

10 Critical Risk Factors to Avoid

on Your Journey to Cloud ERP

Transformation is an inherently risky business. And ERP implementations are particularly fraught because you're transforming the core systems, data and processes that keep your business running. Adopting leading practices can help you avoid these potential points of project failure as well as the painful timeline slips and cost overruns that can result.

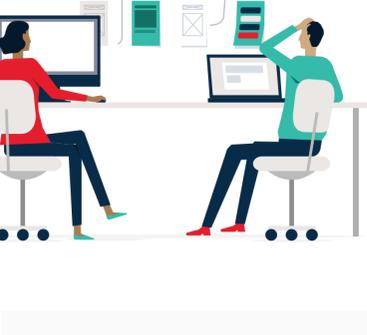
01 Inadequate Sponsorship & Leader Alignment

If your leadership team isn't aligned, employees will get conflicting messages, impacting the success of your implementation. Competing priorities, insufficient decision rights and disagreement on the path forward make it more challenging to achieve and maintain alignment.



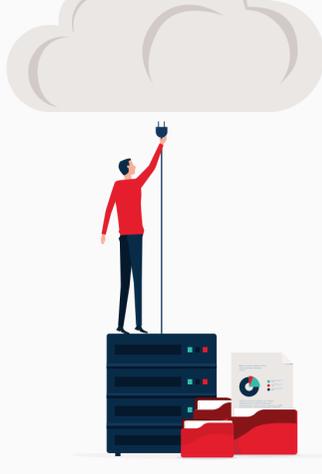
02 Unclear, Uncompelling Business Case

If you're investing millions of dollars in a technology implementation and changing the way your organization operates, your business case and vision for the project must be specific, comprehensive and clearly understood.



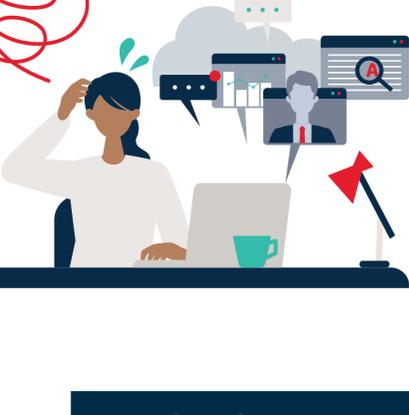
03 Taking a 'Big Bang' vs Phased Approach

Many cloud ERP migrations get into trouble because of scoping issues. (Just because a system integrator encourages a full-scale implementation doesn't mean you can pull it off.) You can reduce the risk of project failure by taking incremental steps toward the cloud rather than migrating all your systems at once.



04 Poor Execution of Change Management

Too often, change management is only considered necessary right before go-live—and that puts the project at risk. Ensure your workforce is ready to embrace new ways of working by integrating change management throughout the project, starting with planning.

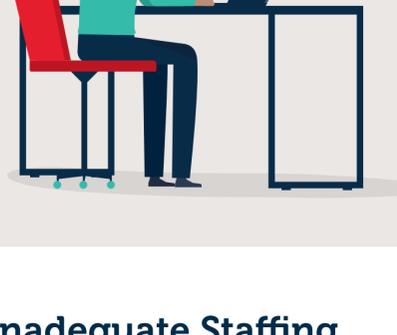


"You can build the best system in the world from an IT perspective, but the business has to need it, want it and use it."

— Keriann Christensen
RGP VP, Finance Transformation

05 Lack of Clear Documentation

It's very expensive to define processes once the implementation is in flight. So make sure future-state process documents are created prior to starting the implementation. And obtain sign-off on "to-be" processes from business stakeholders.



06 Inadequate Staffing & Functional Expertise

It's easy to underestimate the level of internal resources you'll need to prepare for and implement a new ERP system. Cloud ERP transformation requires technical and functional expertise, as well as hands-on experience with the specific systems and processes you're implementing.



07 Lack of Master Data Governance & Standards

Data analytics, governance, management and quality can make or break post-go-live results. Treat data migration as an opportunity to clean up your data records and processes from top to bottom. And avoid system interface and data conversion issues by developing a standardized model for your key master and reference data prior to implementation.



08 Unrealistic Expectations

Lack of clarity around goals and expectations is one of the key risk factors for project success. If an executive sponsor's specific goals are not achieved, the project will be seen as a failure—even if everything goes right and people are using the system.



"In a worst-case scenario, companies can spend millions of dollars and then end up scrapping the entire implementation because they thought they could execute it all at once—but couldn't."

— Balaji Bondalapati,
RGP VP, Business Technology

09 Insufficient Testing Strategy

Testing is critical, because a lot can get lost in translation. ERP systems are very complex, so test, test and test again. Make time for as many dry runs as possible and take advantage of automated testing to shorten implementation times.



10 'One-Size-Fits-All' Approach to Communications & Training

Don't wait till go-live to develop the right mix of training and performance support, including a customized, role-based training plan, using a "train-the-trainer" approach to enable the right capabilities and performance.



Moving to the Cloud?

Don't let these risk factors derail your migration to the cloud. [Get our comprehensive guide](#) for executing a successful cloud ERP transformation.



RGP's seasoned consultants bring the cross-functional expertise needed to manage and mitigate risks and flawlessly execute complex transformations. We've supported our clients with hundreds of system implementations and upgrades as well as technology optimization and software selection.

Find out how we can help: CloudERP@rgp.com