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SECOND EDITION

# ENTERPRISE SYSTEMS FOR MANAGEMENT

## CHAPTER 7

### Operational and Postimplementation

# Learning Objectives

- Describe all the components to a successful “Go-live” and how to determine their readiness.
- Understand what is involved in stabilizing the system after “Go-live” and how to track and address problems and issues on a daily basis.
- Value the transition from developing a system to supporting it in a production environment.
- Understand the process of transferring knowledge to operational staff and the importance to the long-term system success.
- Realize the value of training before and after “Go-live.”

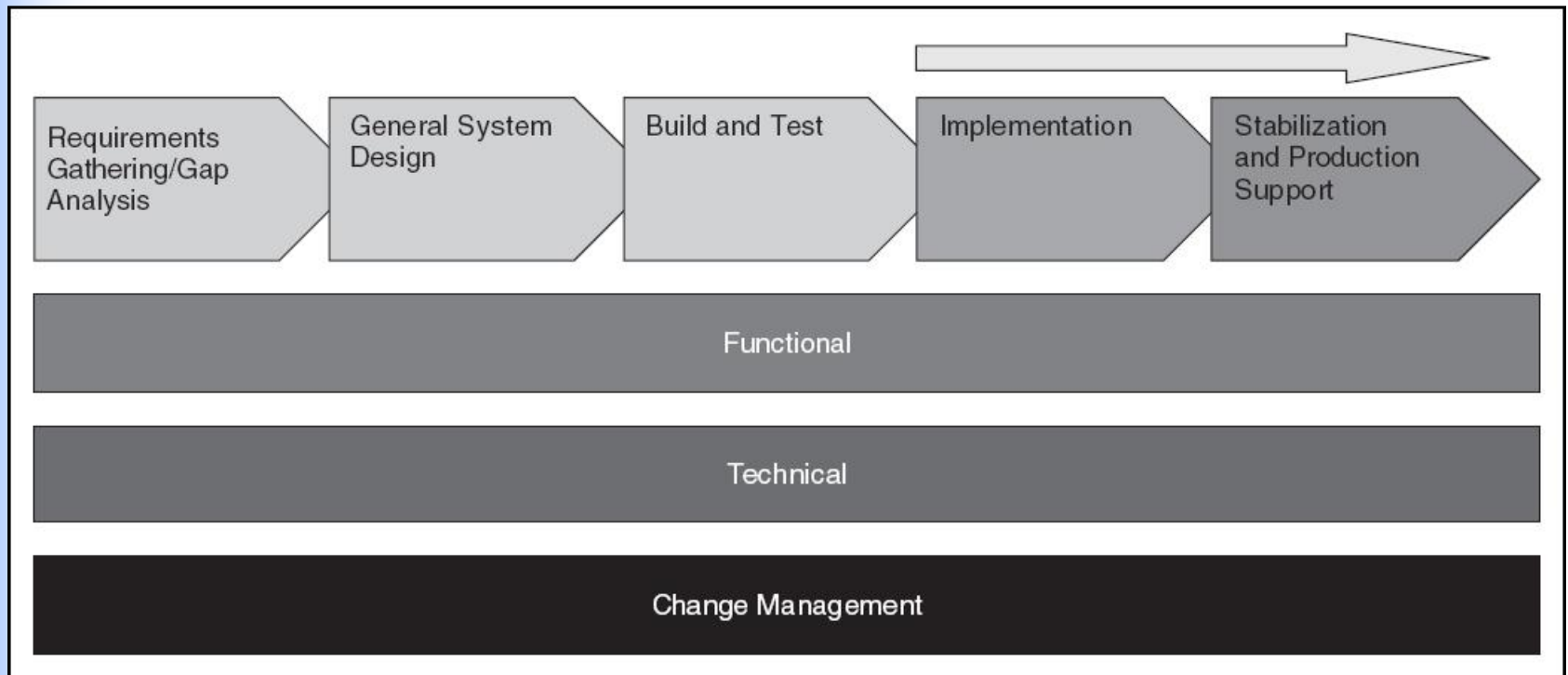
## Preview

- In assessing an ERP project's readiness for Go-live, planned tasks and activities must be completed to allow project management to address any outstanding issues that may jeopardize the Go-live date.
- Readiness process needs to include as many team members, appropriate users, and managers as possible.
- Much of the success of an implementation lies with the stabilization and post-production support processes.

## Preview (Cont'd)

- All resources should be focused on ensuring users understand how to use the system and that issues and problems are resolved as quickly as possible.
- Continual monitoring of implementation issues will provide a basis for moving from stabilization to postproduction support.
- Training also gears up during the readiness process and continues through stabilization and post-production support.

## Figure 7-1 Sample Project Methodology



## Go-Live Readiness

- An elaborate readiness checkpoint should be in place for Go-live to make sure steps are not missed.
- Infrastructure, development, configuration, conversion, testing, training, communications, operations, command central, reporting, and users must be assessed in the readiness process.
- Readiness reviews need to be documented and communicated to the project team and the company.
- A detailed report needs to be available, along with an executive summary for senior management.

## Go-Live Readiness (Cont'd)

- The Go-Live Readiness Review and Status Report is often a table that shows the status of each area at a glance, with the key activities that need to be completed agreed to before going live.
- The process for determining readiness consists of a series of meetings and discussions on the status of each area's tasks and activities.
- If the PMO sees a lot of RED items the first time through, it will help to focus the project teams on what needs to be accomplished in the time period between the assessment and Go-live .

# ERP Training

- Training must be provided to everyone that will be using the system, and should use real data and examples.
- If done correctly training will capture about 90 percent of what users will see on a daily basis.
- ERP training personnel could include trainers who work for the software vendor, third-party trainers that have specific experience in ERP systems.
- Developing a variety of ways to train will better ensure the effectiveness of training.
- Training needs to be endorsed by senior management early to ensure adequate funding.

# Stabilization

- The stabilization process begins when the ERP system software is in production, initial training is complete, and conversion of critical data is done.
- After the ERP system goes live, the organization will need to shift to stabilization process—60 to 90 days.
- IT staff will be monitoring the infrastructure for response times and ensure that back-ups are taken appropriately.
- Subject matter experts should be prepared to help many users from their departments operate the system in the correct way.

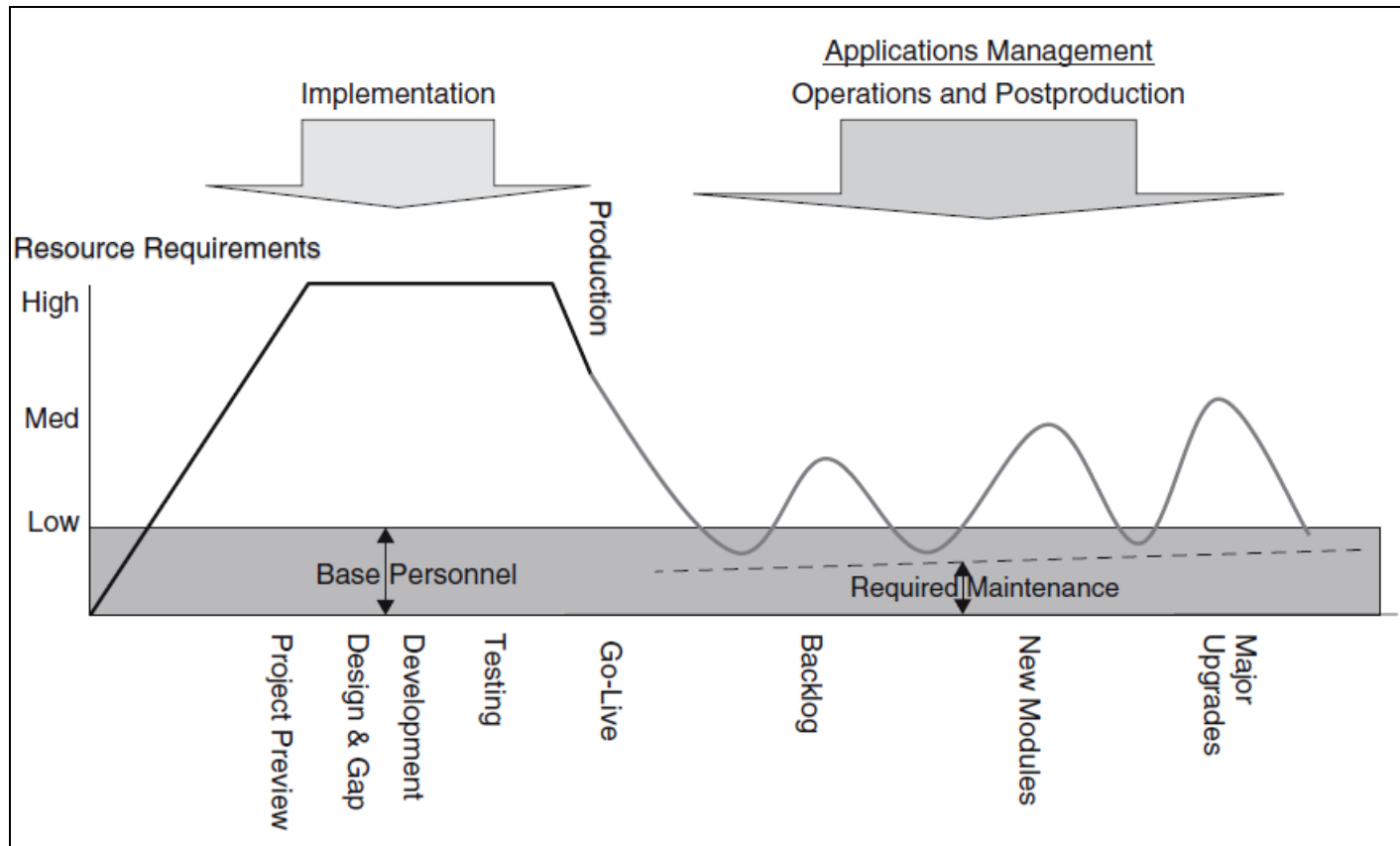
## Issues Arising During Stabilization

- Customizations add to the complexity if not documented and communicated well.
- Not being able to perform ad hoc activities, not because the system is unable, but more about learning how to accomplish the activity.
- Users make mistakes as they use the new process for the first time.
- In a parallel implementation approach, the ERP system is operated concurrently with the old legacy system, which is labor-intensive, confusing, and frustrating.
- Reconciliation has to be done between the new ERP system and the old legacy system to validate the inputs and outputs.

## **Postproduction Support**

- Managing the daily system operations and ensuring that the system is doing what it needs to do is really the purpose of post-production support.
- If the post-production process is inadequate, then the implementation may be considered a failure.
- Many of the risks associated with cutting over to the new ERP can be reduced by appropriate pre-Go-live and end-user training.
- Subject matter experts and core project team members should be used to provide general support to answer simple process and system questions.

## Figure 7-2 Product Life Cycle Chart



# Postimplementation Support

- Postimplementation support is generally divided into the following points:
  - Training
  - Go-Live Support
  - Data Validation
  - Data Correction
  - Patched and Fixes
  - New Features
- By clearly defining and communicating Go-live and the ongoing support processes, overall expectations will be better set to realize measurable business benefits and ROI from the ERP project.

# Knowledge Transfer

- There must be a well-defined process in place to transfer knowledge and skill to new or existing staff or team members during and after the implementation process.
- Project monitoring and tracking, collaboration and communication, subject matter expertise, and lesson-learned repository should be documented.
- A knowledge management plan should be in place to monitor the transition from one phase of the implementation to the other, which enables a smooth transfer of knowledge.

## Knowledge Transfer (Cont'd)

- A knowledge management plan will:
  - Ensure knowledge is retained.
  - Reduce the cost of support due to lower number of support calls.
  - Facilitate faster learning.
  - Better maximize the capabilities of the system.
  - Cut time in troubleshooting problems.
  - Ensure a correct use of the system.
- One centralized data repository can then be used to store documents which will eliminate confusion, duplication, and losing data.

## Implications for Management

- The closer an ERP implementation gets to its Go-live date the more project management must focus on the issues, tasks, and activities to identify the issues and help focus resources and efforts.
- To ensure a successful and sustainable ERP implementation, there must be a well thought-out and understood knowledge transfer process when consultants, implementation partner staff, full-time and part-time staff, and even end-users leave.

## Summary

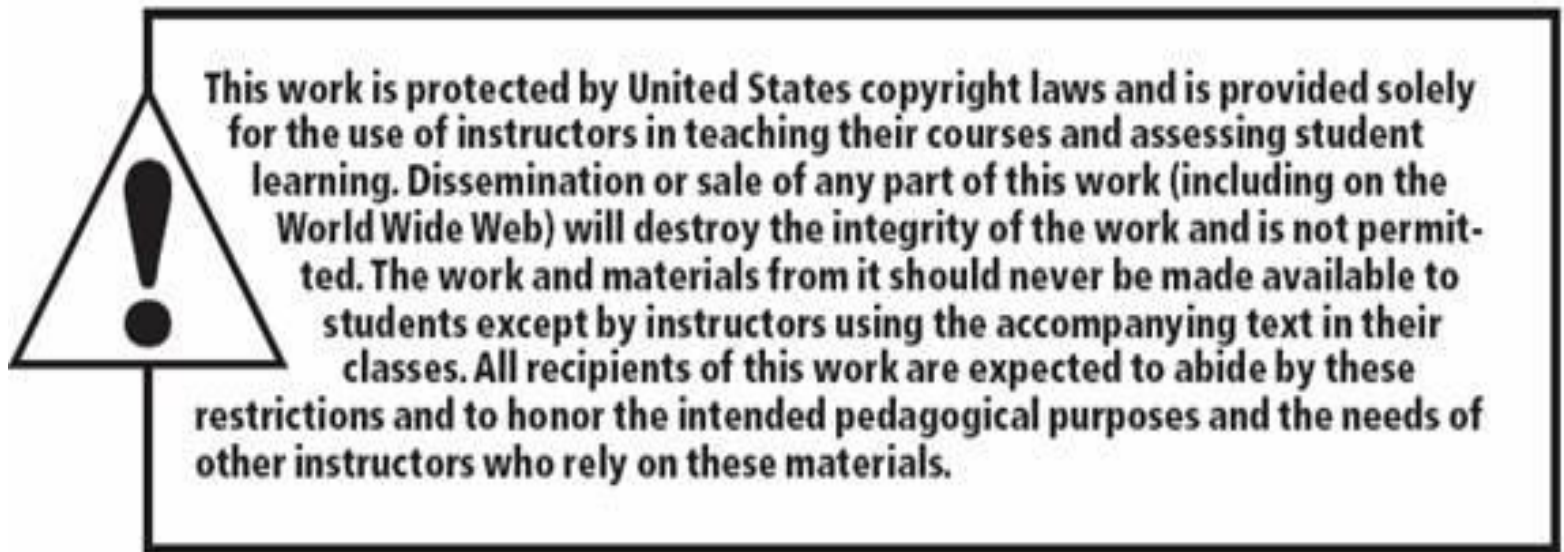
- Assessing readiness in an ERP implementation is critical to the overall implementation process. Without the readiness process in place, it will be difficult to meet the Go-live date with any assurance.
- For the readiness process, project managers need to focus on the high-priority tasks and activities and identify where workarounds are possible.
- Just-in-time and continual training is the mark of a good ERP implementation training plan.

## Summary (Cont'd)

- Stabilization is generally a 60 to 90 day period of time that takes place after Go-live depending on the number of issues that arise.
- Post production support helps the production staff, users, and information technology staff to know what to expect daily, weekly, monthly, and yearly from the system.
- A roll-on and roll-off process for consultants and staff is needed to ensure the long-term system sustainability in the Knowledge Transfer process.

## Review Questions

1. Why is the readiness process so important to an ERP implementation?
2. What project areas need to be assessed in a readiness process?
3. What is included (and not included) during the stabilization timeframe?
4. Why is the knowledge transfer important to the long-term stability of the ERP system?
5. What are the five areas addressed in postproduction support?



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