PEMECO CONSULTING

Make No Room for Failure: 7 Risks That Can Torpedo Your ERP Project and How to Avoid Them

For a CIO, embarking on an ERP project can be both exciting and nerve-wracking. A successful implementation can drive immense business value for the organization, but failure can have serious repercussions for the business and for the reputations and jobs of the people involved.

According to a *Harvard Business Review* study of 1,500 IT projects, one out of every six was a catastrophic failure or "black swan" with an average cost overrun of $167 million and an average schedule overrun of 70%.

To help you avoid an ERP project failure, Pemeco has identified 7 critical ERP implementation risks and how to manage them.

Risk #1:
Critical Stakeholders Reject or Avoid the Implementation

Leads to task avoidance, reduced commitment levels, insufficient collaboration, and worse, project sabotage.

Best Practice #1:
Implement a formal project governance structure and change management program.

Risk #2:
Lack of Stakeholder Input

Incites resistance to change or an incorrectly configured ERP project.

Best Practice #2:
Identify key stakeholder groups and plan for their continued engagement.

Risk #3:
Poorly Defined Specifications and Inadequate Change Control Procedures

Causes unclear project requirements and can cause scope, schedule, and budget creep.

Best Practice #3:
Enforce a formal planning process to clearly define the scope and change control processes.

Risk #4:
Unrealistic or Undefined Expectations

Creates unrealistic personnel commitment requirements and target outcomes, which can result in significant issues at cut-over.

Best Practice #4:
Draft and validate a formal project charter from the get-go to establish alignment and appropriate project expectations.

Risk #5:
Choosing the Wrong Consulting Partner

Can lead to poor solution design decisions and lack of trust.

Best Practice #5:
Assemble a consulting team that has robust operational knowledge and systems expertise, and is a strong cultural fit.

Risk #6:
Poor Communication

Can cause internal adoption issues, project resistance, and conflicts with impacted customers and vendors.

Best Practice #6:
Execute a detailed and well-written communication plan that actively engages key internal and external stakeholder groups.

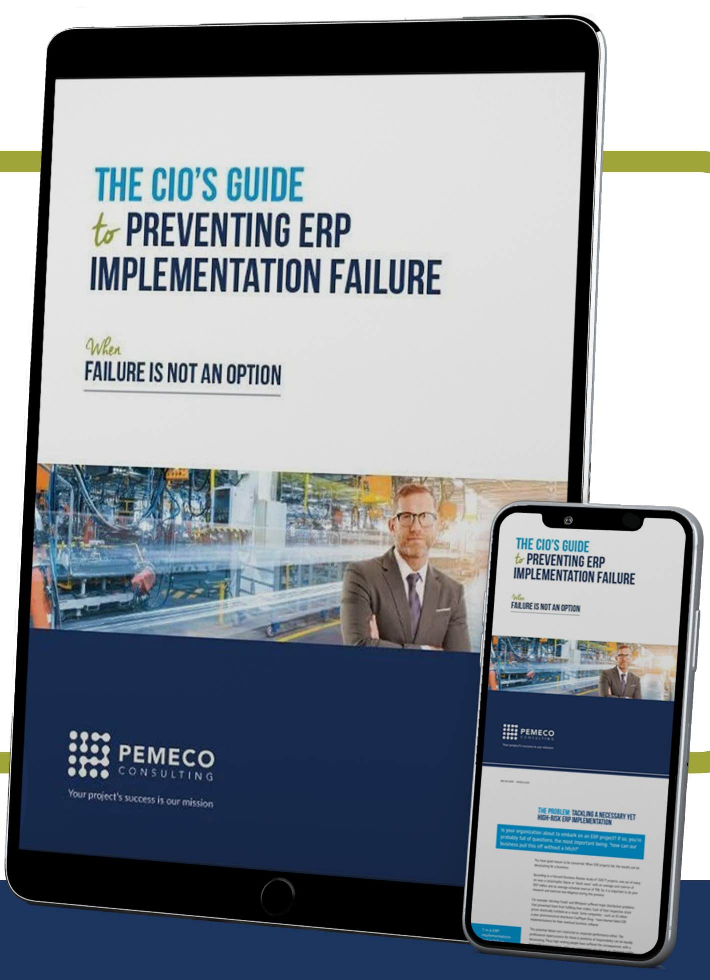
Risk #7:
Following an Unclear and Untested Implementation Methodology

Can result in a failed implementation because data is not properly migrated, processes are not well defined, the system is not properly tested, or users are not properly trained.

Best Practice #7:
Find and religiously follow a proven methodology that delivers consistently successful results across industries and systems.

These risks and industry best practices in implementing an ERP project are detailed in our full whitepaper, The CIOs Guide to Preventing ERP Implementation Failure. **Download your copy now.**

Learn more about Pemeco's ERP and digital transformation services when you visit our **website** or **contact us** today.



ABOUT PEMECO CONSULTING

Pemeco Consulting is a client-side consulting firm singularly focused on delivering successful ERP and digital transformation projects. Since 1978, Pemeco Consulting has delivered more than 700 major ERP implementation and transformation projects with a 100% success rate. As a full-service firm, we help clients select, implement, and optimize more than 140 different technology solutions. Our clients include Epson, Curtiss-Wright, KPMG, Tokyo Electron, Lucid Motors, Yamaha, the World Bank Group, and many more.

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