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An Epicor[®] White Paper



Planning for a Successful Move to Epicor ERP

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Introduction

Considering whether to move to the latest version of Epicor ERP is a very important business decision. Some companies routinely upgrade their Epicor system to keep up with the latest product feature sets, while others remain on the same version for years. Either way, companies will go through the same process when determining:

- the right time to make the move,
- preparing for the move once the decision is made, and
- best practices for a successful transition

This paper will cover these areas, providing ideas to consider and steps to take for a successful outcome.

Determining the Right Time to Move

Companies should consider both internal and external factors when determining the right time to make a move to the latest version of Epicor ERP.

External factors such as the economy, competitive environment, and customer requirements all play a critical role.

- **Economy:** During the recent economic downturn, many companies hunkered down, concentrated on core competencies, and did not want to risk any perceived big changes to their way of doing business. In many instances, job functions were consolidated and investments were scrutinized and/or put on hold.

Now that the economy is starting to show signs of growth, companies are pursuing changes accordingly. They are making investments that will fuel new growth and preparing now for how that growth will affect their business, customers, and employees. Thus it may be time to evaluate whether the new features and functionality found in the latest Epicor ERP version will assist in you obtaining this growth.

- **Competitive Environment:** Those businesses that were strong enough to survive the economic downturn have found themselves in a more competitive environment, where they need to be laser focused. There is little room for inefficiencies, straying from core competencies, or not providing customers with the highest level of satisfaction.
- **Customer Requirements:** Especially in the heightened competitive environment that many companies are facing, understanding key customer requirements is critical. With the ever-increasing number of industry-related certifications and specifications that businesses must uphold, servicing customers in a specific manner is becoming more important. Many companies that have to change how they do business to meet these new customer demands will rely on technology to assist them.

Internal factors also come into play in determining when to move to the latest version of Epicor ERP. To successfully take on a new ERP system, an organization needs to assess its corporate culture, which consists of the type of people it employs, including their personal values, skills, habits, etc.; and the way the organization works, including the business focus, decision making process, attitude towards its staff, stability, etc. Both feed off one another. It is very important to determine if the current culture can handle change at this point in time: if the change could have a negative effect, the company should also evaluate if the corporate culture itself needs adjustment.

Due to the rule-based nature of an ERP system, organizations need to become almost obsessed with detail. They need to have business practices that are adhered to, rather than just being documented once and forgotten. Employees also need to increase their focus on profit and how the whole organization is impacted by their work, because ERP makes profit far more measurable, down to the department, customer, and material levels. ERP requires employees to understand the “big picture” and how their individual areas have impact in places they may never have envisioned. Employees can no longer just leave a problem for the next employee in the process because it makes their job easier, as ERP is truly a shared environment.

Another dimension of the cultural change is the timeframe in which the change happens. It initially occurs over a few days during go-live, and moves the whole company to a more structured environment. As employees embrace this new culture, they will have a natural desire to learn more about the system, making ongoing education highly recommended. (see Training section below)

However, you should recognize that no matter how much preparation and training takes place, there will always be a few outliers who still do not feel ready for such a change. On the positive side, some people will take to the system like the proverbial “duck to water.” These employees may see early on the benefits of a better system, and were most likely frustrated with the one they were previously using. They will jump at the chance to make use of the new technology, and may be recruited to become “super users” who can train others and potentially even win over the outliers as the project moves forward.

Preparing for the Move

Once the decision is made to move, careful planning is critical to the overall project's success. The goal in updating your Epicor system is to improve how you do business more efficiently, with minimal disruptions during the transition. The first step is to determine what types of resources, both internal and external, that you will need to succeed.

Depending on the scope of the move, building a cross-functional team representing multiple areas of your business may be required. Creating new business processes, determining the necessary reporting, and identifying possible software customizations typically will require input from many areas of the organization. By building a cross-functional team, you will not only improve the likelihood that all areas of the business are addressed, but also help create buy-in that can drive the overall project's success. All cross-functional teams should include certain key organizational functions such as: project management, IT, and executive management.

- **Project Management:** This function manages a project based on the scope, available resources, budget, and key milestones. Very few organizations have the experience and bandwidth in-house to run such a complex project as implementing a large-scale integrated ERP solution. For companies that do not have these resources, it pays to partner with an implementation vendor that has dedicated project management resources that follow a proven methodology. When working with an implementation vendor, it is highly recommended that you follow a "stage-gate" process, with formal sign-offs at key milestones within the implementation methodology. This signifies that both the implementation partner and the company agree that the stage is complete and the project can continue to move forward. Implementation teams also require some type of repository or secure portal that all parties involved can use to access materials, status updates, and any other pertinent information relating to the project.
- **IT:** When implementing an ERP system, most companies are upgrading from older technology, and usually, a more established environment. Therefore, the IT staff's skills also need to be upgraded. Some key areas that the IT team will need to prepare for during the implementation include:
 - Understanding the hardware configuration in order to support good system performance
 - The ability to extract data from the legacy system for conversion to the new ERP system
 - Knowing how to download and apply patches and service packs
 - Developing best practices around maintaining a test environment for testing new releases, customizations, or program fixes

Usually, the effort this takes is underestimated, but by having IT representation on the cross-functional project team, a company can catch these items early. You have a couple of options for addressing these items: one is to invest in the necessary training to get these resources prepared for managing such a system. The other option is to participate in a Managed Service, where the ERP provider remotely manages and maintains the system on the company's behalf, leaving the internal IT resources available for more strategic initiatives. Either way, the effort required to build interfaces, change reports, customize the software and convert the data should not be discounted, and it is critical to have IT involved early in the planning stages.

- **Executive Management:** The executive management function serves as the project's cheerleader, referee, and coach. Implementation projects need senior executive involvement to ensure the right participation mix from the business and IT, and to resolve any internal conflicts. This buy-in needs to be consistent from day one and continue through go-live.

When evaluating a vendor as an external resource to assist in the process, pay close attention to how well they know your business and industry as well as the software. As an example, many times prior to an engagement, Epicor Consulting will conduct a "Planning" call to better understand your operations, processes and IT environment, and discuss timelines, project scope, existing customizations, and what you're looking to accomplish in your updated system. From this information, Epicor develops a specific plan tailored to your needs.

During the planning phase, the following factors should be evaluated:

- Changes in the business environment since your current Epicor platform was implemented
- Employee turnover
- Increasing operational complexity
- Existing waste, inefficiencies, and costs
- Lagging technology adoption
- Underutilized software functionality
- Aligning business strategy, processes, and IT

The result of this analysis is a clear picture of key opportunities and projects you can undertake that will rapidly deliver measurable business value, improve operations, and leverage your updated Epicor system.

Best Practices

There are a number of implementation best practices that are recommended when moving to the most current version of Epicor ERP. In addition to minimizing project risk, companies that follow industry best practices can significantly reduce the time required for tasks such as software configuration, process documentation, software testing and training. These best practices include:

- **Mapping Business Processes:** Upgrading to a new version of an ERP may require changes in existing business processes. As noted above, this could be because there is either a newer and better way to process in the new product version, or because the business has changed since the original project implementation. Companies must review their business processes before upgrading. This analysis may identify opportunities for process improvement and greater alignment of current processes with those provided by the new ERP system. Businesses that forego this step have a higher probability of a failed project in the long run. Visualization or mapping can be an effective way to ensure the most efficient processes are in place. There are a number of techniques and tools you can use to map business processes. For example, Epicor Consulting delivers best practice process models using the process mapping tool, XSOL InOrder. These models, based on the experience of implementing thousands of customers worldwide, graphically illustrate the processes supported by Epicor ERP.

- **Data Conversion:** Ensuring your data is properly managed during the move is critical to the success of the overall project. Having a consistent and automated process for converting data is highly recommended. For example, Epicor provides various tools that simplify extracting data from your current Epicor solution and importing into Epicor ERP.

For those customers on earlier versions of Epicor ERP or the latest 8.x version of Epicor Vista or Vantage, Epicor can move all of your current data into the new system. Some companies use an upgrade as an opportunity to “start fresh” by only upgrading static data files into the new version, allowing for changes in business processes due to company growth or increased software functionality

For those running iSolutions, iScala, or Enterprise platforms, Epicor Consulting will extract your data and format it, so it can be easily imported into Epicor ERP through a Data Management Tool (DMT). DMT enables you to import and validate data simultaneously as the data is imported through the application business logic into Epicor ERP, ensuring data integrity and optimal performance. This tool can be used beyond the initial data migration, for any large data imports you need to do into Epicor ERP.

- **Training:** End user adoption is essential in moving to Epicor ERP. If users are not leveraging the new features and functions to their fullest, you risk not getting the expected return on your investment. As previously noted, effective education programs are linked to the success of an overall ERP implementation. These programs not only train on “button pushing” (i.e., how to use the software), but also educate on reasons to use the software in a certain business situation or scenario. This allows users to apply logic to what they are doing, and in the long run, prevents mistakes and provides a sense of ownership (hopefully making them more productive).

It is well known that there are multiple learning styles with typical adult learners, from those who excel in a more structured environment (by sitting in a classroom and listening to an instructor), to those who need less structure but more hands-on activities (such as simulations) and may work better at their own pace. Combining education methods that touch on all of these styles improves the likelihood that each of your users will master the skills they need for your company to get the most out of your system.

It is also important to note that education programs don't stop upon go-live. It is natural to want to simply check off "training" on a software implementation process to-do list and consider it complete when everyone has gone through the initial training. But think about some of the software products you have learned over the years, where you were reasonably proficient after an initial formal or informal training session. Then consider how you have become better at using that software over the years, probably through trial and error. If there were ongoing education offered for that software as updates became available or as your business processes changed, you would probably be more proficient at a faster rate. And of course, when new employees join the organization, they have not had the advantage of the initial training programs. By having a blended education program available anytime there is a shift in staffing, the faster these employees can be brought up to speed.

Epicor University is an education program that addresses the issue of user adoption rates. This global organization offers a number of education options for Epicor ERP based on the typical learning styles of adult learners, to make sure that your project teams and users are adopting the software to its fullest, and that you are getting the best possible return on your investment.

The University offers traditional instructor-led courses that are located either at Epicor's training facility, your facility, or even virtually, where students join an instructor and class over the Internet. However students join the class, each course provides a knowledgeable instructor, access to a live Epicor ERP solution and real business data.

For those learners who have time constraints for instructor-led learning, or learn best on their own, the University also offers self-paced learning options. Epicor's Embedded Courses are hands-on courses that are launched right from the Epicor ERP software. This is a great way to keep your users engaged with the software and orient new employees joining your organization.

Leveraging Implementation Methodology: Depending on what Epicor version you are moving from, leveraging a sound implementation methodology based on others' experience will help ensure your move is on-time and on-budget. As previously noted, one key attribute of such a methodology is a stage-gate process, where the implementation team does not move to the next major project milestone until the previous step is completed to everyone's satisfaction. This helps eliminate re-work and delays later on in the project. The methodology also clearly states which steps need to be completed when, to ensure the most efficient implementation. A sound methodology includes a project plan and project management resources to ensure milestones are met and progress is tracked against the plan and accurately measures your project budget to actual.

Conclusion

Moving to the most up-to-date version of Epicor ERP is an option for your company at any time. Evaluating your current business needs compared to the updated features and functionality offered by the new software version is an important first step. You should take into consideration both external economic and competitive factors, as well as internal ones such as corporate culture and end user adoption, when determining whether to make the transition. Once the decision is made, building the right project team and initially identifying any new resulting business process(es) will help promote an efficient move to the new software version. Leveraging best practices in data conversion, training and process mapping, and having a sound plan and methodology in place will also help ensure a successful software implementation.

About Epicor

Epicor Software Corporation is a global leader delivering business software solutions to the manufacturing, distribution, retail, and service industries. With more than 40 years of experience, Epicor has more than 20,000 customers in over 150 countries. Epicor solutions enable companies to drive increased efficiency and improve profitability. With a history of innovation, industry expertise and passion for excellence, Epicor inspires customers to build lasting competitive advantage. Epicor provides the single point of accountability that local, regional, and global businesses demand. For more information, visit www.epicor.com.

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