

MRPeasy implementation guidelines



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It is known that many ERP implementation projects fail.

The classic “waterfall” approach does not work best, because it is expected that the whole system will be put into use immediately, practically overnight, with the expectation that it is going to work perfectly from the beginning.

When you implement a standard, out-of-the-box ERP software, you can use an agile method instead. You may start using the software from day one, proceeding to implement it step-by-step with the business-critical requirements first.

With cloud-based SaaS software, you have the keys to the kingdom. Read on to learn how to be successful in implementing a cloud-based ERP/MRP software.

The key aspects for successful implementation

The foundation for Success

The following two pillars lay the foundation for success:

1. Taking the lead and full responsibility for success.

No one outside of the company can steer or take ownership of the project and its results.

2. Understanding the reason(s) and goal.

It is important to clearly formulate reasons, stages, and goals:

- Why do we want to implement the software?
- For what purposes do we use the software?
- What are the measurable benefits that the software can bring?

It is important to avoid maximalism, and to distinguish the most important from the other less impactful requirements, so-called ‘nice-to-haves’, ‘shiny add-ons’, or even personal agendas.

To maintain better focus, define the key issues to solve.

What are the possible key issues?

- No clear inventory overviews
- Difficult and laborious to get information
- Difficult to estimate lead-times and costs for making quotations
- Difficult to schedule production and load machines
- Ineffective slow communication
- Reoccurring mistakes; things overlooked
- Stock outs, or excess inventory
- Regulatory demand for traceability and transparency
- Inventory valuation incorrect or missing.

What are possible primary goals?

- Accurate operation planning
- Accurate material planning
- Easier quoting
- Better communication and overview (including live production reporting)
- Real-time accurate inventory overview
- Automated stock balance calculation and product costing
- Meeting regulatory demand
- Enforcing quality
- Other ...

What are the Key Performance Indicators (KPI) to measure and improve?

- On-time delivery
- Customer satisfaction
- Lead time reduction
- Loading/Effectiveness increases
- Decreases in overheads
- Smaller inventory
- DIFOTIS.

Understand how KPIs affect the bottom line of your company, the revenue and its profits.

MRPeasy implementation project

The project takes place through five steps:

Stage I. Acceptance Testing

1. Choose the project manager/analyst
2. Prepare the test task
3. Perform the test task

Stage II. Implementation

4. Prepare the implementation plan
5. Fulfill the implementation plan

1. Appointing the project leader or software analyst

It is good to appoint a dedicated project manager and to allocate this person enough time to work on the project at this stage.

Alternatively, at this stage of acceptance testing, a software analyst could be appointed.

The project manager or software analyst should have relevant ERP system experience and a clear understanding of current business process. He/she should not be chosen from current office managers, assistants or interns, but instead from positions which are unrelated to production.

2. Preparing the test task

The following information is part of the test task:

1. A description of current processes and descriptions of what should be improved.
2. A list of procedures, by importance, and which should be supported by the software.
3. A simplified testing dataset.
4. Usage cases and scenarios to test, including expected outcomes.

What does a simplified testing dataset mean? It means to define as simple a dataset as possible to test the important requirements.

3. Performing the test task

As a result of performing the test task:

1. The company learns whether the program does what is required.
2. It's understood if it's easy to use.
3. The implementation difficulty can be estimated.
4. It is possible to weigh the costs and benefits.

Based on the result of the testing, the management decides whether the software is suitable for implementation.

4. Preparing the implementation plan

It is necessary to appoint a dedicated project manager at this stage, if he/she was not appointed earlier, to give him/her the power to lead the implementation project, and to allocate this person enough time to work on the project at the implementation stage.

All heads of departments that will use the system should be included in the implementation project team, plus the management, and the representatives of the company's board.

The project manager should have authority and relevant experience.

The implementation plan sets:

- The strategy for implementing the software.
- The date when the program usage begins.
- The timeframe of each implementation stage.
- The detailed description of each stage.
- The necessary preparatory activities.
- The circle of people who are involved in the implementation of the system.

The implementation plan must contain a list of activities assigned to specific people. For example:

Activity number	Description of the activity	Expected result of the activity	Executor	Deadline	Executor's consent
1	Analysis of requirements	Overview of the core issues that need solving	Person	Date 1	Signature
2	Preparation of test data	Test dataset and clear scenarios	Person	Date 2	Signature
3	Testing	Clear overview of software capabilities	Person	Date 3	Signature
4	Implementation planning	Detailed implementation plan	Person	Date 4	Signature
5	Data preparation	Seed data prepared	Person	Date 5	Signature
6	Implementing critical functions	Limited functions or departments implemented	Person	Date 6	Signature
7	Implementing other functions	All functions or departments implemented	Person	Date 7	Signature
8	Developing integrations and customizations	Integrations to accounting software; e-commerce	Person	Date 8	Signature
9	Performance review	Overview of realized benefits, project closed	Person	Date 9	Signature

5. Fulfilling the implementation plan

While the previous steps were necessary to plan the work, in this stage it is necessary to stay focused and put the plan in motion.

Here are some important tips:

Company size matters

Not every company is ready to implement an ERP/MRP system. This is most often true for micro-companies (up to 10 employees). Such companies may not have enough resources or the competence for an ERP/MRP system installation and operation.

Avoid micro-tasking

An ERP/MRP system solves major problems associated with manufacturing, so do not waste time and energy on tasks that look nice but have minor impact. Remember that focusing on micro-automation will lead to increased complexity within the implementation project. Set a limited number of major implementation project goals, which should be closely related to the business processes and problems that you want to solve. Goals should relate to the business, not to the automation itself.

Allocate enough resources

The ERP/MRP system implementation process should be a one-time task, but it is quite a big project, so allocate resources accordingly. Make sure that the project manager for the implementation process has enough time, resources, and is experienced in ERP/MRP software.

ERP implementation step by step

Depending on your company's size and structure, you can implement the system by module, by functionality, by production line, or by personnel.

Data classification

Think carefully about data classification and categorization. Name and code the stock items logically. Create logical product groups. Structure your workstations, the bills of materials, and the routings effectively. It is nearly impossible to change the data classification after you go live.

Keep testing and implementation separate

Have a clear understanding - are you testing? or are you implementing the ERP with real data? Using real data during the testing period will make the process over-complicated and will lengthen testing:

- Data should be simplified for initial functionality testing.
- More data points lengthen the testing phase exponentially.
- Test functions separately, and then together.
- Implementation should start from an empty sheet.
If real data is mixed with test data, then cleaning the database later might be problematic.

Customization is not the only way

It is practically impossible to find a standard ERP solution that would suit all your needs and align perfectly with your existing business processes and documents. In most cases, you must adapt or customize. Though customization might seem the simplest solution, in practice, adapting your business processes and documents could be more effective, and may deliver better results in the long run.

Keep future users informed about the goals and project schedule

There will be resistance because people's responsibilities will change, and new procedures will need to be taught.

Make sure that all users that will be interacting with the ERP system have a clear understanding of the implementation goals and schedule. This means that a general meeting should be held at the beginning of the implementation process, with periodic communication to follow up.

Users must be trained

Every person interacting with the ERP software should be aware of what everyone is doing. Usually, the first initially trained users pass the knowledge to others. Another option would be software vendor trainings.

Experience with ERP/MRP systems helps

The implementation project team leader should have prior experience with using and/or implementing ERP systems in your specific industry. If you don't have such a person, then it is a good idea to find a partner consulting company with such experience.

No rush – test, and test again

Test intensively prior to using an ERP system in production mode. It is much easier to fix errors and change procedures during the testing period, than during the stage where you are operating with real data.

Keep the old system working

It is better to use the old system in parallel with the new one for at least 1-2 months after having implemented the new ERP software. This helps to make sure that the new solution has been configured and is being used properly; for example, the reports in old and new systems are identical. Yes, this needs some double work. In case of any major issues with the new system, you will be able to roll back to the old one.

When migrating from old system, keep new system clean from old orders. Finalize them in your old system.

Migrate/enter in your new system:

- customers
- products
- vendors
- BOM
- routings
- stock levels.