

Chapter VI

The Secret Success of a Global ERP Champion: Everything Changed and Nothing Happened

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ABSTRACT

The role of a global ERP champion is to guide a business through process transformation and ERP system implementation. A “change curve” model that depicts the “Valley of Despair” illustrates what a champion can expect and do to initiate new business processes, to address resistance to change, and to promote the advantages of a globally integrated system. The model, which anticipates a drop in business performance during the transition period, encourages change leaders to minimize time spent in the valley, to minimize the depth of the valley, and to maximize the slope of the value realization path out of the valley. A new perspective, drawn from experience, redefines a successful global ERP implementation in terms of a seamless transition to a new, integrated, efficient global system.

INTRODUCTION

The adoption and implementation of an enterprise resource planning (ERP) system requires change to the information system, to the way a business

is conducted, and to the people who must use the new system. Champions who lead the change effort understand that they play a key role in managing their business and their people. It is important that champions not only comprehend their role, but

also that they anticipate the impact that a global ERP system will have on their people as well as on their business and processes before, during, and after implementation. The success of an implementation can be evaluated in terms of the extent to which the business and users throughout the world were prepared for the change, the time required to roll out the changes across regions, and the “seamlessness” with which the business of the company continued after the new ERP system was in place.

The description and guide provided here is based on the implementation of a global ERP system throughout a multi-billion-dollar business. The focal organization comprised manufacturing locations in the United States, Europe, Asia, and South America, and included distribution channels across 115 countries. The global ERP system implemented included sales and distribution, materials management, production planning, quality management, plant maintenance, financial accounting, controlling, fixed assets management, project management, and workflow functions. In addition, the new ERP system was designed to provide enhanced global planning capabilities such as production planning, supply chain planning, and product demand planning. A data warehouse and new reporting tools were also included in the new ERP system.

In the process of preparing for and rolling out the new ERP system, almost everything about the way business was transacted and documented across the world within this organization changed. The following description of this global ERP implementation focuses on change management and presents a model, derived from a familiar “change curve,” that may help ERP change champions understand and communicate expectations throughout the implementation. Considerations regarding how to minimize negative “go-live” impact and how to speed up the value extraction from a multi-million-dollar ERP system investment are discussed. The real experience of leading a global ERP implementation revealed

many key success factors that may be overlooked in smaller-scale implementation projects or that are not typically recognized in the literature on implementation projects. Finally, suggestions about ways to create and celebrate the transition to a new global system are provided.

The details about the implementation case are derived from the experience and perspective of coauthor Bruce Olshan, who served as the global process manager of the business process improvement and integration effort for the large organization described above. The description includes several quotes by this business leader from an interview between the coauthors. The information and experiences provided by this global ERP champion were researched, interpreted, and framed within the change curve model by the authors.

BACKGROUND

A champion’s role is to educate other managers before, during, and after the implementation of an enterprise resource planning system. The goal is not to scare those who sponsor the effort or those who will participate in the implementation, but to help everyone develop a healthy respect for what is involved: change is involved. Further, change is not a negative consequence of implementing a global ERP system. Rather, change is a strategic decision needed for operational excellence, and a global ERP system enables the organization to achieve this excellence.

Top management needs to embrace and endorse the idea that the decision to purchase and implement a global ERP system is a strategic decision to change the business. This point is consistent with Holman’s (2003, p. 513) observation that “Change is a process, not an event.” The whole organization, which in a global context may seem enormous, must focus its attention on the change process and actively support new ways of doing business that will be developed during the ERP

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