

XSOL Process Modeling for ERP success



XSOL enables ERP

Supporting ERP is a major use of XSOL because the risk of ERP failure is so high. Roughly only 20% of ERP projects actually deliver to customer expectation.

Investment of company resources in an ERP project is high, as is the cost of software and consulting services. A failed ERP project is costly. And while the ROI justification for a new ERP product can be made, it is seriously diluted by restarts and partial implementations. And even when implemented, it is difficult to justify the cost and risk of upgrading to a newer version of the ERP product.

Risk of Failure

There are two main reasons an ERP project fails:

1. Poor project and people management (this applies to any project)
2. Poor alignment of ERP functionality to supporting company business activities.

With good project management capability reasonably easy to hire the main reason for failure is poor alignment of system functionality to the business processes. The issue is not the software (most ERP products are functionally rich), but the lack of ERP consultants' knowledge about how the company operates, and the lack of an effective way for company staff to accurately convey this knowledge.

Poor quality information

The Process Mapping tools used to convey the knowledge needed to support ERP rarely give an ERP consultant an accurate and detailed picture of how a business operates. Process Mapping does not structure the information supplied by staff and management, and the boxes shown in a process flow diagram can be used to represent anything - a piece of work, a label, a place, or even a concept.

Information collected from managers is often based on their belief rather than fact, and detail from workers is usually myopic, disjointed, unstructured and misleading. As a result, process maps do not show what really happens in the company ...the basic reason for ERP implementation failure.

Modeling vs. Mapping

Process Modeling provides structure - a framework to which is added the details of real life activity—the desk (or workstation) where each step of the process is done, the role (person) doing the work, each piece of work (a task) and work instructions. Tasks link workers directly to their ERP software functions, making the software ideal for trial-running processes with the ERP before going live.

Visio is a widely used tool because there are no rules - you can draw anything. Process Mapping tools impose some rules but they lack the capability to reflect a real life work place, and Swim Lanes make maps hard to follow. The difficulty of getting accurate information from staff and the lack of a way to ensure that it is documented in a structured and consistent manner is a critical weakness.

With XSOL Process Modeling users follow a predefined structure that increases the chances that:

- a. A process definition reflects what really happens at each desk
- b. Staff will understand (see) how the new system fits into their work
- c. The ERP functions are correctly configured and implemented
- d. The project will fall within the 20% of ERP projects that succeed.

Insuring success

XSOL cannot guarantee success for every ERP implementation but with good project leadership and competent use of the Modeling tool the chance of on-time on-budget Outcomes is increased 4 fold.

Organizations investing in ERP expect a return on Investment (ROI) from improved business practice. Usually these don't materialize due to a lack of specific action to make it happen. But an XSOL model opens the door to ROI from improvements in operational productivity, compliance and training.

Ensuring that an ERP implementation is one of the 20% successes should be reason enough to invest in XSOL, but it offers far more.

Investment leverage

XSOL models can be changed and improved without having to start over and without the associated risk of 'not getting it correct'. Not so with Visio; it is a single use tool. It is easier to start again than modify an existing map. This inability to support change is the case for all Process Mapping tools.

By supporting change XSOL builds up a sustainable repository of business information that enables other cost saving functions:

1. Training new staff – they become productive much faster than relying on tribal knowledge
2. Compliance audits – with XSOL you slash the cost of getting ISO or another accreditation
3. Operational change - providing staff with operational guidance exactly when required in-situ

Business growth

XSOL's big benefit is support for business improvement and growth. It has built-in Process Analytics that support Lean continuous process improvement and risk analysis. XSOL helps ensure any change process comes in on time and on budget.

For any company looking to grow, the shared visibility that XSOL offers enables a business to operate more as a team. As the CFO of one XSOL client said - Having used XSOL throughout the organization, the company (i.e. the people) had become 'self-aware'. They were making better decisions because they understood where they fitted into the company growth strategy and they could understand the implications of the decisions they needed to make.

Summary of XSOL's role with ERP

1. Providing prospective vendors with a model that they must match and use as the basis for the delivery contract;
2. Defining what needs to change to fit the ERP, where the ERP goes, in-situ staff training and cut-over instructions;
3. Defining the ERP implementation process - who is involved, when and what has to happen. Plus dry-run acceptance testing (UAT).

"If you are implementing ERP, XSOL is a must-have. After the first pass our efficiencies have improved, our documentation has improved, the level of detail has improved and business ownership has improved. We have got systemic benefits all the way around."

US industrial company

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