



How to prevent your ERP System from falling apart

We've heard the story many times. You acquire an ERP system, you go through the hard work of implementing it, go live and life is good. Everybody knows what to do and how to do it. The new system is definitely showing its value as things straighten out, you have access to reliable information, efficiencies are up, and profits are up as well.

Then time goes by and the system that once ran like a well-oiled machine is now being blamed as the root of all evil. You investigate and find some or all of the following:

- People don't like the software anymore.
- Staff are insisting that there are other outside systems would work better.
- You discover people using other systems while ignoring your ERP system altogether.
- Departments have reverted to using their own spreadsheets, disconnected from the system (thus denying data to everyone else).
- New personnel aren't trained to use the system and invent creative ways of entering data or working around the system.
- Information is being entered improperly or not at all, resulting in misleading analytics, lost data, late orders, inaccurate inventory, and emergencies.
- Customers who were once happy are now upset and looking to your competitors.

We even found one situation where a department manager had gone out and bought his own little scheduling system because he didn't know that the ERP system already had a scheduling engine!

Years after implementing your ERP system you have the same problems that the software was designed to handle in the first place – disparate systems, no communication between departments and various versions of the truth. Only now the system itself is blamed, which leaves as your only solution getting a new one. And the thought of that is more than a little daunting. So, you keep limping along until it becomes so bad you have to get a new system and the cycle repeats.

The real question is “How did this happen?” Here are a few of the factors involved when an ERP System is seen to be failing:

- Documents memorializing how the system should be used were never written during the implementation, so the proper use of the system only existed in the minds of the implementation team.

- Due to staff turnover, personnel who knew how to use the system are no longer available.
- The new personnel aren't trained on how the system was implemented and its proper use.
- Out of desperation to get their jobs done, the new personnel invented their own systems and procedures that seem to work on the surface but don't properly align with the needs of other departments and stakeholders.
- Lack of enforcement of proper procedures results in bad habits creeping in, even among the personnel who do know how to use the system.
- The business changed and along with it certain business processes changed, but these changes were not then integrated into the system.
- Proper data are not being **consistently** entered into the system or are incorrectly entered, and without someone to catch these errors, the output of the system became more and more invalid.

In a majority of cases, the system will still work just as beautifully as it did in the beginning. It just needs a tune-up.

Just like a new car won't continue to run if you don't change the oil or do tune-ups on a regular basis, your ERP system won't continue to run properly if you don't care for it.

When things have gone that badly off-the-rails you do need outside help. You could call the experts (LogicData) and have them sort out what needs to be done to get your ERP working again, re-do the training on the new guys, re-train the guys who have gone off on their own tangent, find and enter the missing data, correct the erroneous data, create the procedure documents and make it all run again.

We would be happy to do that. After all, our consultants love software, they understand just how it works, they can spot a problem at 20 paces at a dead run, and they are great at helping others understand and use our software. But what is to prevent it all from falling apart again?

You appoint and deploy an ERP Health Committee.

What is an ERP Health Committee?

Simply put, the ERP Health Committee is comprised of the original implementation team members who figured out how the ERP system should work in your company. They are the folks that went through the training and stepped through each process flow of the business, modeling it in the ERP system and working out the kinks. They know how each field should be populated and what steps are required for each process.

As your ERP system was implemented many things happened. Processes and procedures were streamlined and standardized. Decisions were made across the

enterprise regarding how things would be done, how to do a customer order, how to enter a new inventory item, who has to sign off on what and how this will go into the system.

As part of this implementation, the above procedures and decisions should have been documented, and the resulting documentation handed to new and existing users as their instruction manuals for use of the system. Perhaps in your case they were documented and just need to be dusted off and re-deployed.

Typically, the ERP Health Committee also includes one of our ERP consultants whose depth of knowledge in the software and manufacturing best practices can assist the committee going forward.

What does the ERP Health Committee do?

The ERP Health Committee meets regularly (at least once a month) and reviews how the software is working within your company. They address each department in turn and ask the following questions.

- Is the software supporting the business functions of the area?
- Do users have any questions about how to best use the software?
- Have any alterations crept in that need to be reverted to the standard procedure?
- Are there any new processes that need to be added to the system due to changes in the business?
- Are users complaining about specific aspects of the software that should be addressed with training, modifications, or alternative procedures?
- Are new employees trained using the procedures as written?
- Do any of the users need re-training?

These and similar questions are taken up and addressed. If there are new methodologies that need to be documented, the Health Committee can revamp the earlier documents or write up the new method and get everyone trained on it. In this way, the system remains relevant, up-to-date and utilized for the betterment of all.

If the idea of putting this all together on your own is a bit daunting, we have several ways to help you with this.

1. A Gap Analysis

A GAP Analysis is a review and assessment of the company's use of the ERP System to determine where there are gaps between how the system is being used and what the business needs to be successful.

An experienced LogicData consulting team conducts a formal review of your system utilization department by department, comparing your use to Best-In-Class to find the areas where improved system use would be of significant benefit to the company. This analysis can be done at any time and should be performed on a periodic basis.

2. An ERP Health Committee Consultant

One of our expert consultants can be scheduled to attend the meetings of the ERP Health Committee to provide advice and guidance.

Our Consultants are true experts on our software, and it's use in business environments. They are skilled in implementation as well as post-implementation system health. They can spot a problem or mis-utilization quickly and easily and give you the most efficient way to remedy them. Think of them as your partner in keeping your system running properly.

The companies with the most successful utilization and highest ROI with regard to their ERP Software are those who have an ERP Health Committee that keeps the system running at peak efficiency.

Contact us today to get the most from your ERP System.

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