Date Posted: 10/13/2007

Implementing Accounting Software On Time, On Task And On Budget

By Rebecca Gill

When implementing new business software, implementing on time and on budget is not by chance. As with any project plan, a detailed and methodical process must commence to insure success. A plan for implementing new enterprise software is no different than any major project being undertaken by a corporation. It requires a significant investment of time and resources, requires the involvement of virtually the entire organization, as well as a considerable amount of research, planning, and reevaluation along the way.

The best project is well thought out and fully researched. It is not limited to a budget and timeline, but focuses on tasks, owners, goals, and milestones. It begins at the time of software selection and goes well beyond go-live. And although most projects will stumble along the way, successful implementations that actually end on time and on budget are quite possible if managed properly.

Review Key Business Objects & Long-term Goals

The first step and probably one of the most overlooked steps, is to review key business objects and future organizational goals. Commonly new business software is driven by specific failures within the current system and thus focus heavily on these requirements. The new business software must be able to support not only existing user requirements, but also allow the growth and future direction of the organization as a whole.

Taking time to review long-term corporate goals will help provide the right balance to the over all project. It will insure the project is not heavily focused on one area of need or one specific department.

This concept is referred to as the top down approach because it starts with the executives of the organization and then flows down to the functional levels. Since this corporate direction is established at the executive level, the executive staff must be the starting place for defining project scope and building the system's requirements.

Establish a Team & Define a Leader

The need of acquiring new software is typically driven by a few, yet felt by the masses. Frequently a few over zealous employees take on the project and believe they can manage it themselves. Although this is always done with good intentions, it leaves the project open for unending delays due to resource constraints. A software implementation is more work then any one individual can manage. Even the most well intentioned type A individual will quickly realize implementations can be overwhelming if not managed with a solid set of resources.

To keep the implementation on target, a project manager should also be appointed and should be given the task of leading the team's efforts. It is important to maintain a single point of contact to form continuity to the project. As for the rest of the team, a well rounded team is best, with representatives spread across the organization and from multiple functional areas. Official team members need to be named and given the time to work on the project at hand. The project will take time, so a shifting of their non-critical assignments needs to occur so they can given the project the attention it requires.

A good team and a solid leader will help catapult the project to success, where a lack luster group will doom the project before it even starts.

Prepare a Project Plan, Meet, & Reevaluate Frequently

As with any project, a plan is critical. The project plan includes a definition of the project structure, project scope, and individual project phases and tasks.

Generally project communication and tracking of controls is accomplished in Gantt charts, PERT networks, and progress reports. These documents are tools the project team needs to fully understand the scope of the project, the project constraints, and be cognoscente of timing considerations as the project progresses.

On time implementations are based on projects running smoothly and individual tasks being completed as scheduled. Not even the best project team can plan for every condition they may incur, but they can manage problems more effectively if they meet frequently enough to review the progress, discuss changes, and reevaluate as issues arise.

The whole idea of project scope and a documented plan may seem very simplistic to those not familiar with the magnitude of this type of project. Companies tend to focus on problem areas and ignore the organization as a whole. All too often an implementation team will get well down the selection or even implementation path to find

they lack key requirements. They realize months into implementation that the warehouse or sales force lack necessary tools for success. And when they revisit their short list of suppliers or worse, their chosen software, they see it lacks solid functionality in the areas as CRM or WMS. They then place blame on the software, when in fact they never reviewed these areas thoroughly enough when defining the project scope.

Preparing a plan and making it a living document is the only way to keep the selection and implementation process on track.

Research & Prepare a Budget

One of the most common areas of frustration and delay is the project budget. Overeager project managers tend to underestimate the cost of software, hardware, and implementations just to get the project moving. Not only does this cause much angst among the executives, it many times stops the project flat. Budgetary mistakes and lack of funding put more projects on hold than virtually any other reason. And for the most part, this is completely due to lack of education, because the price of ERP software and related services shifts little from year to year.

Researching market prices for the right tier of software, knowing realistic implementation rates, and understanding hardware requirements will help keep both the accountants and stakeholders happy. There are a number of well established and independent websites that can help provide a clear understanding of realistic license costs, hardware requirements, and implementation rates. Or if needed, the team leader can interview a few software vendors to get an idea of pricing. Software developers and resellers will share guidance numbers very early on in the process. This helps qualify prospects as well as helps them insure the project leader is establishing a realistic budget.

Define Clear Requirements & Project Goals

Yes this is being reiterated again. Functional requirements and project goals need to be established early on and in very clear and specific terms. And by requirements definition, this does not mean “invoicing”. Almost all ERP packages can invoice, so very specific requirements need to be documented and communicated to the vendor in question. Does the organization have specialized needs for invoicing? Does the organization have issues with the current process, what are they, and what is the utopian process? Can the new package manage this flow or these unique requirements?

The requirements definition portion of the selection process is of vital importance to successfully purchasing, implementing, and utilizing the new software. The team can only select and implement the best software if it is aware of the business requirements driving the new software purchase.

All too often, a corporation enters into a software selection project, interviews suppliers, reviews the various suppliers’ software packages, and purchases the software without ever knowing the true needs of the organization’s users. These are the same corporations that later fault the software supplier for “selling them a bill of goods”. They companies are also many times the same organizations who never fully implement the software and once again find themselves in the selection process within a just few short years.

These companies have been “sold”, but have done so by their own doing. As with any product for sale, the software supplier will provide their software solution in the best possible light and generally in the manner to which they have become accustom. It is therefore, not the software supplier, but the selection team that is at fault. This may sound harsh, but over the years software vendors have experienced many cases where the selection team is unwilling to review their own functionality requirements and thus is incapable of truly determining the fit of various software packages. It is a very unnecessary and disappointing outcome for many software selection projects.

Select the Right Package

Select the right package for the right reasons. Do not accept glitzy PowerPoint presentations or slick salespeople. Dive into the software supplier’s organization, product, support team, and long-term objectives. Due the due diligence of reviewing full day demonstrations, checking references, and talking to key executives. Document everything. After reviewing multiple demonstrations, the systems tend to meld together into one large mess. The team needs to clearly evaluate and document each presentation, meeting, or customer visit. This will be well worth the time in the end.

Buying software is like entering into lengthy partnership. For better or worse, this relationship will last for years. The relationship needs to have a solid foundation. Much like marriage, aligning ethics, desires, and goals are the best method for finding a suitable technology partner.

Testing, Testing, and More Testing

Now the time has come to really get into the heart of the implementation. Testing is futile without the right package, which is why so much time and effort is placed on the selection process. That being said, testing is absolutely critical for success.

Establishing and executing a comprehensive test plan with good test data is paramount for success. This test plan must address the core business processes used within the organization to prove that consistent and predictable results will occur when processes are executed in a production environment.

Some suppliers will provide sample test plans or they may be available for via online user community resources. Regardless of the plan’s origination, it must be updated with customer specifics requirements and mimic the actual workflow needed for day to day operations.

This test plan is a working and living document. It should not be archived once initial testing is complete. It should be updated for major business changes and given new life at each subsequent software upgrade. Flawless execution requires thorough and well thought out testing.

Data Migration

Successfully migrating data is much more than merely extracting and importing files. It is an ongoing process that should occur numerous times before actual go live.

It includes extracting pertinent data from the existing legacy systems, cleansing the data for any errors or inaccuracies, importing the data into the new ERP environment, and then verifying that the data came across correctly. Again, the word testing comes back into play.

Software vendors will assists their customers in successfully migrate legacy data through a series of iterative test migrations and data validation processes. Of course, this is not the software developer's data, so the team is ultimately responsible for making sure it is accurate and properly working within the new system. The software vendor can provide a means by which the data is imported and they can provide guidance on what has or has not worked in the past. The team is ultimately responsible for making sure the right data is migrated and that it works to the entire team's expectations.

Training the End Users & Technical Staff

Adequately training functional users and technical resources is timely and expensive. It is unavoidable. Without proper training, users will feel frustrated, confused, and will immediately have a negative reaction toward the new system. This will, without doubt, produce a failed implementation each and every time.

Permit the software developer or reseller train the core implementation team early on in the implementation process, midway through the implementation process, and right before going live with the system. End users should be trained shortly before go live, although certainly not at the last minute. There has to be enough time to run through multiple training sessions so each and every user is comfortable with the system. This will prevent unnecessary chaos and will help detect any unknown issues prior to actually launching the system in a real production environment.

Seek Outside Assistance if Needed

Third party, independent consultants can quickly turn a floundering team or project into an implementation powerhouse. Most companies only purchase and implement business software every five, ten, or fifteen years. They are not well verse on the subject and should not be due to the lag between projects. Technical consultants not only have the knowledge to execute a flawless launch, they also provide years of lessons learned that can be applied to future projects.

Most Software suppliers encourage consultant led projects. It provides a project focus otherwise not there and also helps provide an independent review of overall business practices and policies. A quality consultant will point of operational inefficiencies and will attempt to rectify blatant problems within the confines of the new infrastructure. And unlike in house employees, they objectively see both procedural and personnel issues and are more inclined to share them with the executive staff.

Take Control & Take Away Failure

Execute on time, on task, and on budget by controlling the entire project through conception through go live. Led by in house or through an outside professional, flawless executions of software implementations are possible. They do not happen by chance, on their own, or without effort. But they are certainly a reality if given the right team and project plan.