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Once you *know* how...

SEVEN WAYS THAT BUSINESS PROCESS MANAGEMENT CAN IMPROVE YOUR ERP IMPLEMENTATION

CONTENTS

Introduction

ERP implementations, if not managed properly, often fail to meet customer expectations. According to a recent study from AIG Consulting, a major reason for this is that many organizations do not adequately define their business processes, which makes it impossible for implementations to meet organizational requirements. Successful implementations in 2014 require strategic, innovative implementation and deployment approaches that incorporate business process management (BPM).

BPM is a holistic approach to aligning and continuously improving an organization's business processes with the needs of clients and customers. It combines business productivity, innovation, flexibility, and integration with technology to enable organizations to become more efficient, more effective, and more capable of positive change than functionally focused, traditional hierarchical management would permit. In the BPM discipline, processes are an organization's strategic assets that must be understood, managed, and improved to deliver value-added products and services to clients. Technology tools available today can support and enable BPM, assisting companies to manage and control change and complexity in a strategic manner.

Our experience with business clients around the world, in a great variety of industries, leads us to consider BPM fundamental. Before approaching next-generation ERP and making deployment choices, businesses need to understand the optimal processes and practices for their organization. To achieve successful ERP implementations, companies need to use a solid business process model that is visible to and supported by all stakeholders. ERP implementations will then benefit from a structured set of requirements and processes that can translate into the solution.

The success of an implementation depends on the ability of a business and its technology provider to transform business processes into applications. Thus, business knowledge is critical for successful implementations, and process modeling, configuration, and mapping are important project components. The BPM approach remains relevant through the entire application lifecycle beyond the initial implementation.

Many effective and proven BPM tools are available today. The most advanced BPM software not only helps you deploy, manage, and benefit from an ERP system, it also highlights opportunities for better efficiency and productivity throughout your business activities. In our experience, some of the most valuable benefits of BPM

as an effective ERP implementation resource include the following:

| Reduce the risks of unmet expectations, cost overruns, and project delays.

| Ensure proper consideration of all stakeholders' needs.

| Incorporate a higher level of domain and industry expertise in your ERP deployment.

| Streamline knowledge transfer from key stakeholders and users to the implementation team.

| Include misunderstood or overlooked business processes and clarify business requirements.

| Define the scope and objectives of all milestones and sub-projects within an ERP implementation and manage them effectively.

| Meet critical business goals such as improving customer satisfaction, increasing revenue, simplifying your supply chain, or gaining visibility of your business.

In this paper, we discuss a few ways you can take advantage of BPM to enhance your ERP implementation and bring greater productivity to the entire business.

KEY BENEFITS

Simplify project management and make it more effective.

Establish clear ownership of processes and action items.

Set realistic, meaningful priorities and goals.

Effectively Manage the Scope of Your Implementation

Managing the scope is one of the keys to a successful ERP implementation. BPM is the ideal tool to facilitate effective project management. If you use BPM well, you can rely on it to help you track the progress of your project through all its milestones and phases, perform gap/fit analysis, and assign ownership to tasks. You can make detail and documentation regarding every aspect of the implementation process available centrally and in real time for all stakeholders. That provides great insight into who owns which processes and when each of them needs owners to take certain actions. BPM should work hand-in-hand with your implementation methodology to ensure that you stay on track and deliver an optimized solution within the planned timeline.

A good BPM tool can help you set priorities and clearly identify the project drivers that affect budget, deadlines, and feature delivery. You can use it to deconstruct deliverables into work requirements and to help set milestones and define critical paths through to project completion.

Take Full Advantage of Proven Best Practices and Standardization

Learning from the tens of thousands of implementations that preceded yours is smart. The workflows that are best for your company are likely to be a combination of standard processes that other companies in your industry also perform plus a set of processes that are unique to your organization. Consultants and ERP experts have captured and refined many de-facto standard best practices and successfully use them as industry templates within the best business process management tools.

Using these proven best industry practices not only ensures optimal efficiencies, it also accelerates your implementation. Instead of starting project phases from a blank page, you can use pre-defined templates created specifically for your industry to support and streamline your business processes with effective best practices. During business process mapping, you can use visual process flows to discuss which templated processes do not fit your business and need to be altered.

KEY BENEFITS

Strengthen your business based on industry-best practices.

Generate measurable savings and efficiencies, accelerating the ROI from ERP.

Reduce the cost and complexity of ERP implementation and management.

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One best practice we almost always recommend to clients is to use standard ERP functionality whenever you can. Adjusting your own business processes to match a best industry practice can deliver significant productivity and efficiency gains, so it is worth your while to evaluate established best practices closely. In the past, businesses and their consultants preferred to customize ERP capabilities to fit a company's business processes. However, this practice often resulted in organizations being riddled with outdated solutions, paying high maintenance and upgrade costs, and operating on outmoded processes. Today, the most effective route to produce a timely return on investment is to streamline your processes to follow industry-best practice and align to the ERP solution where possible.

Standardization for most companies entails a shorter time to market; lower upfront, training, and ongoing costs; and a more efficient and productive business. Unless there is a valid reason to modify the solution to fit your business, it is often more efficient and economical to adapt your business to fit your solution. Following the mapping of standard processes, gap/fit analysis becomes easy and your unique processes can receive your full attention.

Accelerate your progress toward strategic goals.

Make compliance more effective, reliable, and economical.

Align Process and ERP Behind Business Goals

Your ERP solution should accelerate your business strategy and serve to help you achieve your primary business objectives. BPM enables you to align your ERP solution with your business goals so that you can track the progress toward your objectives within your solution. Do you want to shorten your time to market, increase inventory turns, reduce supply chain costs, or enable employees to contribute more productively to the business? BPM can help you understand and initiate the actions to accomplish these goals and can then monitor your organization's actual performance. You can share the results with your leadership team in a visually compelling report and make timely adjustments to realign your ERP solution and the business.

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Compliance with regulations, industry standards, and quality initiatives is a special, highly strategic area where BPM can assist you in making use of the ERP solution to achieve your goals. You benefit from the extensive process definition and documentation capabilities that you already rely on to orient and train your ERP users. BPM-supported processes and documentation can simplify your compliance efforts and make your audits, inspections, even product recalls, more efficient and reliable. Compliance managers can enjoy single-click access to centrally stored process documentation in your collaboration or content management system. When you do not use BPM resources, you may often find that nobody has ownership of process documentation and updates to it. As a result, it is out of date, incomplete, or hard to find. That, in turn, can complicate your compliance efforts or expose you to the risk of faulty compliance and associated penalties.

Create Confidence In the Solution Fit Early On

KEY BENEFITS

Easily project and validate ERP system performance.

Ensure that your technology provider realizes your objectives.

Create stakeholder confidence and maintain buy-off from leadership.

Any ERP implementation project should begin with an analysis phase where you map and verify your new business processes in the solution. With BPM, you can efficiently map the high-level workflows and present to your company leadership relatively quickly the level of solution fit even at a very early stage. Within the first few weeks of your project, you can perform a complete, early visualization of the system, see how it is going to work, and determine how your organization's business processes fit into it. That gives you an opportunity to make adjustments early in the process with minimal impact on budgets and schedules.

When you use an effective software tool to incorporate BPM into your ERP project, technology provider and client can easily and verifiably work from the same assumptions and objectives, using the same frame of reference. They can identify and address any gaps and misalignments, and document their resolution in the project plan. This gives stakeholders great confidence that the final solution will meet the organization's business needs. Without BPM you may not have clear visibility of the new ERP system's performance until the pilot phase. At that time, project changes generally result in cost overruns and delays BPM can help you avoid.

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Achieve High Adoption Levels with an Outstanding User Experience

Once you have mapped out your business processes in the BPM tool, you can instantly, at the touch of a single button, generate all your online help and training documentation. Users thereby gain visibility of the business processes in an interactive, step-by-step format that fits their specific roles. For ERP users at every level, it is reassuring to know that all streamlined and documented business processes are available in a centralized resource.
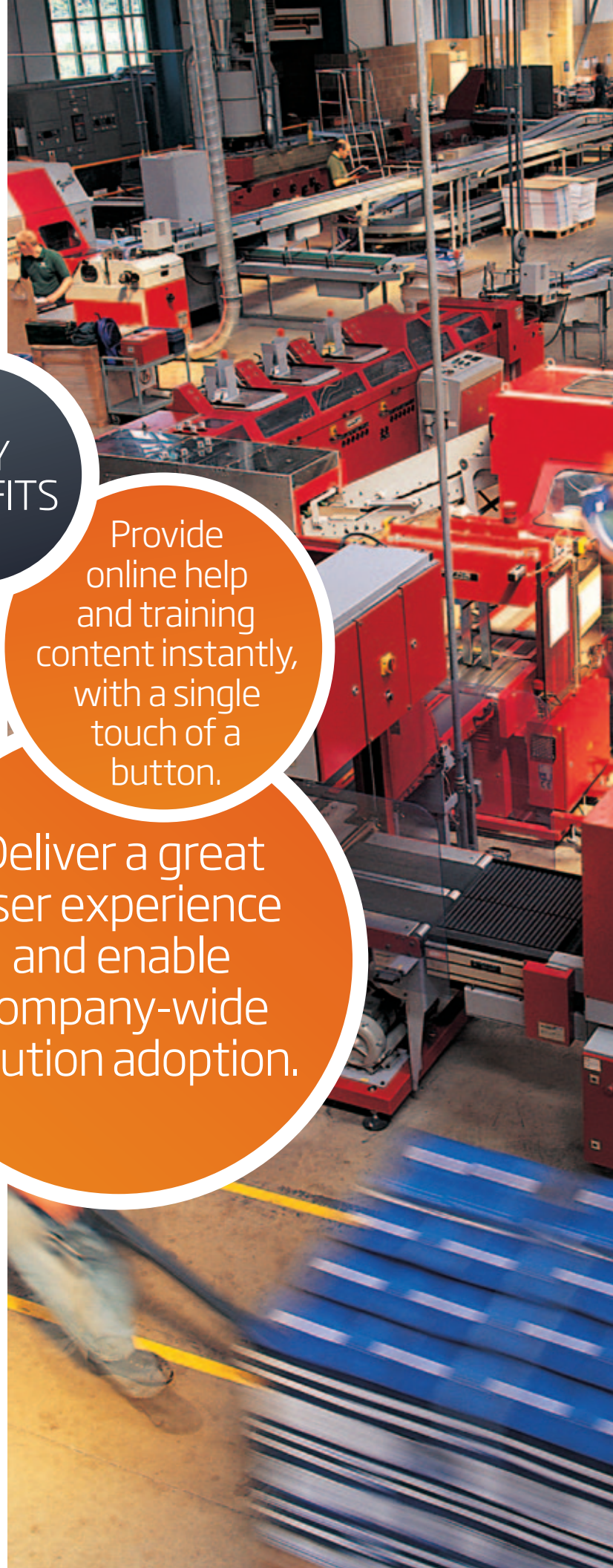
KEY BENEFITS

Provide online help and training content instantly, with a single touch of a button.

Deliver a great user experience and enable company-wide solution adoption.

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Online help and up-to-date documentation are beneficial both during the implementation and throughout the lifecycle of your ERP solution. They give users a context for their activities, help departments understand the responsibilities of other business group, and make it easier to achieve user buy-in and adoption because of a more complete understanding of the system. This documentation also provides the framework for the implementation training program. As an online resource, it can boost user adoption in the solution's early days, support the onboarding of new team members, and help you minimize the cost of support calls. When processes change, your BPM tool can help you update the documentation so that you always work with a completely current, online copy of all business processes that can include screen images and step-by-step guidance.

Thorough user acceptance testing also helps to realize a successful implementation. In user acceptance testing, you obtain confirmation from company employees and stakeholders that the new ERP system meets the requirements you defined collaboratively. BPM can promote user acceptance testing by guiding users with easy-to-follow instructions that extend to every process and function. After testing is complete, a report to company leadership and ERP stakeholders sets the stage for the final verification and sign-off on the new ERP solution. Without the firm structure BPM provides, testing can be unsatisfying for users and miss system issues that need to be addressed.

Extend BPM to the Supply Chain to Drive Further Efficiencies

BPM enables you to take a step away from the ERP implementation to take a thorough look at the larger business context and think about improvements you would like to bring about. Many business and ERP experts agree that the supply chain presents the largest opportunities for productivity gains and cost reductions. Business process mapping allows you to completely analyze and define all the processes at work in your business, beyond the functional aspects of your new ERP solution. You gain the ability

KEY BENEFITS

Bring greater economy and productivity to relationships and processes in your supply chain.

Empower logistics, warehouse, fulfillment, and other employee teams to drive company productivity.

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to drive efficiencies in all of your processes, including manual procedures, integrations to other applications, or process and system interfaces. In reviewing the supply chain with its many moving elements, you may find that process improvements can make a vast difference in the costs and effectiveness of shipping and receiving, logistics, fulfillment, or inventory and warehouse management. Relationships and interactions with customers, vendors, trading partners, and outsourced logistics and warehousing service providers may also see a positive impact from close scrutiny and innovative strategizing of the processes that affect them.

Strategically Manage Changes in the Business and Its Technology

Base growth on a solid process and technical foundation.

Maintain the strategic alignment of your ERP system.

Manage and master change for best business results.

The go-live date of an ERP implementation project is a major milestone in the life of an organization, and it is also part of a continuing journey. The majority of ERP implementations will go through a number of phases when companies add capabilities to the solution that are maybe not as business-critical as those implemented first, but are nonetheless highly valuable and greatly impact employees. BPM is a great help for managing these ERP lifecycle phases, because it enables you to document and streamline your processes and optimize the ERP solution's additional modules accordingly. The project scope documentation, online in your centralized collaboration utility, will give you full visibility of what is included in a project phase, who is responsible

for it, and which timelines it follows. Different employees and consultants may be in charge of these subsequent implementation phases and ERP upgrades, so the process and scoping documents you created make a great framework for the team to work from.

All businesses, along with their goals and strategies, change over time. You may diversify into new markets, expand into new countries, or acquire other businesses. Within and outside of your ERP solution, the BPM approach will always ensure that you work with a clearly defined set of processes. Doing so will help you to manage business changes effectively, keep the business running efficiently, and ensure the support and satisfaction of company leadership and business groups.

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ERP IN 2014 AND BEYOND

Your Best-Practice Check List:

☐ Review available BPM tools and their fit with your needs and business model.

☐ Ensure that the BPM tool works well with your collaboration software and content management system.

☐ Verify which BPM tool best supports the methodology at work in your ERP project.

☐ Use business process mapping to establish and communicate the solution fit.

☐ Perform a system performance projection and visualization as early as you can.

☐ Use the BPM tool to create and publish online help and training content.

☐ Incorporate BPM-enhanced processes and documentation in regulatory and standards compliance.

☐ Perform thorough user acceptance testing guided by BPM.

☐ Incorporate proven best practices whenever they make sense for your business.

☐ Draw on BPM to align goals, strategy, and technology.

☐ Use BPM to generate valuable business benefits outside of ERP.

☐ Review supply chain processes for opportunities to achieve better cost control and productivity.

☐ Maintain BPM as the strategy to manage your ERP solution past go-live.

☐ Manage the evolution of the business with BPM as a strategic resource.

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Conclusion

I n 2014, some ERP implementations will fail because companies did not take the time to define their business processes and realize the proper alignment between strategy, processes, and technology. Also in 2014, because organizations followed a well-considered BPM approach and used effective tools in doing so, many other implementations will not only complete on time and within budget, but they will also help business achieve their goals faster and more efficiently. We hope you will consider BPM when it's time to plan your ERP implementation, identify productivity opportunities anywhere in your business, and manage changes down the road. A solid BPM tool can make proven, industry-best practices based on thousands of preceding deployments available to you. In collaboration with an experienced technology provider you can benefit from those experiences to optimize your processes and ERP solution for current and emerging business needs.

Navigate to www.columbusglobal.com to find out more about business process management, and to receive assistance with your implementation or other ERP projects.

You may also find the other papers in our *"ERP in 2014 and Beyond"* series helpful:

| Seven Ways To Avoid ERP Implementation Failure

| Seven Reasons To Consider ERP In The Cloud

| Seven Ways To Help Data Migration During Implementation

| Seven Ways to Optimize Your Existing ERP Solution

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About Columbus

Columbus is an industry-based consultancy and award-winning technology developer focused on the manufacturing, food processing, and retail industries. We are the preferred consultancy for ambitious companies wanting to streamline business processes, improve operational efficiencies, reduce costs, and improve visibility into their businesses.

Our approach to solving our clients' issues can best be described as proactive. We challenge our clients' traditional ways of thinking, help them see new opportunities for improvements, and take responsibility to drive change in their organizations. We've delivered these business benefits for over 25 years to many of the leading companies worldwide.

Columbus RapidValue

Columbus is a long-time developer of award-winning industry software and has recently become well known for developing Columbus RapidValue. RapidValue is a business process management tool that drives increased client value for ERP solutions. It delivers a shorter implementation with more predictable results by incorporating hundreds of best industry practices accumulated through in over 6,000 Columbus implementations. This allows Columbus to focus on streamlining the processes that make our clients unique. Companies all over the world are investing in RapidValue and enjoy the benefits of shorter times to value, quicker and less risky implementations, and the industry leadership and knowledge acquired from the thousands of Columbus deployments that preceded theirs.

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ColumbusCare

ColumbusCare is unique to Columbus – it is how we take care of our clients, 24/7 worldwide. With ColumbusCare, you get a well-trained team dedicated to improve your system's efficiency, cost-effectiveness and risk resistance. Whether you're looking for enterprise-level support, upgrade options, or system enhancements, ColumbusCare provides flexible service levels to meet the needs of your business.
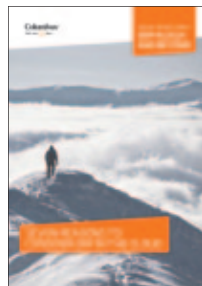
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