GUIDE TO CHOOSING AN ERP IMPLEMENTATION PARTNER
Introduction

The choice of an ERP implementation partner is not one to be taken lightly. As we have seen far too frequently, the process of selecting and implementing an ERP system without the proper third-party guidance and support in place can bring a company to its knees. But organizations – and ERP projects – are frequently run by leaders who have little to no direct ERP implementation experience and have never contracted with either a third-party consultant, a systems integrator or a value-added reseller (VAR). This relative inexperience can create challenges from the beginning of the project as core teams and steering committees struggle to differentiate the proposals, terms and services offered by various players in the ERP market – all before the software has even been chosen!

Panorama’s Guide to Choosing an Implementation Partner was developed to cut through the confusion and offer a clear path for the evaluation of a third-party consultant, systems integrator or VAR. Panorama consultants have worked on well over 100 ERP implementations with nearly every type of business – and every type of partner – and have learned some key lessons along the way. Our experience with SAP, Oracle, Microsoft Dynamics, Epicor, Infor, NetSuite and nearly the entire Tier II market has proven to be a valuable resource to ERP project teams the world over, and it is our hope that your team benefits from it as well.

Technology Agnostics vs. Preferred Partners

With regards to choosing an ERP implementation partner, the first point of assessment should always be whether or not the firm is technology agnostic. Technology agnosticism means that the partner has no financial or philosophical ties to a particular ERP vendor or ERP software package. Thus, the only underlying benefit to the implementation partner is the client’s success. This creates a true and trusted working relationship between the two organizations.

Preferred partners, on the other hand, are without question tied to specific vendors. This is typically the case with any VAR or large, corporate consulting firm, who tend to specialize in the larger Tier I and Tier II ERP packages. (When it comes to Tier III, it is the vendors themselves who sell and try to implement the packages.) As stands to reason, part of the VAR / corporate consulting / vendor revenue model depends on selling or servicing particular systems. They are often certified in one or more software packages and / or implementation methodologies, and use those tools to provide services to clients.

There are benefits to both approaches – technology-agnostic partners bring independent expertise to a project; preferred partners bring solution-specific expertise to a project.

Panorama has developed a new and entirely modern service framework to capture “the best of both worlds.” We have identified and partnered with the top functional and technical experts for each ERP system in the market so that each of our clients benefit both from our independent software selection and implementation expertise as well as
the expertise of the world’s leading, solution-specific resources. As the lead on the project, Panorama is the single point of contact for our clients. This means that we manage, schedule and supervise the system integrators and VARs to ensure that the client can concentrate on the more transformative aspects of the project rather than being weighed down with the minutiae.

It is important to note that Panorama’s approach is based on our own, proprietary PERFECT Path™ implementation methodology, which incorporates the “best practices” developed and touted by individual vendors to create a holistic and integrated plan. Many large, multinational companies have recognized Panorama’s modus operandi as the optimal – and most expedient – path to implementation success.

**The Role of Methodologies**

Methodologies are, in the simplest explanation possible, frameworks for getting the job done. When it comes to a project of such magnitude as an ERP implementation, they are literally the difference between success and failure.

When evaluating an ERP implementation partner, it is critical to understand not just their methodologies but also where those methodologies came from. All firms say they have methodologies but, in our experience, many use “canned” methodologies from various business training organizations (such as the PROSCI change management methodology). Of course, this is to be expected with vendor-specific implementation partners, but we are often surprised to see how few independent firms have taken the time or care to leverage their learning into their own methodologies. After all, a methodology is much more than a PowerPoint deck – it’s the blueprint for success.

To Panorama’s clients, this often proves to be a key differentiator – and it makes sense. A partner that has absorbed the key pieces from a number of different methodologies across industry verticals, software packages and even countries to build its own ERP implementation structure is a partner who truly understands the task at hand. Panorama’s own PERFECT methodology, for instance, weaves in our proprietary take on organizational change management, business process management, IT strategy and project management to create an integrated, repeatable and consistent framework for implementation success. It is unparalleled in the industry and certainly something to benchmark potential implementation partners against.

**What “Prior Industry Experience” Really Means**

A key part of every request for proposal (RFP) is the section on “prior industry experience.” Organizations looking to implement an ERP system are often assuaged to learn that their implementation partner has experience implementing the same system in a company very similar to their own. This makes perfect sense. The caveat, however, is that implementation partners who specialize in one market (small to mid-sized manufacturing, for instance) can be myopic in their focus. Superior ERP implementations leverage best practices from many industries. A mid-sized
manufacturer, for instance, can learn how to best leverage its CRM module from a financial consulting firm. A food and beverage distributor that has grown through acquisition can benefit from knowing how a multi-entity engineering firm uses ERP to handle its accounts payable. The key is finding an ERP implementation partner with the cross-industry information necessary to provide this competitive advantage to the client and allow it to differentiate its processes in a way that a firm using a niched implementation partner cannot.

There is no question that industry experience is valuable, but if yours is the only area that an ERP implementation partner focuses on, then its viewpoint – and the services it offers – will be the exact same from client to client. That means “Client A” down the street has the same information your organization does, which can be a disservice to everybody. Panorama’s background of managing large, complex Tier I and Tier II ERP implementations (including, most recently, one of the world’s largest oil and gas companies, as well as multinational distribution, consumer product / retail and engineering firms) and dedication to improving our own methodology means that the lessons learned are passed to every client, no matter how small the implementation. It is well worth asking potential partners not just for industry experience, but also for other ERP experience and how they would leverage that experience for your organization’s specific needs.

The Reason Diversity Matters

As our world continues to become more interconnected, the concept of diversity has morphed from a buzzword or “nice to have” into an absolute necessity. Different people come at problems in different ways, and it is this individual insight and experience that serves to truly make projects successful. Employers know this and have spent the last several decades shoring up their staff with people who provide alternate perspectives. ERP project leaders know this and make sure their teams are staffed with employees from different areas of the business and with different skillsets (e.g., technical vs. operational). So why haven’t ERP implementation consultants or VARs followed suit?

It is rather surprising to Panorama – and a fairly frequent source of conversation around our office – that many of our competitors bring the same team of resources to each pitch and presentation, regardless of the cultural fit with the potential client. Do they just not have the breadth of resources to strategically staff each engagement? This is certainly something to consider when evaluating ERP implementation partners. If they all look the same and are of the same gender and/or age group, then where is the dissension that creates optimal outputs? If everyone grew up in the same place, worked in the same handful of companies, and views the world through the same eyes, then where are the differing opinions, ideas and skills necessary to improve performance? Where is the global understanding needed to bring an organization implementing ERP to the next level?

These are all points not just to consider conceptually but also to actively ask your potential ERP implementation partners about. The IT and ERP industries have for too long been “old boy’s clubs,” and an organization that hasn’t challenged that tired old
paradigm probably hasn’t challenged much. Even if they bill themselves as “North America’s finest” or “The Midwest’s best,” it is well worth viewing their sales positioning through this lens: what value does a firm that limits itself (and its hires) to a region or even a continent really bring in today’s interconnected world? What value does a firm with no international experience offer your company? What value does a firm without a true, global understanding of the complexities of supply chains and operations bring to an ERP implementation?

**Size and Leadership**

ERP implementation firms are incredibly varied in size and scope. Some have just a few consultants in a regional office and like to make sure their people are home for dinner. Others, like IBM for instance, are among the titans of the global industrial complex. When evaluating these firms, it’s important to look both for cultural synergy with your own organization and also at the organization’s presence in the world. If your firm wants to use ERP to expand, does it make sense to use an implementation partner who is headquartered where you are . . . or where you want to be?

Panorama approaches this issue in much the same way we approach our service offerings: we offer a 360-degree approach. This means that, like most of our clients, we’re headquartered stateside (Denver, Colorado) and either operate or are in the process of opening global outposts in Chicago, New York, Washington, D.C., San Francisco, London, Shanghai and Dubai. Our multinational, bilingual team includes more than 100 experts that are ready to be deployed on short notice to locales as far-flung as Yemen and New Zealand.

Equally important to consider is the leadership of your potential ERP partner. Who’s running the show? Is it the founder or an appointed head? Is the leader someone who has worked in the trenches of ERP implementations or a “one size fits all” CEO who doesn’t truly understand the magnitude of these investments? Is he or she regularly published in and quoted by the world’s leading IT and business publications? Here’s a quick litmus test: Google “ERP implementation” and see which firm’s thought leadership rises to the top.

Panorama’s founder, Eric Kimberling, started in ERP consulting and organizational change management and built our firm from the ground up to combine the experience of a “big five” consulting firm with the agility and responsiveness of a mid-sized company. Actively involved in every aspect of our client service offerings, Eric oversaw the organization’s expansion during the worst economic crisis of our lifetime. And he’s recognized by both his peers and the industry at large as the ERP expert; called upon to provide evaluations and assessments at the most notorious ERP failure trials in the country, lecture at the industry’s key events and give insight on the ERP market and trends to the top IT and ERP publications.

If the leader of a firm your organization is considering partnering with cannot prove the same level of skill and qualification, it is critical to ask why not.
The Real Story on Service Offerings

The service offerings ERP consulting firms provide are typically one of the first points of differentiation a client assesses. While this might seem to be a relatively straightforward “apples to apples” comparison, the reality is that the way a firm positions itself with regards to its service offerings can be very telling about what a client can actually expect. Panorama, for instance, offers a full service offering. It's our 360-degree approach to ERP implementation and it encompasses everything that's necessary for success: IT strategy, project management, organizational change management, business process reengineering and ERP staffing, among others. Our service offering has been developed so that we can jump in at any point during an implementation – prior to selection, prior to implementation, midway through implementation or even post-implementation – and start immediately bringing benefit to our clients.

This is the way Panorama does it and it has allowed us to serve our clients in the way that we know to be the best. Other firms have different approaches. Here are some archetypes you may run across in the market:

• **The firm that only does ERP software selection (but really, really wants to get into implementations).** This is a particularly dangerous firm to contract with for either a software selection or an implementation project. A firm focused on software selection lacks a fundamental understanding of what an implementation actually involves and consequently what software would best serve the organization’s bottom line, customers and staff. Be particularly wary of firms that have their feet firmly planted in selection but are trying to “branch out” into implementation. Don’t be their guinea pig.

• **The firm that doesn’t offer business process reengineering or organizational change management.** You want the real story? The real story is that both business process reengineering and organizational change management are absolutely critical components of your organization’s ERP implementation. Any firm that tries to become your ERP implementation partner and doesn’t incorporate these two service offerings into their proposal (or doesn’t even have the capability to offer them) does not understand what is truly needed to create ERP success. Run like the wind away from them.

• **The firm that specializes in small to mid-sized businesses.** Is staying in the SMB category one of the benefits your company wants to realize from a new or upgraded ERP system? Probably not. So why partner with a firm that’s service offerings have been developed for the “small fry”? Well-implemented ERP systems give organizations the ability to compete on a global scale, to increase revenue, to expand staffs . . . in short, to start benefiting from the advantages that their larger counterparts do. A firm that is rooted in the small-business mentality likely doesn't have the global understanding to help take your business to the next level. Consider the analogy of using a carpenter to build a new home. Sure, they understand wood . . . but do they understand all the components necessary to make a house structurally sound and aesthetically pleasing? Do they have all the tools they need to get the job done on time and
on budget? Can they expand and contract their staff on short notice to serve issues as they arrive? Our guess is no. Hire a contractor; not a carpenter.

- **The firm that wants you to focus on the individual biographies of its employees rather than its toolset or methodology.** The bigger consulting firms tend to attract very impressive candidates for their open positions. After all, they pay well, offer a lot of perks and tend to specialize in “marquis” implementations that look great on a resumé. Where they fail is training these consulting superstars on the organization’s implementation . . . or, actually, developing any unified methodology or toolset to train them on in the first place. Consider this: can a firm that makes the lion’s share of its money outsourcing its consulting truly control the quality of its services? If you want to know the answer, look up the major ERP lawsuits of the last decade and read what the big consulting firms’ former clients had to say in the court documentation. Eye-opening, to say the least.

- **The firm that can’t strike a balance between independence and innovation.** Previously in this paper, we have discussed independence and innovation as factors to consider when choosing an ERP implementation partner. The key, as with so much in business, is striking a balance between the two. Preferred partners of vendors such as SAP, Oracle and Microsoft naturally have to depend – at least to some extent – on those vendors to steer any innovation in their implementation offerings. But while independent providers have all the leeway in the world to create their own methodologies and frameworks for success, many fall back on the same, staid toolsets that have been floating around the industry for years. Consider the following quadrant of ERP consulting firms to determine where each major player falls:

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<th>INDEPENDENCE</th>
<th>INNOVATION</th>
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<td>Smaller, regional consulting firms with &lt;25 employees</td>
<td>Panorama Consulting</td>
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<tr>
<td>Technology Evaluation Centers (TEC)</td>
<td>Cap Gemini</td>
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<td>ERP vendors, VARs and system integrators</td>
<td>Accenture</td>
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<td>IBM</td>
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Checklist for Choosing the Right Implementation Partner

Now that we’ve reviewed some of the key decision points of choosing an ERP implementation partner, it’s time to evaluate the specific firms your company may be considering. Fill the questionnaire out for every firm on your long-list by making a check by each statement that you know to be true.

☐ The firm is wholly independent and makes no commissions from ERP vendors.

☐ The firm partners with top-level ERP technical service and support providers to provide solution-specific expertise.

☐ The firm’s methodologies are internally developed, proprietary and based on experience.

☐ The firm provides deep, cross-functional training for its consultants on its methodologies prior to staffing them on client engagements.

☐ The firm leverages cross-industry best practices in every ERP implementation with which it is involved.

☐ The firm is a cultural fit with my organization.

☐ The firm brings diverse opinions, skill sets and experiences to bear in each project team.

☐ The firm has an understanding of global business success.

☐ The firm has international experience.

☐ The firm offers a full menu of ERP software selection, implementation, organizational change management, business process reengineering, IT strategy and project recovery services.

☐ The firm leverages a comprehensive, 360-degree approach to ERP engagements.

☐ The firm has expertise in every facet of an ERP implementation.

☐ The firm is valued for its thought leadership and contributions to the ERP industry.

☐ The firm is renowned as a pioneering and innovative force in the ERP industry.

Weigh the amount or absence of checkmarks according to your own organization’s culture, values and project parameters and think carefully about the results. Don’t be intimidated about asking the hard questions: ERP implementation specialists are sales-oriented as a rule. Be sure to filter out the canned responses and search for truth.
Case Study: Government-owned Oil and Gas Company in the Middle East

One of the largest oil and gas companies in the world had recently transitioned from private, foreign ownership to government owned and operated in one of the most volatile political climates in the Middle East... if not the world. Its previous owners had taken their ERP system (SAP) with them when they departed, leaving the organization to manage its complicated processes (and rotational staff) with Excel sheets.

**Problem Highlights**

- Poor operating data
- Lack of software selection or implementation experience
- Lack of experience with any software other than SAP
- Staff issues, including one-month on and one-month off rotations and labor strikes
- Operational inefficiencies
- New management
- Poor communication

**Choice of Panorama Consulting**

The organization chose Panorama primarily due to the following factors:

- Independent oversight
- Proprietary methodologies
- Breadth of global experience, presence and resources
- Tier II expertise
- Oil and gas industry expertise

**Panorama Solution**

Panorama staffed the project with its global team of ERP experts to quickly provide a full scope of ERP implementation services. Its on-site resources worked tirelessly over seven-day workweeks to deliver an on-time and on-budget implementation to ensure the organization received the benefits explicated in its business case.

**Solution Highlights**

- Delivery of nearly 100 current and future state process maps
- Determination of the organization’s readiness for implementation
- Delivery of full organizational change management, change action and communications plans
- Strategic creation of a “center of excellence” for project governance and support
- Full project management throughout project life cycle
- Independent verification and validation of the chosen Tier II ERP vendor throughout implementation
Measurable Business Results

- Increased standard business process compliance
- Increased organizational alignment and buy-in
- Improved system and data accuracy
- Identified and realized cost savings due to increased efficiency

Conclusion

There is no denying that choosing an ERP implementation partner is a decision fraught with concern and skepticism. For those who have never had to evaluate third-party implementation partners, the sheer amount of information to assess can quickly prove overwhelming. Worse still, points of parity related to cost, cultural fit, past experience, cross-industry expertise, global reach, local resources and the like can quickly divide the decision-making team. While John may want a local resource to work on-site for the next two years, Jane may want a team located in the city of the organization’s next big acquisition that travels to HQ monthly. Sally may think change management has no place in an IT project, while Bill can’t imagine hiring a firm that doesn't incorporate it into the implementation. Understandably, the discussions can get intense.

It is our intention that this white paper gives you an understanding of a few of the many factors your team should consider when interviewing and hiring an ERP implementation partner. Panorama is the leader in the field and, as such, has seen (and learned from) many competitors along the way. It is part of our value proposition to share the breadth of our understanding of ERP software and ERP implementations with as many organizations as possible. It is in our benefit to see every organization – even those we do not work with – achieve ERP success, and we hope that our guide has been of value. Please contact us at 303-515-1377 if we can answer any questions about our organization, approach and methodologies. We are happy to help.

About Panorama Consulting Solutions

Headquartered in Denver, Panorama Consulting Solutions is an IT consulting firm specializing in the enterprise resource planning (ERP) market for mid- to large-sized organizations around the world. Independent of affiliation, Panorama facilitates the evaluation and selection of ERP software, manages ERP implementation, and expedites all related organizational change to ensure that each of its clients realize the full business benefits of their ERP systems. Panorama maintains a global presence with current and planned offices in Chicago, New York, Washington, D.C., San Francisco, London, Shanghai and Dubai.

Clients include many of the leading organizations in the world, including Samsonite, Nufarm, Starz Entertainment, Kodak, Coldwater Creek and Pirate’s Booty. More information can be found on its website, Panorama-Consulting.com and Twitter feed, Twitter.com/PanoramaERP.