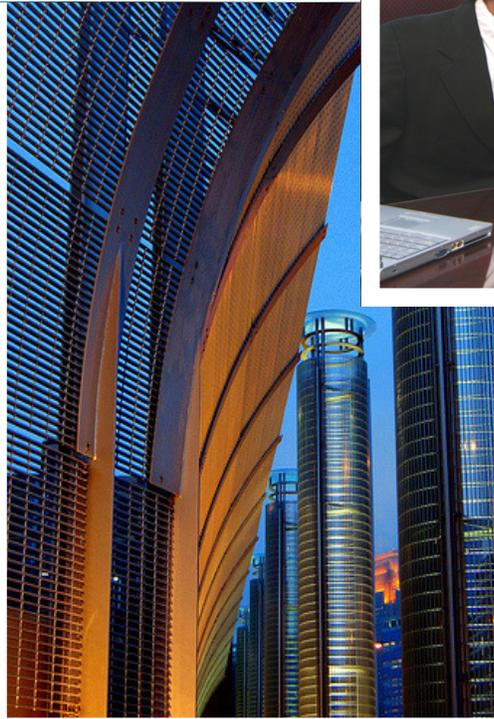




**Business  
Automation  
Specialists**  
of Minnesota, Inc.



***Project Success:***

**How to Implement a Business  
Management System**

## Project Success: Guide 3: How to Implement a Business Management System

This is the final whitepaper in our three-part series covering the entire process of a business management system implementation. In Part One we discussed objectives and processes which, while both are important, they are different. We said that objectives drive processes and processes drive business success. We discussed how you can understand the challenges and opportunities present in your organization. We presented a method to determine what your priorities are in selecting software to solve your challenges and exploit your opportunities.

In Part Two you took the information from Step One and tried the fit and feel of several software products and VARs. You determined which combination is best for your company requirements. You have a solid understanding of what you are buying and what you expect to get from this project. And, most important, you made a decision (Yes or No) to proceed or not proceed with your project.

And, since you are reading this segment, I assume it's time to implement your software. If you haven't read the first two guides, you may be interested in doing so. They are: *Preparing for a Business Management System Implementation*, and *How to Choose a Business Management System*.

You have chosen the business solution and VAR that best fits your needs and you are ready to begin the implementation process. This is the time when you are most excited and happy with your decision. Everything looks rosy. If your VAR is like us, she will have told you that implementations are a lot of work and there will be times when you wonder why you began this seemingly impossible task. You may even hate the software and the VAR at various times during the process. (Typically when you are doing double or triple duty because someone critical to the project had a family emergency and you are at the end of a 16 hour day.)

Your project will have several stages. Make sure you understand the purpose of each stage before beginning so that you maximize your results at each



stage. You may actually cycle back through these phases if your project is very complex or if you discover issues that make you rethink your direction.

### Project Organization

You can categorize your next steps into one of several phases: Preparation, Configuration, Testing & Training, Go-Live, Follow-up and Support. Each phase has its own unique challenges and opportunities. Don't get impatient and charge ahead to the next phase until you are ready.

#### Preparation

In our first guide we gave an analogy of how a new business system implementation was similar to building a house. If we go back to our house building story, this is the seemingly long period between deciding to do something and actually seeing some building happen. By this time, you have covered a great deal. However, you must now consider the internal preparations of your hardware, network, printed forms and other foundational items.

#### Coordinate Relationships

I hope that you introduced your hardware/network vendor to your software VAR long before now, but if you have not, do so now. They have a lot to talk about and it will affect your pocketbook. Your VAR should have very definite ideas about the best configuration of the network, servers and database. These may clash with the hardware vendor's concepts. It is important to iron out these differences early in the process. Try to get a

layman's description of the issue so that you can provide your input. You do not want to be in the middle of a finger-pointing match. These vendors will have to work together at several stages during the implementation and afterward for as long as you use each vendor (we prefer the words, Business Partner, because each vendor is vital to the success of your business system).

We worked with a client who had a very close relationship with their hardware/network provider who recommended a virtual server with SATA drives for their SQL server. That configuration was a definite No-No at that time (the SATA drives still are—those hard drives are for personal computers, not servers). We had a clash of concepts. The hardware vendor won. After several months of use, the system began to develop data problems that were worse during high usage times. The server was unable to keep up with the transaction volume and seemed to be mixing up data. Unfortunately, the client "went silent" on the solution and just calls us to fix the symptom, rather than fix the problem.

Good relationships and open dialogue can save you significant grief as your system comes to production. You may have other suppliers or vendors to introduce to your VAR. These may include your bank for Electronic Funds Transfers; vendors and customers for Electronic Data Exchange (EDI); your Web developers if you integrate your Web store; your payroll vendor; your CPA and so on. You must introduce anyone whose data affects your system or whose system you want to update with your data.

***If you read nothing else:*** Coordinate cordial, informed relationships between all parties involved with your new business system. This includes your hardware and network support team and any one else with a technical relationship to your company's business system.

### **Planning**

It is almost impossible to over-emphasize the planning stage of your implementation. Short cut it



and you will almost surely fail. Of course, you must "pull the trigger" in order to succeed, but you will be on a cycle of: plan, execute, evaluate; plan, execute, evaluate; plan, execute, evaluate for the next few months as you implement your business system! As we all know, nothing ever goes according to plan, but planning provides us with alternatives when things do change or go awry. Your pre-sale process with your VAR should have painted a good picture of your requirements. Now, you will build on that foundation. You will (unless you purchased a detailed systems analysis before you purchased the software) drill down into the details of the needs, objectives and goals you stated.

For example, perhaps you said you needed a Bill of Lading (BOL) and left it at that during the pre-purchase phase. Now you need to get the detail hammered out with questions like this: is this a summary or detail BOL; do I have hazardous materials that I must identify on the BOL; and so on. Perhaps this is the first mention of hazardous materials. This may have a significant impact on your inventory item card and the layout of your Bill of Lading. Additionally, you may want to have the system print your Material Safety Data Sheets to accompany the BOL. Whoops! Suddenly, a seemingly simple form uncovered a significant change to your requirements. It is far better to discover this now than when you have a truck waiting at the door for your shipment and the driver refuses to take it because the paperwork is incorrect.

Planning includes the allocation and use of employees' time; consideration of holidays,

vacations, family leave, leave of absence, business conferences, military obligations, compliance deadlines – anything that will prevent your staff from participating in the implementation process. Will you need to hire temporary workers? Will you need to authorize overtime? Will you need to hire to fill a new position to utilize some component of your new system? For example, as a manufacturer, will you need to hire an experienced planner to streamline your processes while capitalizing on the benefits of your new system? Do your banking covenants require approval of new reporting layouts? Perhaps you are looking forward to implementing a new Human Resources system. Do your employees have the education and experience to use the system to benefit your business without endangering your company with hiring practices that are illegal or discriminatory?

Look back at the objectives you set for the system. Look at the issues you outlined that are preventing you from accomplishing more. You spent the time to document them, didn't you? Well, now it is time to dig a little deeper and determine how to implement the new system in the best way to maximize your return and minimize your problems.

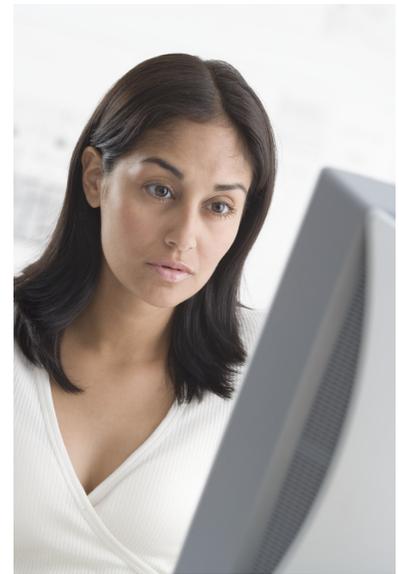
Let's say that you are adding EDI with an important vendor or customer. What will you do if the linkage can't be certified in time to go-live? What if your vendor's staff doesn't respond on a timely basis? How will you handle the work of testing? Can you negotiate with your vendor or customer for an extension of time or better yet, a guaranteed turn around on test results? What will you do if you get the volume of orders you were promised and the EDI interface doesn't work? How will you handle that? Determining the answers to these questions will help you deal with the stress of delays and challenges that aren't necessarily of your making. We helped a customer deal with just this type of problem. They purchased an EDI ISV product against our recommendation (it was "cheaper"). We worked with the vendor for almost nine months to get the product to work. They promised it was working when the customer bought it; however, they didn't tell them that the interface was to a much older version of the ERP system. Our customer slipped

from a "best" performing vendor to the worst performing vendor of their customer and almost lost the business. Fortunately, we were able to fix the EDI interface to handle the 10,000 orders per month they were receiving.

Your planning will involve the Project Manager and Consultants from your VAR, your internal Project Manager, Subject Matter Experts and End-Users from your company, as appropriate. Your VAR should have the experience to help you do this detail planning. You may have mini-Pilot Projects to demonstrate and evaluate various methods of handling tasks. Sharpen the plan with these demonstrations; don't be sidetracked with the excitement of the new software.

### **Basis for Planning**

You will use the documents developed during the pre-sales (pre-decision) process to guide the planning. The planning will drill down to the specifics of how something will be done, based on what must be done (developed during the pre-sales process). Expand on these documents, convert them into the working papers for the implementation. Use actual customer orders, purchase orders, cash receipts, production orders and other documents from your regular, daily business. Don't make up transactions. That won't provide a good basis for planning or for testing. And, don't use the software's demo data. Your employees will not relate to the vendors, customers, items, costs and prices from demo data. People do not pay attention to demo data. They have no investment in it. It didn't cost them anything. Since it has no value to them personally, the results in testing will not be evaluated with the same critical eye as if it were their own data. Use your own data.



## Parking Lot

The Parking Lot is the place you put good ideas that are not in the scope of this project. As you do your planning, you will uncover many ideas which will fall into one of four categories.

- Great idea, but not in scope
- Great idea and in scope
- Good idea but other competing ideas that are equally as good
- Other ideas that are not so good

There is one other category that is easily identified, and almost always out of scope. It begins this way, "Wouldn't it be nice if...". That is always your clue to put on your filter and route it to the parking lot. If an idea (good or bad) is not in scope, write it down in a "parking lot" list (a list of ideas to be considered after the project is completed). This will preserve your time and energy. You won't have to make a decision about each idea. If the idea is exceptional, you may want to add it to the project as a change of scope. (Don't change the scope without formal approval.) Changing the scope of the project will affect your timeline, budget and resources.

## Testing Ideas

Some ideas need simple exposure to the light to eradicate them from consideration. They may be unworkable, too resource intensive or too light in results. Other ideas and plans will have significant value and will be competitors for a part of the final solution. Your planning group and Subject Matter Experts (see the "**Define Roles**" section) will be invaluable in this exercise. As you plan, test your assumptions. Some of this testing will be intellectual. Some will require more involved testing, including testing transactions and resulting procedures. Testing will occur during all stages of your project. The point is that your planning is more than an intellectual exercise. This is about using all of your business experience, education and training.

## Data Conversion

Perhaps the most difficult decision now is the type and amount of data you will convert. We



recommend making this a separate part of the project so that you can easily eliminate it, if you decide to do so. Many clients want to keep all their history. After all, they have paid a great deal of money for their staff to enter it into the computer. Sometimes it is appropriate to convert all the data; more frequently, it does not pay for itself and actually hinders functionality in the new system. Data conversion can be very expensive. Converting transactional data can be very challenging and may require input from your current software vendor who may not be forthcoming because you are switching to new software. Software versions change data structures and values. Just because your VAR has done one conversion from your software doesn't necessarily mean they know how to do yours.

We implemented a new MRP system for a manufacturing company who decided to convert all 20 years of their data from their mainframe system into their new PC system. We were able to do so.

***If you read nothing else:*** Data conversion can be an expensive proposition. Determine the benefit you will gain before authorizing data conversion. If you don't trust the data in your current system, will it be more trustworthy when you put it into your new software?



However, it took four tries to make the data meaningful. Each time we converted the data in a new way, the client found more data that wasn't consistent because of previous software conversions. They had upgraded their software several times. And, they had changed their item numbering scheme and later their bill of materials methodology. Unfortunately, no one remembered all that until they looked at the converted data and saw the problems. They found that even though the data was finally consistent and accurate, it was of little value because they were able to do things so much more efficiently with the new system.

You may decide to convert just master files for customers, vendors, inventory, bills of material, routes, machines and so forth. On the other hand, you may decide to convert open balance items for accounts receivable, accounts payable, inventory and work in process balances. Many clients find it is a great training exercise to enter these items. Others either don't have the time or don't want to do so. There isn't a pat answer to this question. You may just use your old system for lookups or develop reporting views that allow the user to see data in the old system while in the new system.

Frankly, you will not have a broad enough base of understanding of the new product to be able to answer this question before you get some basic knowledge of the new system. Once you begin to understand the new system, you can decide, in

consultation with your VAR, what you should convert. Most VARs recommend that you do not convert transactional history. You must decide if you can keep the old software running long enough so that you can look up data in it until you have built enough history in your new system.

Now, get the agreements signed and begin the process of realizing your new business management system benefits.

## **Discovery, Implementation, Testing, Training**

### **Define Roles**

Right now, you will be selecting people to fill critical roles for your project. We are providing estimated time commitments for the participants. If a person is playing two roles, add the time together. If it exceeds 100%, you are in trouble. If a person is 50% committed to the project, he or she will have 20 hours per week left to do their normal tasks. This can be a significant burden, so be prepared to deal with overtime, delay of regular work and possible temporary workers.

***If you read nothing else:*** Your choice of people for these roles is the second most important decision (following your decisions about objectives) you will make. Make sure that each person understands and commits to the project whole-heartedly. Then back them to the hilt during the course of the project.

You must carefully consider each individual's workload and aptitude for a specific role prior to assigning it. Assigning a role to someone who doesn't have time to meet the projects requirements is just as bad as assigning the role to someone who doesn't understand the requirements, doesn't have the skills or the aptitude. The work groups who take this project from inception to go-live are critical to the success of the project. You cannot overestimate the critical nature of these roles.

Make sure that your team and staff knows that these roles carry responsibility that may be outside their normal job authority. For example, you may select a Customer Service person as the Project Manager. He may be required to set requirements for his own boss. Obviously, that can cause a problem. Just make sure that you are setting the right guidelines and it can work.

**EXECUTIVE SPONSOR** (Time Commitment <5%)

The executive sponsor supports the Project Manager in ensuring that the direction of the project is in line with the strategic objectives of the company. The Executive Sponsor will do two key things in this project. First, provide guidance/support/outside viewpoint as needed by the Project Manager. Second, strengthen corporate endorsement of the project. The key responsibilities for the Executive Sponsor are:

- Review periodic project status updates
- Facilitate the necessary environment for change
- Provide additional corporate authorization for project changes

**INTERNAL PROJECT MANAGER** (Time Commitment 50%) Your Internal Project Manager will work closely with the VAR's Project Manager to monitor and control both the timeline and workload assignment during the project. This person must be detail oriented and have good communication skills. This person must also be committed to the success of the project. The key responsibilities are to:

- Approve the project budget & plan
- Define expectations and success indicators
- Make policy decisions
- Oversee the entire project
- Ensure deadlines are met
- Ensure project is held to scope
- Maintain communication lines with project team
- Ensure Executive Sponsor is kept up to speed
- Provide sign-off on milestones/deliverables
- Actively participate throughout all phases of the project

- Ensure team members are available for analysis and design workshops, system set-up, training and testing
- Ensure all data files are available for migration to the new system
- Ensure that the required infrastructure is in place
- Assist in resolving day to day issues related to the project
- Manage issues and issue resolution during the project

**PILOT TESTERS/SUPER USERS** (Time Commitment 10 to 15% throughout the project, **50% – 65%** time commitment during key testing periods and final end-user training)

Pilot Testers or Super Users test the procedures and implementation methods that your VAR and your team developed. This is the primary method for determining problems before Go-Live. These people must test every aspect of the solution as implemented using real data. Responsibilities are:

- Represent specific department or responsibility set
- Perform testing throughout the project
- Provide details regarding department requirements/needs (involving end-users and Subject Matter Experts as needed to fully develop picture)
- Test and validate that preliminary configuration will meet department requirements/needs
- End-user training assistance
- First level support following Go-Live

**SUBJECT MATTER EXPERTS** (Time Commitment <5% throughout the project, **25%-50%** time commitment during end-user training)

These people are the ones "in the know", the ones about whom everyone says, "Ask ...". They may or may not be involved in Pilot Testing, but they understand current processes, current results and customer or vendor expectations. Their input is critical to developing a complete solution.

Responsibilities are:

- To consult or lend expertise as needed – typically in the design/configuration & testing stage of the project
- To carry excitement and message back to fellow end-users

**END USERS** (Time Commitment <5% throughout the project, **25%-50%** time commitment during end-user training)

These people are anyone else in the organization who is not involved above, but uses (or will use) the system. They may or may not be involved in weekly updates, but their buy in to the project is critical. Typically, the Subject Matter Experts carry the message back to their fellow workers to develop excitement and buy-in.

- Limited or no project involvement – consulted, as needed
- Receive training and practice training immediately prior to Go-Live date

The individuals who make up your implementation team are responsible for the success of your project. If you have no Executive Sponsor, you will not have the political capital to get through tough challenges when you need someone to backup an unpopular decision or need to make a change in scope. Without a Project Manager, your project will flounder over small details that turn into big problems. Your Testers and Subject Matter Experts provide the myriad of technical details that make your business successful. The person's responsibilities and authority during the implementation may be different from their normal responsibilities.

### **Kick-Off Meeting**

Once you have your plan in place and people assigned, you are ready for the Kick-Off Meeting. The general goals of the Kick-off Meeting are to introduce the project, generate excitement, express the impact of the project, set the tone for the project, develop understanding of scope and timeline, help maintain positive attitudes, stop rumors, enable buy-in and discuss change



management. This is the time to bring the rest of the company into the plan. The more you share about the plan, the positive and negative aspects of the change, the better your organization will do. (Depending on the length of your implementation, you might split this into two meetings, one for people involved in the pilot project and another Kick-Off with everyone else prior to flipping the switch.)

You will typically chair this meeting. Your VAR will help you set the agenda and discussion topics. Your Executive Sponsor will share her vision for the project. Your internal Project Manager will introduce the various responsible parties in your company. The VAR will introduce her staff. This is the time to set the stage for the expectations for the next three to nine months (depending on the complexity of your implementation, this could be longer.) You will be alerting your staff to the challenges ahead.

Your discussion with your staff might include things like this: There will be times of double duty when you are learning the new software or testing the new software by re-entering today's business into the new system. There will be problems with the new system; that's why we are rolling out this Pilot Project. We have selected you because you are important to the success of the project; you have the right skills, aptitude and desire. Please convey a positive attitude to those of your fellow workers who are not involved in the project. We know that change is hard; here is a plan to make it a little easier. And so on ...

## System Configuration

During the next month (perhaps six months, depending on the complexity of your system), it may seem like little is happening. Your hardware vendor will probably install some new equipment, but everything remains the same. Your VAR is hard at work preparing the next phase of the project. They may be programming or developing custom reports, dashboards or business intelligence views. Perhaps you want to do a master file conversion. They will be busy during this time. Make sure you have regular updates from their Project Manager. During this time, much of the activity is theirs – your time will come.

## Pilot Project

Now your activity level begins to pick up. Depending on your terminology, this may be a “conference room pilot”, a “test conversion”, a “proof of concept”, or “beta” implementation. No matter what you call it, this is the time to dig in and do the odious, time-consuming work of testing. If you do a trial conversion of transaction data, take the next several days of work and enter it immediately into both systems.

***If you read nothing else:*** Pilot projects aren't fun. You don't have enough hours in the day and now you are trying to test a new system. Don't skip this step if you have a complex project. While it takes a lot of time to test a system, making corrections after you Go-Live is even more time consuming, frustrating and expensive.

You aren't trying to duplicate the process; you are trying to understand the result. Your new business management system will process and report differently. Develop your understanding of the new system's process and results by comparing to the old system where possible. Some results will be identical; other results may be very different. For example, customer and vendor invoices will have the same results for price, sales tax and terms.

However, you may find differences in cost of sales and inventory handling if you have adopted different methods of order fulfillment. Take the time to understand this now. The difference may be desired; however, discrepancies may be the result of poor setup or conversion choices. Alternatively, you may find that the discrepancies are due to flaws in the old system. If that is the case, you may find that your business measurements will be different and you will have to make appropriate corrections to understand the result. This may cause you to reconsider your data conversion. You may change methods or eliminate the data conversion, based on your findings during the Pilot Project.

For example, perhaps you have implemented a “landed cost” inventory process in your new business management system that adds freight, tariffs and other costs into the total cost of an inventory item. This will result in significantly different accounting and costing transactions than you have been used to seeing. Again, take the time to understand this now. Just because the system gives you an answer, doesn't mean it is right. Setup choices may have been made without full understanding, users may not know how to use all the functionality or the software may have a flaw. Don't wait until you Go-Live. You will have a big problem on your hands if you do so. The test system is critical to your success.

While you were doing your testing, you probably found things that were wrong. These items may have required software hot-fixes or updates or configuration changes. Your VAR should be documenting these issues, so that the fix (which you test) is implemented at your Go-Live. Do your own documentation and checklist. Keep a log of issues, the resolution and the date of the resolution. Use this at Go-Live to make sure that everything is done correctly. There is nothing more frustrating than testing something, having it corrected and then experiencing the same issue when you Go-Live. We have worked with a number of vendors who have good products, but have version control problems. Even though the new version of the software fixes some problems, it may reintroduce problems that

existed in previous versions. Good documentation on your part and your VAR will keep this from happening. That is the purpose of this phase. Get rid of the bulk of the problems and misunderstandings before you Go-Live.

### Process Documentation

While you are testing, take good notes. This is your opportunity to develop good user documentation. Every computer system has some manuals (typically electronic). The developer wrote these for the generic user. You are not a generic user. Your system has been setup for your company by saying "yes" to some options and "no" to others. These choices obviously affect the result. In addition, many fields can be used in a number of ways. Document your choices as to how you will use them. (Set your guidelines now, before users are under the pressure of a "go-Live" day when they can't think because they feel they have forgotten everything they learned about the new system.) Taking time to document your procedures will pay dividends for as long as you use this business management system. Document using consistent terminology, screen shots, lists and rules. Writing these things down simplifies your life. (My documentation for my NAV tasks is 42 pages long and with Microsoft Word navigation pane turned on, I pop right to the section I need.) You can always make changes in the future, but if the change is not what you want, you can always return to the baseline you established during the test phase.

***If you read nothing else:*** One of the best things about standard procedures is that everyone knows to do something the same way. Standards get you more consistent data entry which means you can make better decisions on the data because there is consistency.

One of the best things about standard procedures is that everyone knows what procedures they are to follow. Putting standards in place means you get more consistent data entry and data that is more

consistent means you can make better business decisions because the data is consistent. In addition, you now have a sound foundation for your staff to make changes in a controlled environment, to try to find better ways to do tasks. The standards you set now will help you determine if the change is beneficial, neutral or negative.



### Testing, Training and More Testing

Depending on the complexity of your company and implementation, you may consider doing another test conversion at this point. This will test all the fixes you implemented to the first test system and can provide you with a fresh set of data for your staff training. Use the same process again, convert the system, take several days of work and enter it into both systems.

Do not skimp on training. Set aside uninterrupted time for your staff to work with your trainer or VAR. Training is mandatory. Do not accept excuses. Have makeup sessions for those who are absent. Do not allow late arrival or early departures. Set your phones to "Do Not Disturb". Don't allow "One quick question", not even from the President. Consider doing this training at the VAR's office to get a more conducive learning environment. Consider proficiency tests for your staff. Have at least one "super user" who has a strong understanding of the new business management system and your business requirements. This user was probably involved through the whole process to this point.

Consider remote training sessions. These sessions can be recorded for further use and review by your staff. Additionally, it seems there are fewer interruptions when people are on a webinar than if a trainer is present in person. Remote training allows short one or two hours sessions which might not otherwise be practical because of travel time. Remote training can help reduce your training time.

## Pre Go-Live Conversion Checklist

This list is similar to the list you will use when you Go-Live, but you must verify the elements two weeks before Go-Live in order to allow time to correct any problems. An ERP Pre Go-Live Conversion Checklist may look like this:

- Network & PC Users
  - Setup
  - Passwords set
  - Privileges granted as appropriate
- Printers
  - Correctly named
  - Setup appropriate for task assigned
- Backup
  - SQL maintenance job properly setup, tested and scheduled
  - New software and data included in daily backup system
  - Offsite backups scheduled and assigned
- Preprinted forms & supplies
  - Adequate supply available for startup
  - Checks verified for account numbers and alignment
  - MICR toner cartridge available for check printing
  - Preprinted Invoices verified and available
  - Customer Statements verified and available
  - Purchase Orders verified and available
  - Properly sized barcode labels verified and available in appropriate printer
  - Barcode thermal ribbon available for barcode printer
- ERP Users
  - Setup
  - Passwords set
  - Privileges granted as appropriate

## The Day Before Go-Live Checklist

- Accounts Receivables aged AR report of all open

invoices, credit memos printed

- Accounts Payables aged AP report of all open invoices, credit memos, checks printed
- Inventory count & value
  - Inventory valuation printed
  - Balance equals General Ledger
- General Ledger
  - Balance Sheet printed
  - P&L printed
  - Budgets printed
- Open Purchase Orders printed
- Open Sales Orders printed
- Manufacturing open Production Orders printed



## Go-Live Conversion

The big day has finally arrived! You are ready to put all your hard work, training and money to work. If you have done your homework to this point, this day will be exciting, but anticlimactic. In the panic of the day, everyone will feel that they aren't ready and have forgotten all that they have learned. Of course, it isn't so. Just be prepared. Have support staff on hand ready to help anyone who needs it. Having the "Experts" there minimizes the anxiety and helps catch any problems that sneak through the testing process.

New issues may show up, but, most likely today will run smoothly. However, before anyone enters any transactions make sure you have validated any converted data. You will find it extremely difficult to reconcile transactions if the starting values are wrong. You checked all these things during your testing, so you should have a list put together. Your list might look like this for your ERP implementation:

- Accounts Receivables equal old system
  - Total balances

- Aged properly
- Customers balance
- Balance equals General Ledger
- Accounts Payables equal old system
  - Total balances
  - Aged properly
  - Vendors balance
  - Balance equals General Ledger
- Inventory count & value equal old system
  - Locations setup properly
  - Inventory value method(s) set properly
  - Counts valid for each location
  - Bins, lots & serial numbers correct with proper expiry dates
  - Weights, volumes and other information correct
  - Inventory item cost is correct for each location
  - Balance equals General Ledger
- General Ledger balances equal old system
  - Balance Sheet is correct for various periods and years, including current
  - P&L is correct for various periods and years, including current
- Customers converted properly
  - Open Invoices
  - Open Credits
  - Balances
  - Credit Terms
  - Categories
  - GL Accounts
  - Ship-to addresses
- Vendors converted properly
  - Open Invoices
  - Open Credits
  - Balances
- Credit Terms
- Categories
- GL Accounts
- Remit-to Addresses
- Open Purchase Orders converted
  - Correct quantity & cost
  - Credit Terms
  - Delivery dates
  - Ship-tos
- Open Sales Orders converted
  - Correct quantity & cost
  - Credit Terms
  - Delivery dates
  - Ship-tos
- Manufacturing
  - Bills of Material correct quantities and versions
  - Routes correct work centers, resources and times
  - Work Centers & Resources correct costs & setup
  - Shop Calendar converted or setup
  - Data Collection terminals or handhelds setup
- Warehouse
  - Locations setup
  - Bin mapping is correct
  - Bin rules setup
  - Bin restrictions are consistent with special storage requirements
- CRM
  - Integration is functioning

This will not be a short list, but it is critical to making certain that your system is ready to go. Don't shortcut this step, or you may set yourself back by weeks if your data is incorrectly converted. Even more critical is that your team and staff will suffer a

significant blow to their morale from which you may not be able to recover. We have taken over projects where the company got to this point and, because they didn't follow through with their testing, the Go-Live failed, and they threw out the investment and went back to their old software. Coming in behind that kind of a failure can be a real challenge.

### **Follow-up and Reinforcement**

Now is the time to check to make sure that everything you planned is happening. That means both technical and processes. Is your staff following the new procedures? Have you found new issues that didn't surface, or came about after your Go-Live? Are you documenting and communicating these new processes?

There will be new challenges and problems during this stage. Just continue the same process that got you through the pre go-live stages. Document the issue, determine the solution, test it, modify based on the test results, test again, train your users.

### **Continuous Improvement – Minimize Risk, Maximize Return**

Now that you are done, you can relax, right? No, now is the time to start the clock on your new project. You have gotten your new system installed, implemented and running. Now you can begin to take advantage of the benefits your system can bring. No business management system fixes all the problems or grabs all the opportunities the first time.

Not only will you have some problems and opportunities remaining, you will have some new problems and opportunities that will come about because of your new system. That's not bad; it means you have solved problems that held you back from accomplishing your move to the next level. Now, your move up the ladder is causing new problems and revealing new opportunities. Your next step is to start again at the beginning. The difference this time is you know the process. Keep your team together. Their instructions this time are to monitor your processes and objectives. As they monitor, they will be developing the list for your next project. This may include new objectives, or it may involve problem solving. Either way it is important

that you continue your progress. Stopping at this stage will keep you from achieving your full potential.

On the other hand, you may have already planned Phase One, Two and Three before you began the project. Continue with Phase Two. Don't stop. You have the momentum. Keep on going to completion.



The last step to complete the project is to set an annual or bi-annual review schedule to keep the process working. Check the idea "parking lot". Should you incorporate any of those ideas? This is the perfect time to consider these ideas. Wait a minute – you already know the drill, right? We are back at the beginning – you are continuing your process of improvement and now you have more experience to make the process even better.

### **Warning Section**

As you go through your project, you will encounter many challenges. Here are a few that you need to plan for before they occur.

#### **Fear of Change**

There may be resistance or reluctance to change. There will be times of great apprehension, especially in the last week before you Go-Live. No one likes change. You and your VAR must encourage people to share these feelings. Generally, more training and familiarity with the new software will change these feelings.

Some people will express a great deal of negativity. Don't be afraid of it. Have the person fully explain his concern. Many times just doing so will clear the air and the problem will not come up again. This is especially true when you or your VAR can say, "We have considered this issue and when we get to this issue in the implementation we want your input to make sure we have addressed this issue properly." (Make sure that you follow through.)

We find that most people in our clients' organizations are dedicated to the success of the company. They are hard working and want their company to succeed. While they may not understand everything that drives profit, they want to make sure that they are doing their part to help the company meet its objectives. Recognition of this will go a long way to smoothing out some of the bumps.

Sure, you may have a small percentage of your staff that doesn't feel that way, but most of your staff does. You may have some people who love the old system and don't want to change. Address this now. My comment during the Kick-Off Meeting is that we expect everyone will be doing his or her best to make the new system succeed. Our commitment, as a VAR, is to the success of the business. We have seen sabotage, sometimes deliberate, sometimes unintentional. Our job is to do what we can do to assure the success of the project, and we can not tolerate people who refuse to participate in success. With this introduction to the project, everyone has a clear expectation and we rarely see a problem.

### **Workload and Scheduling**

During an implementation you and your staff may experience work and energy overload. Learning new things can be very stressful. You will have to work through misunderstandings. Your understanding of various features of the new business management system may be wrong or, at least, flawed. Just because something seems logical to you, don't expect the system to use the same logic. It won't. There will be things that you will discover that just seem "stupid". Other things may seem to be clumsy. Yet other things will be inadequate. Be clear on your objective and determine the best method or work-around to accomplish your objective. Your VAR will help you through this.

Have your staff and budget prepared for some heavy workloads. New systems testing can be time consuming. Consider how you will deal with these heavy workloads. Can you hire temporary workers? Are there some tasks that you can postpone? Are you initiating multiple projects at the same time that are competing for resources? Can you delay one?



While you are doing your planning, you must consider vacations and other planned absences. Having a critical employee gone during the planning or testing will delay the whole project. Include these interruptions into your timeline. While you are at it, plan some slack into your timeline to deal with unexpected problems. Something will go wrong at an inopportune time.

Make sure that you clearly communicate the implementation schedule. And repeat it frequently. Many times, people forget, or didn't listen the first time. You may need to set some blackout periods when you will not authorize time-off or vacations. Make these announcements early. Your preparation will help ensure the project isn't delayed by a key person's absence.

Most people are willing to put in the extra time and effort it takes to learn the new business management system and to test the new system, even while doing their normal duties. You may need to hire some temporary workers. You may need to relax some requirements to your internal customers (never to your external customers) for a short time while the new system comes on-line. Plan these times in and remember the plan when in the heat of the implementation.

### **Milestones**

One note on Project Management and timelines – be wary of Lump milestones. This frequently occurs in programming or file conversions. Let's say you are converting master files. Today is March 1 and the files are due in your office on April 1 (no, that's not

an April Fool's joke, it just happens to be March while I'm writing this.) If you don't see intermediate steps (Customer file, March 5; Vendor file – March 12, etc.) you will not have a way of judging the progress. The Project Manager should break this down into daily, or at least weekly chunks of work. Then each business day the Project Manager can determine how much progress each person or department made. Expect to get weekly progress reports. Use this same principle for your internal work.

## Conclusion

Well, if you stuck with us this far, congratulations! You have gained one of the key elements it takes to succeed, perseverance. You will face many challenges that will try to divert you from your goal. Keep on track and you will savor the rewards of success. Give us a call if you would like to discuss anything we need to clarify as to how it applies to your project, or if you would like our help in your next implementation. And, if something you read here really helped, please email me at: [ronk@bautomation.com](mailto:ronk@bautomation.com); or call me (763-571-8580) to let me know. I would appreciate hearing from you!

---

## About Business Automation Specialists of Minnesota, Inc.

Business Automation Specialists leverages practical business experience with software technology to help mid-sized manufacturers and distributors capitalize on their unique business strengths. Since 1985, BASM has built their business by helping their clients build theirs; enabling them to become better, faster and stronger through improved management controls, cash flow and profitability.

In addition to selling and supporting Microsoft Dynamics NAV and Sage 300 ERP, Business Automation Specialists has written several commercial software products to address specialized, industry specific needs. These include:

- **PayBack Plus**, a software maintenance package
- **Shop Floor Data Collection**, to track time and materials on the manufacturing floor
- **Easy Bound Book**, a system to meet the ATF (Bureau of Alcohol, Fire and Tobacco) Bound Book requirements for companies and individuals in the business of importing, manufacturing or selling firearms

### ■ NAV Specific Modules

- **Recurring Sales Orders**
- **Credit Card**
- **Container Management**
- **World Ship Link**
- **Jet Report** - applied invoices to payment received
- **Resource Pricing** - based on customer sell-to number, or sell-to customer pricing group
- **Default Ship-to Address**
- **Customer Sales History**
- **Copy Comments from Customer to Sales Order**
- **"Promoting" a field to a List or Page.** NAV has a lot of fields that aren't all available on the list pages.

© Business Automation Specialists of MN, Inc. 2011, 2012, 2013 All Rights Reserved



**Business Automation Specialists**  
of Minnesota, Inc.

300 Coon Rapids Boulevard NW, Suite 100  
Minneapolis, MN 55433

(763) 571-8580  
FAX (763) 571-5504

**“Realistic Solutions - The right mix of technology and practical  
business experience”**

**[www.bautomation.com](http://www.bautomation.com)**