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# **Enterprise Resource Planning (ERP) Project Success - Best Practices**

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## **2009 Standish Chaos Press Release on the Success of Technology Projects and Programs.**

**Boston, Massachusetts, April 23, 2009** - New Standish Group report shows more project failing and less successful projects.

The Standish Group's just-released report, "CHAOS Summary 2009," "This year's results show a marked decrease in project success rates, with 32% of all projects succeeding which are delivered on time, on budget, with required features and functions" says Jim Johnson, chairman of The Standish Group, "44% were challenged which are late, over budget, and/or with less than the required features and functions and 24% failed which are cancelled prior to completion or delivered and never used."

"These numbers represent a downtick in the success rates from the previous study, as well as a significant increase in the number of failures", says Jim Crear, Standish Group CIO, "They are low point in the last five study periods. This year's results represent the highest failure rate in over a decade"

In the "CHAOS Summary 2009" report The Standish Group has re-examined 10 the CHAOS Success Factors. Each Success factor is supported by one of the Laws of CHAOS. The Standish Group's "CHAOS Summary 2009" report is available free of charge to Standish Group subscribers. Non-subscribers may obtain copies directly from The Standish Group for \$99.00 per copy and the offer also includes Jim Johnson's book "My Life is Failure".

About The Standish Group International, Inc. Since 1985 The Standish Group, the leader in spotting future trends, has been helping end users and vendors of technology solutions prepare for the future. The Standish Group delivers fast, consistent and reliable IT advice built on a solid foundation of primary research. For further information on project studies and other trends, visit our website at: [www.standishgroup.com](http://www.standishgroup.com).

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(View Here: [http://www1.standishgroup.com/newsroom/chaos\\_2009.php](http://www1.standishgroup.com/newsroom/chaos_2009.php) )

Below is a Chart comparing project/program successes over the last ten years.


(Full Report: <http://www.claretyconsulting.com/it/comments/project-and-programme-failure-rates/2009-06-27/> )

Project Category	Project Description	2000 Results	2009 Results
Project Success	The project is completed on-time and on-budget, with all features and functions as initially specified	16.2%	32%
Project Challenged	The project is completed and operational but over-budget, over the time estimate, and offers fewer features and functions than originally specified	52.7%	44%
Project Impaired	The project is cancelled at some point during the development cycle	31.1%	24%

In reading an excerpt from CIO Magazine (shown below) it is apparent that there are some challenges in ERP projects/programs as well.

THU, JAN 8, 2009 15:39 EST

## ERP Implementation Success: Odds Are Stacked Against You



POSTED BY: **Thomas Wailgum** in News  
TOPIC: **Applications**  
BLOG: **Enterprise Software Unplugged**  
CURRENT RATING: ★★★★★ COMMENTS: 7

What if I told you that your next **enterprise software** project had only a 7 percent chance of coming in on time, would more than likely cost more than what you estimated, and would very likely deliver very unsatisfying results.

In addition, you have a little better than a 50 percent chance that users will want to and, indeed, actually *use* the application.

Read Full Article Below:

[http://advice.cio.com/thomas\\_wailgum/erp\\_implementation\\_success\\_odds\\_are\\_stacked\\_against\\_you](http://advice.cio.com/thomas_wailgum/erp_implementation_success_odds_are_stacked_against_you)

*This information is not being presented to “scare” you or deter you from looking into an ERP solution. This report has been compiled to provide Proven Successful Best Practices to help prevent your ERP Project/Program failure and ensure it’s success.*

# ERP Project Best Practices

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Successful large Scale ERP Projects and programs overcome the challenges of most project failures. **Best practices are essential to ensure success for large scale projects and programs. The following is an outline of successful best practices you can use to ensure your Enterprise Resource Planning (ERP) Project's success.**

1. First understand the business problem(s) and what an ERP implementation is going to improve. Create a business case and charter that are thorough and detailed with realistic estimates for costs. Ensure that senior management is involved and committed (without that the project is sure to become troubled and may fail).
2. Establish a Change and Configuration Control Process in the beginning of the project or program. Include a process to expedite critical changes.
  - Provides the process to address project and program changes
  - Provides the method to address scope; and in scope and out of scope changes
  - Provide formal control for the product/system throughout the product lifecycle
  - This is one of the main reasons that Configuration Management is not only an essential discipline and process to set up early but it also is key to begin the control for product/system life cycle development. (see <http://bit.ly/configurationmgt> )
3. Conduct assessments, as required, of the organization, business processes, infrastructure and network, etc. to understand where you are (as is) and where you expect to be (when implemented and operational)
4. Before the implementation project/ program; ensure all necessary reengineering is completed. You want to be sure that obsolete applications or business processes, inaccurate and incorrect information and data are not included in the final implementation.
5. Evaluate ERP packages and vendors based on thorough business requirements. Realizing this is a long term business relationship and partnership. Get what you need and ensure it can be scaled. Have a checklist of what you require and have the right expertise to evaluate even if you pay a consultant or company to lead the effort.
6. Before you attempt to implement an ERP project you must do a good job of defining business, (and also system and user), requirements). You use this information as a basic check list to evaluate and select the appropriate ERP solution. Ensure that the screen shots, interfaces, and features are what the organization and all business operations require.
7. You also want to ensure that other business processes, applications, and data are cleaned to insure inaccurate or incorrect information and data does not move into the conversion process. Remember that garbage in = garbage out.

8. Determine the scope and provide realistic estimates for plans, schedules and milestones, resources, and time frames and costs. This may seem obvious but often pressure from company management, customer expectations, etc. can cause a program/project manager and team leads to provide information and estimates that are not realistic in order to win a contract or satisfy management's budget expectations. Provide estimates that are realistic, (based on experience, history, etc.), and that have a minimum to maximum that the implementation can be achieved with.
9. Build teams that have a "core" with the appropriate skill sets, (hard/technical and soft), including customer/user representatives and Subject Matter Experts (SMEs). Ensure that other key stakeholders and third party representatives are actively involved. Create a resource backup and retention plan.
10. Performing system or application testing is essential when evaluating implementation. Ensure that a thorough verification and validation process is performed with all the key parties involved for acceptance based on previously identified and agreed upon success criteria. Perform system testing before implementation and after the ERP system is deployed.
11. Educate and train the organization's management and employees about the implementation and change for the environment. This must be a consistent and continuous communication. Also have a plan to train the "Trainer" to allow these employee-trainers to do internal training to supplement the training of the users and management. Training is required for not only using the system but for support.
12. Perform risk identification and management. Create a risk management plan (see this short risk management presentation: <http://bit.ly/riskmgvid> ). Use a system perspective that accounts for impact to technology, the organization, processes, and people. The implementation could be the first ERP implementation. This is a significant change to the organization, impacting other processes and applications, etc. Risk identification and management must continue from the beginning and throughout the project or program.
13. Create a Communication plan that addresses all levels (senior management on down to functional and department management, and the team(s)). A plan will include the required information for each level of communication, performance and status reporting, frequency, and content required. Senior management requires a higher level status information, content, and costs. Lower level management requires more content and a more detailed breakdown of cost and performance information.