also get to understand the nitty gritty of the system. If this is followed by personalized tutoring of these resources, then by the end of the project you have multi-tasking resources who should be able to manage the business process related and data related support functions and this delivery is the best possible delivery. This doesn't add expense of dedicated IT Team. If you are already having a system, then it is recommended that you identify the smartest of each process get them tutored in their area.

For set-up related issues and infra structure related issues it is always good to have an off shore team. One option could be to have a company with a higher engagement fees or the other option can be to have free-lance contracts on hour basis with skilled resources, module or activity based. The first one is more secured but highly expensive, the second model needs a co-ordinator and a good payment discipline. The cost for such a service from very good quality resources is far less less than the first model. The

limitation of the first model is you always don't get the same resource, which means each time a new resource will understand a problem, check the system and then provide a solution. Many times this method solves a particular problem but can create a new problem.

Recommendations

My strong recommendation is have a business process users trained to manage process and give support to the team, which we call L1 support. Hire a company or resources for L2 support. Hire 2 tech resources (or more depending upon the requirement) for customization on your role as best choice or have direct contact with technical resources who can get new reports, print formats and necessary process customization.

For any ERP what you should not discount is an IT lead with good knowledge of your business processes, Changes in business process, compliances, accounting impact of all processes, various existing customization and knowledge about possibilities of the ERP system.

The IT lead should ensure all reports are routed through system, all control are verified and co-ordination with L2 and L1 support is seamless.

IT lead should also be able to Manage (Not hands on) the ERP infra, the workspace Infra, connectivity, communication, Security, backup, Mailing etc.

IT lead should also be capable to identify requirement for new technology interventions from time to time and integration with base ERP wherever possible.

Today automation is also an area, which also should be dealt by the IT Lead.