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# DRIVING CHANGE: WHO'S RESPONSIBLE FOR YOUR ERP?



Who should look after an ERP project?



# At a glance

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Manufacturers may have traditionally been the stomping ground of pen and paper but, now, most know at least some of the benefits of using solutions like (ERP) Enterprise Resource Planning to streamline their back-office functions and modernise operations.

However, there are often sticking points in bringing that to fruition. Decision-makers might need to be persuaded, and old ways of working need to be left behind.

Then there's the implementation of the system itself. Who takes charge of the project? Who takes ownership of it long-term? Is it best left to one person to take control for the whole organisation, or does it need a more collaborative approach?

This guide explains how your business can prepare for adopting, maintaining and using your first ERP system.

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# The engine room of your manufacturing business

Part One

## The power of ERP

ERP is one of the largest and most steadily growing markets in the software industry, more than doubling in the past decade.

However small the operation, manufacturing remains a complex operation because of the number of processes involved.

This means that ERP systems for manufacturers must handle the broadest range of functional use cases, and be able to both collect data from and streamline processes that are unique to industrial companies.

Every single part of your business's inner workings can rely on an ERP system, which makes its effectiveness critical to the company's successful fulfilment of orders, capacity, growth and profitability.



Who's responsible for your ERP?





## How an ERP system might work throughout an order process for a manufacturer:

- Processing the sale; logging customer service records; and updating notes for customer relationship management (CRM).
- Processing a quotation and management of the order.
- Configuring the product; producing a bill of materials (BOM); and creating routings, depending on the nature of the order.
- Using integrated computer-aided design (CAD) functionality to create or adapt a product.
- Managing the product's lifecycle (PLM) and leveraging that data for continuous product improvement.
- Managing the inventory and stock of components.
- Managing materials (MRP) and logging materials and components as they come in and are used in real-time.
- Managing relationships with suppliers and purchasing, dependent on levels of stock in the inventory.
- Planning demand, including forecasting how customer trends are likely to be affected in the near future, and how to adapt the inventory to cope.
- Mapping the capacity of the business against these forecasts, with advanced planning and scheduling (APS).
- Managing the shop floor operations and employees for the actual production.
- Logging and managing the quality and traceability of products.
- Managing field service resources, including processing and logging installation or work on a client's premises.
- Managing human resources, including time and attendance.
- Managing accounts payable and receivable.
- Automating financial reporting, either for the month end or on demand.



# The importance of ownership

A common issue appears when several people within a business recognise a problem with their current, outdated way of working. They know enough about different systems to identify that implementing one would alleviate or solve those problems, but who should take the lead?

This stalemate can remain after the senior management have been persuaded of the case for a new system.

**"Who conducts the research into the best provider?"**

**"Who narrows it down and chooses the final one?"**

**"Then, after that, who manages its implementation?"**

**"Is it purely the IT department, or the wider team?"**

When this situation arises, it can stall the process for months. Meanwhile, the problems affecting the business drag on. This eats into profitability, working capacity, employee satisfaction and even staff retention.

In order to prevent these issues from arising, businesses must prioritise finding someone to champion the project...



# Finding your ERP champion

Depending on who you ask, different people in the business want different outcomes from an ERP system. Their skills and interests will sometimes compete, so it can be tricky to determine who is best to champion the project and drive it forward. The key attributes and skills that a person needs for the project to be successful are:

- 1 Respect from across the business**  
to take employees with them, and not be thought to impose ERP on them
- 2 Good communication skills**  
to ensure regular updates are given to employees about progress
- 3 Understanding of other departments**  
and an eagerness to listen and learn about challenges in all areas of the business
- 4 Project management skills**  
to make sure that the project doesn't stall, before or during implementation, causing costs to spiral
- 5 The ear of senior management**  
to gain and maintain their buy-in of the project, and trust in its worthiness



# Production manager

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The production manager, as the one most likely feeling the pain of the current difficulties (or those on the horizon), will want a system that's simple and fast to use. They want to increase their team's efficiency and thereby boost capacity.

## Pros and cons of this person running the project:

### Pros

Has the most in-depth knowledge of the manufacturing process.

Understands the timings needed for materials and inventory.

Knows the capacity, skills and strengths of the manufacturing team.

### Cons

Might struggle to understand the far-reaching potential applications of ERP.

Probably less comfortable with IT than others in the business.

Less aware of what other team members need.

### If this person was to manage the ERP project:

It's likely the system would end up being geared towards managing the production excellently, but may be underused in other areas of the business, such as accounting.

**“I know every detail of what it takes to make our product – something that others won't. This is a manufacturing company, after all. Although I'm not the best with computers.”**



# Senior manager

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A senior manager will want as much data as possible to be collected, to give better reporting. This is so that they can make better-informed decisions and give the company a more competitive trading future.

## Pros and cons of this person running the project:

### Pros

Has an overall view of each part of the business's activities.

Understands the importance of collecting, and analysing data.

Almost automatic buy-in at board level.

### Cons

Has only a very brief overview of what each team member does.

Might give the sense that the system is being imposed upon them.

Might be too influenced by competitors' approaches.

### If this person was to manage the ERP project:

The implementation would be pushed along at a good pace and would be optimised for collecting data for the best decision-making. However, their approach might be more inflexible because of their authority causing a reluctance of honest feedback from those likely to use the system.

**“A key business purpose of an ERP is to gather data so we can make better decisions, and I’ll make sure the project keeps going because I can keep the board on our side. Our employees know they can tell me about their problems... don’t they?”**





# Procurement manager

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A procurement manager might – however stereotypically – be keen for whatever system is used to be as cheap as possible. Of course, that’s a very short-term view, but it will be the financial director who is more concerned with the long-term benefits that can be realised from ERP.

## Pros and cons of this person running the project:

### Pros

Expert at making sure the project stays in budget.

Will have established contact with several team members.

Will source suppliers and shortlist them in a professional way.

### Cons

Focused on short-term cost rather than a long-term investment.

May push for the cheapest system even if it's not the right fit.

Once implementation is completed, they may feel their involvement is done.

### If this person was to manage the ERP project:

The project would likely be implemented quickly, and their professionalism and regular contact with others in the business would stand them in good stead. However, the metrics against which their job is measured may encourage them to simply seek the least expensive system.

“I deal with almost everyone in the business, and getting good deals with our suppliers is my job. It really must be for the best price though, because that reflects best on me. After all, cost efficiency is best for the business, isn’t it?”



# Digital consultant

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Many businesses go down the route of hiring digital transformation consultants to advise on the best ways in how to take their first steps with ERP. These people are familiar with comparing and selecting IT providers.

## Pros and cons of this person running the project:

### Pros

Expert understanding of the digital landscape and the technology available.

Experienced in helping businesses understand how to update their processes.

Will use a thorough pitch procedure to decide between systems.

### Cons

Will possibly be tempted to adopt a 'one size fits all' approach.

Won't necessarily understand the unique aspects of your business.

May look to maximise their time on the project and involve their colleagues.

### If this person was to manage the ERP project:

The ERP you end up with should certainly be a perfect fit, but a consultant's lack of knowledge about the particulars of your business means that a process they have successfully implemented at a similar business might not necessarily work best for yours.

**"I work with many mid-sized manufacturers, helping them modernise their businesses, and they're often very similar. They are not as unique as they think they are."**



# IT manager

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Your IT manager may well be the most familiar with the limits of your business's current computer systems, but that doesn't always mean they're familiar with different ERP systems. Because ERP is used by every department, the IT manager can't be expected to know the intricate details of what the system needs to be able to do for everyone.

## Pros and cons of this person running the project:

### Pros

Has an overall view of each part of the business's activities.

Has an overall view of each part of the business's data structure.

Most familiar with the limits of your current technology.

### Cons

Has an overview of each department, but only at the highest level.

May not have as much 'clout' or influence as other functions in the business.

### If this person was to manage the ERP project:

Implementation will run smoothly because of the department's familiarity with the resources available. However, because that familiarity doesn't extend to the specifics of other departments' roles, attention may not be paid to making the system as effective as it could be for other roles.

**"I know the limits of the systems we already have in the business. Even though I'm not an expert in the specifics of what each and every person does, I can make sure it works smoothly enough for the whole."**



# How should it be split?

It's a good idea for the **IT team or manager to lead the search for and evaluation of a new system** (perhaps with support from the procurement manager). These two roles will leverage their broad knowledge of your business and project management skills to build a thorough, objective, and structured procedure.

But **they cannot own the project alone**. It is well-known that large projects without executive sponsorship will fail. Even more importantly, **those leading the system search and evaluation should always be in dialogue with any decision-makers**.

If your business has multiple departments **a project lead** from each team should be nominated – someone who will likely become a power user of the system, and who can knowledgeably describe the department's business processes and where they are lacking.

For example, the finance department may need to test accounting features. Sales managers might need to make sure that all the statistics needed to monitor orders are available, such as sales per person, sectors or types of customer, types of product, return figures and customer relationship statistics.

Inventory managers may wish to ensure that the system gives enough granular detail and tracking of stock is fast and reliable enough.

**All the involved parties should be confident that an ERP system will work for them, or has the capacity to do so.**



# How should it be split?

Using a supplier with a **'software as a service'** (SaaS) model makes the system far easier to implement and comes with support. Its cloud-based nature also means it's easily updated with the latest security and functionality, which **absolves your IT manager of some of their typical responsibilities.**

The IT manager should also lead the practicalities of the implementation process but, like the search for a provider, this also needs to be a company-wide project. Senior members of the business **must set the parameters of what is needed and expected.**





# Timeframes of the project

While it takes time and resources to implement and manage an ERP system, it can be done incrementally so it delivers returns quickly.

A good provider should guide their client through every step of the process, supporting people and helping them to fully understand the functionality.

Vendor support and training is critical to your business realising the full potential of what the system can offer, so that it allows you to drive growth and efficiency forward, rather than becoming a white elephant.

01  
DAY

## Week one tasks

Receive and approve your project plan. Meet with your solution consultant to define scope & goals of your project.

## Kickoff

Meet with your ERP provider to establish the project timeline, identifying available resources & core challenges.

01  
WEEK

## Week two tasks

Take relevant courses on the core functions of the system. Meet with your consultant to map out your data import.

02  
WEEK



## Part Four

### Week three tasks

Take courses on the advanced functions of the system. Meet with your solution consultant to discuss your progress.

03  
WEEK

### Week four tasks

Invite lead system users to relevant courses. Meet with your consultant to develop a plan for testing and rollout.

04  
WEEK

### Week five tasks

Conduct testing and final system tweaks. Meet with your consultant to discuss achieved goals and view on next steps.

05  
WEEK

40  
DAY

### Onboarding

Go live with the system and celebrate! Begin your first experience with ERP.



# Conclusion

Part Five

In modern business, information is key – regardless of your sector or market. That includes how your business performs, whether you're getting the best from your suppliers and doing the most profitable work for your customers.

The more knowledge you have, the better you're able to manage how your business performs and operates, and tailor how it does so to meet your goals.

A cloud-based ERP solution is the most important tool to modernise your organisation and manage it to be competitive in today's world of manufacturing. The sooner a small business adopts the right ERP, the sooner that organisation improves its competitiveness.

Remember: it's important to have the full support of senior management in the project. The IT department may be the ones to manage the structure of the project, but that project must have dedicated involvement from every area of the business, and senior management needs to make it clear that everyone involved must work together to get it implemented.

**Who's responsible for your ERP? Everyone is.**



