The Ultimate CRM and ERP Implementation Plan E-Book

A comprehensive guide to ensuring project success, generating software ROI, and mitigating all the risks along the way
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How to Use this E-Book

Enterprise software projects are known for sapping funds and taking longer than expected to complete. When it’s all said and done, jobs hinge on these implementations, the end system is responsible for the company’s future revenue growth and the businesses that fail in this process often face difficult futures.

Organizations often put ERP and CRM projects off due to the risk and headache that they are known for. Unfortunately, putting the project off can cost your business money too, raising the stakes even further for these critical implementations. So what’s a company to do?

In our 20 years of experience, we’ve developed a strong sense of what makes and breaks these projects. This e-book serves as a 101 guide for anyone considering an ERP or CRM implementation or trying to figure out where to start in their enterprise software journey. With this e-book, businesses can learn the crucial processes and considerations necessary for software success.

About Datix

Datix has been designing enterprise software solutions for 20 years. We specialize in ERP, CRM, eCommerce and integrated software consulting for manufacturing and distribution businesses in the mid-market. In our commitment to be the best with the best, we’ve partnered with CRM leaders Microsoft Dynamics 365 and Salesforce and have earned the status of Epicor Platinum Partner. Our consultants have a powerful reputation as experts who understand how all these systems should work together.

At Datix, we get it. We know enterprise software and can visualize how it can work to support a wide range of different business objectives. We are innovative thought leaders who are constantly developing proprietary applications and solutions based on the challenges we see clients face the most. Businesses work with us when they want to mitigate risk, solve problems and improve the way their business operates.
Introduction

Buying management software is a lot like buying a new car. The moment you drive it off the lot it depreciates in value. Only a few short years later, the car is worth a fraction of the initial investment. What’s more, the car has maintenance costs associated with it during that time. If you do a poor job of taking care of it, the car is going to become a regular expense, costing you more and more each month.

Assuming it’s been maintained well, the car is due for an upgrade after 4-7 years. The vehicle is worth roughly 20% of its original value to date. However, despite the value depreciation, you’ve earned a considerable return on your investment. With your car, you could travel whenever and wherever you wanted without the hassle of public transportation. The key for most of us is how we leverage the costs associated with benefits we receive from the vehicle.

Software is very similar. It requires maintenance and requires an upgrade or replacement in 5-7 years. Having said that, all manufacturers and distributors need ERP and CRM to optimally perform crucial business processes. When well taken care of, enterprise software enhances efficiency and provides an ample return on your investment.

The takeaway is this: all businesses require enterprise software, and in order for enterprise software to be worth the investment, organizations need to 1) upgrade their systems, 2) build a comprehensive implementation strategy and 3) plan for continuous improvement.
Chapter 1: Upgrade Your System

Ditch Legacy Software
Enterprises fear that projects will result in huge bills and a waste of time, but businesses that rely on outdated legacy software systems often risk losing more than just project dollars. Too many businesses wait until they’ve reached a high degree of handcuffing that prevents them from improving the bottom line. Once users arrive at this tipping point, they desperately go to the IT department or C-Suite for help.

Unfortunately, at this point, the costs of maintaining the old system and the increasing amount of time wasted waiting for your system to perform tasks that should take a few seconds have snowballed. What businesses often uncover following an implementation of a new system are a large number of inefficiencies and processes that had been costing them hundreds of thousands of dollars each year. Those costs—as small as they may be—are incremental and burden a business on a quarterly and annual basis.

The lesson here is to be proactive. If you’ve been using the same operations and infrastructure for a number of years and begin noticing that processes are becoming a little sluggish or unreliable, don’t hesitate to investigate ERP or CRM options.

Amplify Businesses of All Sizes
Even as ERP and CRM instances become increasingly accessible, SMBs still consider enterprise software as tools for industry giants. The misconception that ERP and CRM can only be implemented by companies with huge budgets and IT teams looms large in manufacturing and distribution. In addition, SMBs think their small teams can successfully manage their growing demands and unique processes with just Excel and QuickBooks.

These ideas are far from the truth. Gone are the days when businesses could only gain enterprise systems through making it themselves by dedicating tremendous resources to build and maintain their software. Now, this process of producing home-grown enterprise software is becoming obsolete because manufacturing and distribution firms can’t match the functionality of ERP and CRM systems in the market. Plus, the top software vendors make their systems flexible enough to enable companies to have their instances configured to fit their specific requirements.

As for Excel and QuickBooks, relying on these systems for organizing your data could prove fatal for your business. Sure, a small start-up can manage data with these platforms for a little while. However, as your enterprise grows, QuickBooks won’t be able to process your expanding datasets or multiple company sites. Furthermore, it’s inevitable that your business will lose ample work hours if employees are manually entering data. Worse, employees will at some point enter incorrect figures into your system, putting your processes at risk and causing your company to waste more time fixing errors. At some point, Excel and QuickBooks will be far too cumbersome and risky for your processes, requiring an upgrade to ERP or CRM.
Plan for Software Success

A CRM and ERP implementation is comparable to a building construction project. Initially, blueprints are drawn up to ensure builders and commissioners are on the same page. Next, it is imperative to guarantee there is a solid foundation to build upon. If the foundation does not exist, the entire project will be full of contingencies. Datix’s Strategic Solution Process reflects this methodical approach to software implementation. Our process is designed to mitigate risk at each stage, providing transparency and direct communication between investors and project resources. This kind of detail, control and sure-handedness helps to ensure that every ounce of ROI is garnered from the software, while allowing project steering committees the flexibility to manage scope and budget the whole time.

In this section, we detail the necessary steps every business should take for an on-time, on-budget implementation.

Update Business Processes

Once you’ve decided to get rid of your legacy software and its dated process flow models, slow performance and bugs, it’s time to strategize for a new system. When replaced with a newer ERP system that has been planned and implemented around strategic business objectives, organizations can significantly reduce direct labor and overhead costs to earn sizable ROI.

However, if a business adopts a new system, but uses it to support old processes, the net gain can be very minimal. This inevitably results in a vicious cycle of sunk costs. The new system will support old processes, thus perpetuating inefficiencies. Ultimately, this means businesses could be doing all the work while achieving none of the benefits.

Asking the Right Questions

The idea behind any enterprise software project should begin with the premise of maximizing the ROI of the software. This means fundamentally returning to the pain-staking questions that spearheaded the project’s campaign before exploring any new ones. What are we trying to achieve with this software? What is our current system preventing us from doing? How could this software project help us increase revenue and decrease costs?

If the project up for consideration fails to address the proposed inquires above, one of two things is likely taking place:

1. The proposed enterprise software project offers little benefit to the organization and should not be pursued.

2. Those tasked with evaluating the project don’t have a collaborative view of how the technology and business operations mesh.

If an organization believes the second situation is occurring, it may be best to begin consulting with outside experts to map out how the software innovations could potentially improve the business. Closing the gap between technical developers and business operations people is the key to harnessing cooperation and buy-in on the project, in addition to determining the project’s feasibility and scope.
Don’t Become Blinded by Features

As a top management software consulting firm, we see thousands of reasons why businesses are evaluating new systems, processes and software. Some reasons are well planned for and purposeful, while others are poorly thought out. The difference is the initial premise from which they derive their desire to engage in a new management software project.

Businesses that approach new management software projects by considering how they can support, improve or manage new or existing processes are typically on the right track. This mindset enables the business to clarify how the software will empower an organization to accomplish goals, eliminate waste and achieve business outcomes. Organizations should build a strategy around these plans. Likewise, executive leaders must measure their success based on how accountable they hold their project committee on the achievement of such deliverables.

Businesses that consider the softer benefits of software rather than something more concrete, such as workflow fit, typically experience difficulty achieving their desired ROI. For example, if a business is considering Salesforce or Microsoft Dynamics 365 CRM, they should first think through how these software systems could help their business delve into effective processes and objectives. Instead organizations are blinded by superior marketed benefits from leading management software vendors and believe that by implementing these systems, they will somehow achieve a desired effect out of the box. This type of thinking often leads to poor implementation practices, undefined ROI measurements and abysmal organizational adoption.

Determining how your organization will achieve ROI with the software is a start to controlling an investment. Planning how the software can be used to improve the organization—in and out, up and down—is the correct approach to increase the chances of project success and retention of ROI.

Use Cases

Expert consultants here at Datix find that use cases of the system guide businesses in overcoming the gaps in their solution. Use cases are documents that detail the interactions between actors—humans or other business software—and the new system. By acting as business modeling guidelines that define the features of an ERP or CRM implementation, use cases provide a resolution for any errors encountered by a user.

Use cases conceptualize objectives of the project. Generally, the internal project team is tasked with establishing those objectives. In doing so, use cases allow the client to verify the details of a project. During this process, the implementation partner can also level up additional requirements uncovered during the planning stage and discuss if change orders will be required.

Use cases motivate business users at the executive level to become more involved in the project. Executives do not necessarily help create use cases, but they are responsible for their review and approval. The opportunity allows these power users to make sure the project team communicated business processes effectively.

Use cases serve a number of purposes integral for software success before, during and after the implementation:

• Before Implementation: Use cases must be approved by everyone involved in the process to mitigate risks and eliminate uncertainties. They conceptualize the functionality within the
system, describing its intended purpose and detailing the technical requirements of what it will take to execute specific functions. Use cases also help businesses establish the goals of the ERP or CRM project.

- **During Implementation:** Throughout the process, Datix assists clients with our signature prioritization process to push users to determine which use cases are critical to jobs and ensure the most important needs of the system are met first. Team leaders can then budget for resources for secondary needs based on their assessment. In addition, use cases serve as communication tools, outlining the reason for each function and providing great visibility into the breakdown of work. Project teams should utilize use cases to voice any additional needs and ultimately optimize efficiency, costs and project communication.

- **Post Implementation:** At the project’s conclusion, the project manager should attribute use cases to a catalog so that they continue to serve as a reference tool for power users to understand the continuity of their system and use the software for its intended purposes. As upgrades and improvements occur, use cases can be modified to reflect these changes.

**Communication**

For those involved in business operations, have you ever asked IT to modify or create a new report and it did not display as you expected? For those in IT, have you ever been asked to create something, and after it was delivered the user expressed it was not what they intended to have, knowing that to the best of your knowledge it’s exactly what they asked for?

These scenarios are commonly experienced among business users. Generally, business operations personnel do not possess enough technical knowledge to provide IT with enough adequate information. Likewise, IT does not have enough knowledge about the business issue to ask all the right questions. Organizations often rush into thinking they know exactly what kind of new enterprise software system they need, and what they need from it, only to find that once it’s implemented that it doesn’t accomplish many of the things that it was originally intended to provide. This is often revered as the traditional approach to CRM and ERP implementation and remains a pitfall inside organizations. Extensive documentation, collaboration and teaming up with consultants all serve to curtail communication breakdowns and keep projects on track.

**Manage User Adoption**

Similar to moving into a new home, shifting from a legacy system to a new software instance can take some adjusting. It is natural for there to be difficulty when things change inside of an organization, or, in worst case scenarios, a universal revolt of a new system.

Traditionally, project managers advise business users of the change just prior to a system going live. Unfortunately, this can take users by surprise and the sudden change shifts the dynamics of the organization in the wrong direction. Managing change within the organization is especially critical for system adoption and success. The best way to avoid this type of instability is to integrate a user onboarding process at the beginning of the implementation project. This allows the project to drive new initiatives for the business and keep business users motivated to see each one through. We strongly recommend discussing end user training and systems development strategy to add to the list of project deliverables. This gives users the experience they need to perform responsibilities in the system sooner with less cost to the business.
Going back to the beginning, we explained how critical it is to draw blueprints and build the foundation before a brick is ever laid. To ensure business outcomes and technology investments align, companies must ensure that both the system builders and the business operations teams are on the same page before the project ever starts. Having a process that mitigates risk and provides transparency and control at every stage of implementation ensures the project runs smoothly.

**Budgeting and Scheduling**

Consultants often combat a range of difficulties and misconceptions about budgeting and scheduling. Some businesses are convinced that an ERP or CRM implementation is nothing but a simple plug and play. Other companies panic that their software projects will empty their pockets. And there are also the businesses that can’t even begin to fathom the amount of time and expenses to dedicate to an implementation. The truth is that there isn’t a one-size-fits-all timeframe or budget for enterprise software projects. However, budgeting and scheduling for software success doesn’t have to be as complicated as businesses often make it out to be.

Deployment choice will greatly determine the cost and duration of your project. Some companies assume that cloud hosting will cost more because of the subscription fee, but they fail to account for the higher cost of the initial implementation and ongoing maintenance of on-site deployments. With a cloud implementation, clients pay a monthly subscription fee that covers maintenance and upgrade costs. Plus, there’s no need to install hosting servers and machinery on-premises. Since cloud-hosted software eradicates the need for businesses to purchase and maintain hardware, cloud hosting tends to serve as the fastest, most cost-effective implementation method.

The project team creating the schedule and budget for the implementation should also consider the complexity of the project. An implementation that requires extensive customizations will come at a higher price and take considerably more time. For complex projects or implementations that need to be completed by a certain date, project teams should schedule a phased implementation. In phased implementations, the core features necessary for daily processes will roll out first. With this method, users can adapt to the new system sooner rather than wait until every little detail has been nailed down.

**Consulting Team**

Manufacturers and distributors are often under the impression that their IT team possesses the skill to take on an ERP or CRM implementation alone, or that hiring outside help will just be throwing money down the drain. We don’t doubt the technical prowess of IT teams, but just because they know computers doesn’t mean they know manufacturing processes or specific enterprise software vendors. An ERP or CRM consulting firm houses experts in both software and business process modeling. With extensive experience in leveraging enterprise systems to comply with each client’s unique needs, consultants ensure businesses get the most from their software.

As for financial concerns, consulting teams could ultimately save your business a tremendous amount of money. Your project team could run into significant delays and errors both during the initial implementation and in the remainder of your software’s lifetime. Each problem comes at an enormous cost, hurting your bottom line and frustrating users. Think of consulting firms as a safety net, fixing errors and troubleshooting whenever something falls through the cracks. Throughout your software journey, consultants will guide your projects and mitigate risk at every step of the way.
However, just as you need the right software instance to align with your processes, you need the right consulting team to ensure success. Do diligent research to find firms with certifications in vendors you are considering. But go beyond the technical experience. Meet with consultants to get a sense of their process. Will they work within your schedule and budget? Do they offer continuous support post-implementation? On top of that, check that they have proven success working with similar industries. They might know ERP and CRM, but if they don’t know your manufacturing or distribution sector, they won’t understand how to leverage software features to improve your company.
Chapter 3: Plan for Continuous Improvement

Upgrades and Improvements
We’re all familiar with the routine upgrades, added features and improved efficiencies software publishers rigorously release. We often find that businesses, overwhelmed by the constant new products and upgrades, wait until they realize a project can significantly impact the bottom line before they make any project arrangements or process improvements. Unfortunately, this usually only occurs after multiple components of an ERP, CRM or other areas of the ecosystem become outdated or disparate.

As we’ve already established, waiting until you absolutely need a change may seem like the best way to extract value from the software you currently have; however, it minimizes it. An enterprise software project that drives more efficient, time-saving and innovative business outcomes can have a major impact on revenue, thus increasing the cost payback of the software. Utilizing an inefficient system leaves money on the table. The best way to ensure that your enterprise software is generating ROI in the future is to invest in continuous improvement procedures that allow you to identify when certain aspects of the software may be holding the business back.

Global and Multi-Company Support
A successful business isn’t static. As enterprises develop, they expand across the nation and, now more than ever, across the globe. A rigid system might suit your small, local business, but it won’t support collaboration and robust management as you grow. That’s why you should have your sights set on a flexible, scalable solution with global and multi-company support from the start of your software journey. Find a solution with features that enable comprehensive monitoring of multiple sites. Envision your business going global? Seek out features that support global compliance as well as multi-currency and multi-lingual management. If you can’t swing for these features just yet, find a solution flexible enough to enable you to include them in the future.

Keep in mind that managing a global and/or multi-company enterprise requires a delicate balance. Though you must have access into offshore processes and shortcomings, this visibility can’t come at the cost of security. As you implement your software instance, ensure that your solution enables you to define user security and access rights throughout the organization to keep critical data safe.

ERP and CRM Integrations
The majority of businesses today desire to better understand how to manage ever-changing, rapidly growing data. All industries are in search of a way to turn business data into comprehensible reports and tables that drive smart decision-making. As our anchor deepens in the trenches of big data, standalone business software is failing to capture the significance of business data we have come to expect it to. Yet, as more businesses shift software to perform in the cloud, an emerging trend is seemingly more complacent among these first adopters. It is a proven approach to both data management and wholesome reporting. Enter the age of a connected enterprise.

The vision of a connected enterprise occupied the forefront of modern business projects. It is an idea that summarizes the practice of integrating digital systems (usually software) into a single data hub that can provide the organization with a universal source of data truth. Ideally, integrated software is the cornerstone of qualifying and quantifying data from every department into a single system. Having a
connected enterprise allows businesses to strategically save time and money, mitigate risk and uncover new opportunities.

Unfortunately, many businesses that already have investments in separate software instances believe a connected enterprise is unachievable. Yet, without implementing a shared data solution into the business, resources and capacity will inevitably go underutilized and capital spending will often go to waste.
Conclusion

Your final enterprise software ecosystem greatly depends on how much influence your business has on its end operation and use. We find in our implementations that the most important thing we do is empowering the client to take full ownership of the system. In fact, if there’s anything you should take away from this e-book, it’s that organizations that deeply consider their desired business outcomes, necessary processes and key metrics will be the ones that are most likely headed towards a successful implementation. Taking ownership of the system extends beyond planning your project. It deals with how an organization handles change and continually improves their system and processes.

Just like almost everything in business, organizations will get out what they put in to these projects, and since enterprise software is playing a more critical role in business growth every year, companies would be wise to dedicate significant resources and time towards ensuring their system is constructed properly. A poorly configured system, or outdated system, can cost companies more than just revenue. Taking a hardline, serious approach to how these projects are managed is critical.

At the end of the day, mitigating enterprise project risk is not overly complex. It simply requires dedication and organizational concentration. Most issues we see are directly related to a lack of focus or a haphazard approach to implementation. By equipping yourself with the information above, your organization should be well positioned to maximize the software investments that your company chooses to make.

Contact Datix

Ready to ditch your legacy system and implement a state-of-the-art ERP or CRM instance? Contact Datix’s enterprise software experts to learn more about our robust solutions, and start planning your software project!

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