



PREPARING FOR AN ERP UPGRADE

Critical Steps in the Business Transformation Process

A Symphony Corporation White Paper

UPGRADING TO A NEW ERP RELEASE - WHY NOW?

Now that all users know the processes well and understand how the system functions, here comes another release! The thought of upgrading, going through the ordeal of learning new features, implementing new functionality and determining upgrade costs is overwhelming.

Regardless of what version of ERP you are on, an upgrade decision is in your future. Upgrade projects are often seen as non-strategic initiatives that are required to stay current to be supported by your ERP vendor. These projects can place an undue burden on the organization in the form of costs, resources, risks that the organization would rather not take.

Preparing and going through an upgrade can seem intimidating for many reasons such as limited staff availability, lack of the appropriate skill-set or experience, unexpected events in the organization, or other priorities and projects.

Despite obstacles, there may be many opportunities

Symphony leads organizations through a series of critical steps, guided by industry best practices, to prepare them for an ERP upgrade that is not merely an IT project, but also a business transformation process.

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However, upgrades do not have to be the headache that they often are, or that they are often imagined to be by reluctant managers. There are many opportunities to streamline the upgrade process that lead to efficiencies and, ultimately, bottom-line improvements.

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to streamline the upgrade process that will lead to efficiencies in areas and therefore positively impact your bottom line.

Software technology and features evolve so quickly that it almost seems prudent to wait instead of upgrading to a new release. However, upgrading your ERP applications is inevitable; if not now, most likely in the next 18 months. Therefore, there are numerous things that can be done prior to upgrading that will prepare you, your future project team, and your organization for an easier transition to an upgrade project.

THINGS TO CONSIDER

Modules Licensed Versus Modules in Use: For many organizations the original implementation was rapid and not all of the licensed modules were deployed. Prior to an upgrade, take inventory of what ERP

Also, obtain a list of new features and enhancements that are in the latest ERP release and talk to the user community to see if they might be beneficial.

Update Policies, Procedures, and Documentation: When an application has been in use for an extensive period of time, inevitably business processes change. Often these changes are not documented or the existing documentation has not been updated. A review of an organization's business processes should be compared to the documentation, and any updates that are required should be revisited.

Workflows: Most likely the workflows that are in place have been functioning since you have been live on the application. Now is the time to see if the workflows are fulfilling the business and audit needs. They may need to be tweaked or completely redesigned. See if new enhancements in the latest release will impact the existing workflows.



modules your organization is permitted to use. Analyze exactly what the unused modules do to see if there is a benefit in configuring them to your organization.

Current Functionality and Business Processes: Once again, for many organizations the original implementation was rapid. There is a good chance that not all features of the software were implemented effectively and, as a result, the system is underutilized. In addition, some of the functionality that is in use may not be working correctly, or business processes might be cumbersome. Interview the user community to find out what are the areas of concern well in advance of an upgrade.

It could be that as a result of organizational growth, such as joint ventures and acquisitions, you may need to review your configurations, like your chart of accounts. Therefore, it is also important to review the strategic direction of the organization.

Reports and Forms: Are users satisfied with the existing reports and forms within the ERP applications? Is senior management satisfied with the reporting that they receive? An inventory of reports/forms should be taken to see the number of reports or forms that are being generated. Also, consider the following questions:

- What is the frequency of the report/form?
- Who receives it?
- Are they using it?
- Can it be eliminated?
- Is the report providing enough information as is?
- Do adjustments need to be made?
- Is the report delivery automated?

Analytics: When preparing for an ERP upgrade an organization should also consider analytics. Is there an analytics or data management tool within the organization? If so, will the upgrade impact the data models or output from the tools?

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If you do not have an analytics tool is there a plan to move to analytics?

Today's greatest business opportunities lie in the ability to analyze trends quickly and interpret signals to uncover profitable new ways to run your organization while servicing your customers. Analytics provides the tools that will find these opportunities by combining information from your ERP applications and other systems, such as the EMR (i.e. Cerner, Epic), into logical data models.

Consider interviewing key business areas prior to the upgrade. Some areas that should be considered are as follows:

Supply Chain Management: Get greater visibility into detailed spending and understanding spending and performance to effectively negotiate with vendors.

Finance: Improve the finance health of the organization by easily identifying financial trends to analyze key growth metrics including net patient revenue, operating income, and EBITDA. Improve the ability to research financial stability of facilities including an analysis of key measures such as cash on hand, days sales outstanding, total long term debt and much more. Analyze new Medicare penalties and incentives such as readmission penalties and meaningful use.

Human Capital Management: Identify cost-saving opportunities and improve personnel management.

Project Management: Monitor project health at any level and quickly identify underperforming areas.

Healthcare Systems: Integrating the data from your healthcare systems with your ERP data.

PROJECT PREPARATION

Project Team: A strong project team will consist of a project manager, a senior functional representative for each key module or area being upgraded, and senior IT resources to support the technical effort. Prior to the upgrade project seek out potential project team members. Choose people who want to be involved, have the appropriate skill set and will work well with the other team members.

Execution Strategy and Executive Buy-In: Align the goals and objectives of the upgrade and the organization in order to meet the business objectives. Create a strong business case to ensure executive sponsorship.

Taking time now to ensure your technology plans are well designed and effectively integrated with your broader business objectives will allow you to realize greater values and success for the long term.

Resources: What resources do you have that can work on the upgrade project? Which resources can be dedicated and which resources are part-time? Are there any other activities that need to be considered that can affect the potential resources (such as year-end)? This is important, as it will affect timelines, project charter, and project planning.

Testing will be key to the upgrade project. Communicate expectations of testing at various points of the project. Has there been turnover in key areas of the user community? If so, some level of training should be planned and budgeted prior to testing.

Establish an Executive Strategy: Build the upgrade project charter. This serves as your final upgrade plan and includes the following pieces:

- Project Objectives
- Scope
- Timeline
- Change Management Strategy
- Infrastructure Plan
- Project Roles and Responsibilities
- High-level Project Plan
- Budget

The key to a successful upgrade is a good plan. Avoid a technology-only upgrade strategy. This can be avoided with early planning that involves the business community. Behind every successful upgrade is a good upgrade plan.

Contact Symphony Corporation at: info@symphonycorp.com to discuss how we can guide you through this critical planning phase of your ERP upgrade. Remember that this is not merely a technology project, but rather a business transformation project enabled by IT!