

ERP IMPLEMENTATION STAGES & PHASES

We designed this resource to give readers a solid foundation on the general course of an enterprise resource planning (ERP) implementation.

While a good implementation partner will assign a Project Manager to oversee all aspects of the implementation, we believe it's equally important for *your company* to assign a dedicated Project Manager to the implementation. Your Project Manager will be critical for keeping your team on track, ensuring your implementation meets business requirements and representing your company throughout the stages and phases outlined below.



I

SCOPE

The high-level scope is defined during the vendor selection process and then refined during the contract negotiations. Major functional areas (e.g., Record to Report, Procure to Pay, Design to Build, Integrations) are covered in the Statement of Work that is part of the contract-negotiation process.

II

IMPLEMENTATION

The Implementation stage can last from six months to a year, depending on complexity, the number and types of integrations and the speed at which the company can progress through these nine phases:

1

Requirements Gathering

This critical phase will require the participation of all stakeholders. It is best practice that all stakeholders, Subject Matter Experts (SMEs) and other decision makers are identified in the Scope stage, but if not, they will need to be identified in this phase. While it's good to get feedback from all stakeholders, *after* this phase, implementers will likely configure the system with input from SMEs and decision makers, particularly in large projects.

The stakeholders will gather in various workshops with the implementer's team of professionals and document in detail the requirements for the future state. The workshops will typically focus on functional areas, each of which may need different deadlines for gathering requirements.

This phase might take two to eight weeks.

2

Future-State Design

Once all stakeholders have submitted requirements, the implementer's team will create models of the future state and examples of future-state workflows.

In this phase, stakeholders will need to pay specific attention to whether the models:

- Represent their vision;
- Function according to the expectations; and
- Meet requirements in their setup, paying specific attention to the frequency and type (i.e., push or pull) of data transfer.

Once the future-state design is complete, the implementer will create a Business Requirements Document (BRD) and an Integration Design Document (IDD) for the project sponsor to sign. These documents will serve as a blueprint for the next phases.

This phase might take four to 12 weeks.

3

Configuration

Configuration can have multiple sub-phases and can have different names (e.g., Business Requirements Presentation). In this phase, the implementer will configure the ERP instance (i.e., the test environment) based on the Business Requirements and create the data structure, screens and standard reports. Once configured, the implementers will conduct walkthroughs of each module with the respective SMEs, ensuring that the system is configured correctly. Additionally, a selected portion of Master Data (e.g., customers, vendors, items) will be converted and uploaded.

If there are multiple rounds of Configuration, SMEs will usually take the lead, so they can get hands-on experience using the system. At the end of this phase, the instance will function as a mini-representation of the full system to come after the go-live date.

This phase might take four to 10 weeks.

4

System Integration Testing (SIT)

SIT is usually performed by the implementers and IT, but SMEs may participate to help validate data. It is important that this is done before User Acceptance Testing, so the ERP instance is as close to production-ready as possible.

This phase might take one to two weeks, depending on the number of integrations, or skipped if there are no integrations.

5

User Acceptance Testing (UAT)

UAT will be performed by the stakeholders in the ERP's configured instance. It is usually users who write the majority of use cases under the guidance of the implementer. The instance might not have all the required structure (e.g., only a subset of departments and products might be loaded) or data (e.g., only the last four historical months, instead of the last two years). Thus, use cases will have to fit the limitations of the instance. For example, instead of a report comparing Month1Year1 to Month1Year2 for all departments, the user might have to run a report comparing Month1Year2 to Month2Year2 for a subset of the departments to see if the report looks as expected and pulls data correctly.

This phase might include multiple rounds of testing cycles (e.g., UAT 1, UAT 2), and it usually follows the agile methodology – while the overall project follows a waterfall methodology. The UAT phase is also used to test the data migration process and will usually include historical data along with Master Data (e.g., Open AR, GL Balances, complete customer List), which all requires validation. This phase is a formal process where test scripts are followed for each type of applicable transaction, and the results are documented and provided to the Implementation team.

This phase might take four to 12 weeks.

6

Training

During this phase, the implementer will focus on in-depth training for stakeholders in their specific areas, often using the “train the trainer” methodology. The IT team, who will support the ERP and maintain the integrations, may also take part in this training phase.

It is likely that even prior to this phase, users will be asked to go through online, self-paced training to familiarize themselves with ERP screens, commands, reports and relevant functionality (e.g., specific data upload and download, queries in the ERP).

The best implementations require all stakeholders receive some level of training on the configured test system, using either training documents or the test scripts from the UAT phase. It is a good idea to create a library of training recordings for future reference by the stakeholders (now “the trainers”) or final end users.

This phase usually takes two weeks, based on the availability of users for training.

7

Go-Live Preparation

Data structures are migrated from the sandbox to the production environment, historical data is fully uploaded into both the sandbox and production and all issues on the go-live issue log are resolved.

This phase might take four to six weeks.

8

Go-Live

This is the day the ERP goes live and the end users begin transacting in the ERP.

9

Post Go-Live Support

The implementer will be on call to support the stakeholders through the unexpected issues that might surface during the first two to four weeks post go-live. It is advisable to negotiate with the implementer to provide support for at least one month-end close post go-live.



MANAGED SERVICES

Most implementers provide ongoing post go-live support as a managed service, which is typically negotiated separately from the implementation. Companies who need this level of support will benefit from a continued partnership with their implementer. However, the managed services market is very competitive and offers a wide variety of firms and service levels from which to choose.

Need Implementation Support?

8020 Consulting applies the intellectual capital, technical expertise and energy of our team to address a range of financial projects for Clients ranging from Fortune-50 companies to middle-market and venture-backed firms.

If you need dedicated professionals to support your organization throughout the system selection, scoping, implementation and post go-live stages, 8020 Consulting can help. With a team of nearly 100 professionals capable of working remotely across the country, we can quickly assess and respond to your unique requirements and mandates.

[Contact us today](#) to support your project goals.

Want to Learn More About Us?

Visit the Services Area
of Our Website



8020 Consulting
6303 Owensmouth Ave, 10th Fl.
Woodland Hills, CA 91367

855.367.8020

8020consulting.com

