

ERP Selection Criteria Series

ERP选型要诀

Part 2: Software Vendors and Packages

第二部分：软件供应商及软件包

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In the last article, we discussed why it is important to plan ahead of implementing an ERP solution. Today, we continue by exploring key selection criteria to evaluate how a company might access software vendors. We consider what scale and scope of package might match a business; and how to determine this. For example, some packages provide extensive financial capabilities, but lack sufficient manufacturing capabilities. Will the package in consideration fit and grow easily as the business grows? Specifically, we want to consider:

- 1) How each has an impact on a business,
- 2) How to evaluate this impact,
- 3) How to evaluate your options to successfully choose a solid long-term solution for your business.

在上篇文章中，我们讨论了实施ERP解决方案之前，提前计划非常重要。此次，我们将就如何确定评估软件供应商的主要选型标准来做进一步的探讨。一般来说，我们要考虑通过软件包的规模和范围来匹配相应的业务，例如，有些软件包提供强大的财务功能，但在制造方面相对薄弱。那么软件包是否适当及容易带动企业业务的增长呢？具体来说，我们要考虑的有：

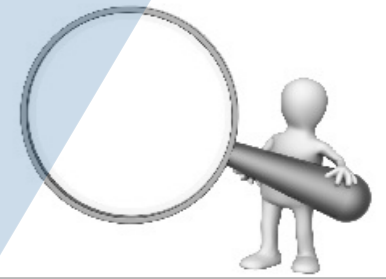
- 1) 软件包对业务的影响，
- 2) 如何评价它的这种影响，
- 3) 如何评价企业是否成功地选择了长期有效的解决方案。

Software packages and vendors can impact a business in a great number of ways, and at times not so positively. Given this, it is important to plan ahead. When considering software packages it is imperative that your business first understand itself well, its core competencies and critical processes, and how automation is related to these. Until your management team possesses a clear, concrete understanding of these capabilities, it is not prepared to objectively review potential ERP solutions and packages.

软件包和软件供应商有时在许多方面并非正面影响业务，鉴于此，未雨绸缪尤为重要。考虑软件包时，必须先了解您的业务本身，核心竞争力和关键流程，以及如何基于以上要点展开自动化等。只有当管理团队清楚地认识到公司的能力，才能客观地审查潜在的ERP解决方案及软件包。

Once this knowledge is understood, the team can begin to baseline packages against the business' requirements. ERP packages should be reviewed for functional requirements. A functional requirement fit should take into consideration present and future business requirements, for example, what is needed today, a year from now, and three years from now. Related to growth over time, businesses should consider how easily the package can adjust and growth with the business; and related to this growth at what expense can the package adapt?

In addition to general ERP package "fit", management teams should consider the maturity of the package; and its position in the local market of operation. Choosing vendors who are well positioned in a local market provide for better support; and also provide for fewer issues related to localization issues. Specifically, packages and vendors should be assessed for their ability to fulfill and keep up with changes in regulatory requirements.



Another common mistake in choosing ERP vendors is choosing a package with for the wrong reasons. For example, inappropriate packages are often chosen based on prestige (i.e. always choose the best reputation) or cost saving measures (i.e. choose the cheapest solution for today). However, these approaches to decision making are actually avoiding the issue at hand, and fail to address the business' long-term needs.

Project committees should analyze vendors according to business know-how, work style, quality of workmanship and their physical proximity relative to the business location. Businesses should choose vendors who are locally experienced and provide high-quality, knowledgeable staff. Finally, it is most always better to have a vendor who is near to your business. This provides for trust, flexibility, and in times of crisis speed in handling problems. To sum up, look for vendors you would trust inside your home.

On a more concrete level, selection criteria must manifest baseline requirements, which determine what vendors and partners are verified "fits" for the organization. To begin with, project committees should seek for a strong functional match for the organization. This baseline match should focus on 1) regulatory requirements, and 2) core, critical functionality requirements. Any candidate solutions should fulfill these directly, simply and exhaustively. A theory attributed to the 14th century friar William of Occam, commonly referred to as Occam's razor states, "entities must not be multiplied beyond necessity" and this is sound advice when dealing with risk-prone complex projects. We should ask:

- Does the package propose focusing our business or diluting it?
- Does the package fulfill regulatory requirements simply or is extensive custom development required?
- How easy will the package be for staff to execute effectively?
- Will business controls become increasingly complex?

The other area to seriously consider as a baseline requirement is the people who will be involved during and after the project. Businesses should only qualify packages that can be well supported by local personnel and partners after the project is completed. Partners and personnel that are not available after a project do not provide a sound foundation for successful operations. When strong local support is not easily available motivations decreases and morale can sink.

These candidate solutions should also be subjected to financial due diligence. We will look at financial issues in greater detail in the total cost of ownership article, but a few guidelines are provided here. Valid, reasonable questions to consider might include:

- What will the system, project, and support for the solution cost?
- What financial benefit will a solution provide to the company?
- How will a particular package affect local personnel costs?
- Will the package make the local business easier or more challenging to finance?

Finally, thorough consideration should be given to estimating how the solution will operate once the solution is mature. To be precise, consider how people will function after the project is completed rather than dreaming about how "perfect technology" will make operations easier. ERP solutions although very helpful, usually come with a few operational trade-offs. Your business should consider:

- How easy, or difficult, will potential solutions be to staff when there is turnover of personnel?
- How easily will the package and its customization be supported at the organizations location?
- How easy will it be for staff to receive training locally?
- How interested will the vendor be in the business' success after the project is completed?

In this article ERP Selection Criteria, Part 2: Software vendors and packages, we discussed how a business should go about choosing the key components to build a reliable ERP solution. We stated that the most important consideration prior to choosing vendors and packages was to clearly understand your organizational requirements. Core functionality and regulatory requirements should then take precedence over other considerations. Once simple, direct solutions are identified, candidate solutions should then be subjected to financial and operational scrutiny. Financially this should consider long-run costs and the financing of support, maintenance and enhancements. Operationally, this should look at how personnel will operate when the solution is mature, not just the technical "system".

In the next article we will consider how successful project team select implementation partners.