

SYSTEM SELECTION TIP SHEET

How to Choose the Right ERP System for Your Needs.

7 Key Considerations for Selecting the Right Cloud ERP System

Selecting the “right” ERP solution is critically important, especially in the cloud era, and the process can be highly disruptive. Careful planning from the outset not only helps reduce costs but also increases the velocity of subsequent steps in your cloud ERP implementation. Because cloud ERP systems offer only minimal customization, your options are mostly limited to the software’s out-of-the-box functionality — what you see is what you get.

It’s important to consider how well a software provider can meet your requirements and how you will need to tailor the configuration to meet the specific needs of your business. With that in mind, here are 7 key considerations for selecting the cloud ERP system that’s best for your organization.

KEY CONSIDERATIONS

Partnership

Functionality

Business Processes

Scalability & Extensibility

Industry & Vertical Strengths

Training & User Communities

Systems Ecosystem

01. Partnership

Whereas technology infrastructure and security used to be make-or-break differentiators, there's now a lot more emphasis on partnership and community.

- How easy is the vendor to work with?
 - What type of support do they provide?
 - What do their current customers say about them?
 - Do they perform the implementation, or do they use third-party solution integrators?
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02. Functionality

Your ERP system is at the core of your business operations, so familiarity breeds content — and greater efficiency.

- What's the "fit and feel"?
 - How easy is it to use and adopt?
 - Does it integrate seamlessly with other solutions?
 - Does it provide a value-based opportunity that can perform core functionality requirements?
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03. Business Processes

With cloud software, the system provider defines the processes, so it's important to choose a vendor whose processes are a good fit for your business.

- Do your business processes have redundancies and manual interventions and/or are they error-prone and in need of redesign or replacement?
 - Does the vendor provide built-in workflows to enable processes?
 - Does the solution provide Business Process Management? Automation can make a business more efficient, but BPM can create a competitive advantage.
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04. Scalability & Extensibility

As your company grows, your needs grow. It's essential to assess a vendor's capabilities for not only your immediate requirements but also future needs.

- Does your business strategy include mergers and acquisitions?
- Would you buy a company that has capabilities you don't have today?
- Do you plan to expand into international regions? (Not all software will work in all geos.)
- Do you plan to implement additional modules (e.g., supply chain or EPM) in the next few years?
- Does the solution have adequate reporting and analytics? Not all ERPs have advanced graphic displays, analysis tools or realtime dashboards.

05. Industry & Vertical Strengths

The type of industry you're in drives many of your business needs and requirements. Standard processes vary a lot from healthcare to manufacturing to energy.

- Does the vendor have experience and expertise with companies like yours?
- Does the system offer features and support processes that are relevant for your industry?
- Can it support industry-adopted KPIs and reporting?

06. Training & User Communities

With cloud software, vendors take on responsibility for training, so the accessibility and quality of training are much more important than they might have been in the past. A lot of the knowledge sharing now happens in communities.

- What type of training does the vendor offer?
- Is it easy to access training online?
- How much, if anything, does it cost?
- What kind of support does the company provide to its user communities?

07. Systems Ecosystem

Your base ERP system sits at the center of your business technology ecosystem, but it has to integrate with other systems. Depending on your needs, you might even choose different software providers for different functions, such as human capital or supply chain management.

- What other systems/interfaces will the new cloud ERP system need to integrate with?
- How will the data in those systems all work together to support your target operating model?
- What are the functional application, systems integration, data conversion, and reporting requirements?

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