

ERP SOFTWARE SELECTION CHECKLIST

The 60 steps you need to take to ensure ERP software selection success

GUIDE HIGHLIGHTS



Building your ERP selection team



Forecasting return on investment



Creating your ERP vendor shortlist



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To help you schedule your selection project, this 60 step checklist is divided into seven sections. You can also view the checklist as a spreadsheet .

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[Download as spreadsheet](#)

For a comprehensive guide to executing each of the steps covered in this checklist, **[download our ERP selection survival guide.](#)**



FURTHER READING



3
Selection Team



SELECTION TEAM

Without a carefully chosen and balanced team, your ERP selection project will suffer from individual and departmental bias.



SELECTION TEAM TASKS

- ☐ 1 Select an ERP selection project lead
- ☐ 2 Assemble an ERP selection team including key stakeholders from each departmental group
- ☐ 3 Randomly select a cross section of each department to form user groups
- ☐ 4 Identify external requirements for consulting expertise
- ☐ 5 Define scope and timeline for external consultancy resources
- ☐ 6 Develop a selection consultant shortlist and gather references from previous projects for each
- ☐ 7 Identify a C-Level executive sponsor for your project
- ☐ 8 Request C-Level sponsor support for when you present to senior management
- ☐ 9 Define management roles and responsibilities in the selection team



REQUIREMENTS GATHERING

“Cart before horse” comes to mind. Many ERP selection projects fail due to unclear or incomplete requirements documentation.



REQUIREMENTS GATHERING TASKS

1



Create a map of current business processes to identify bottlenecks in efficiency

2



Identify the shortcomings of existing systems

3



Identify key business challenges you aim to solve with the new ERP system

4



Consult each functional department to discuss business challenges in the context of their processes

5



Gather the requirements of each department to address these business challenges

6



Document requirements for the new system and assign priority values to each

7



Take final requirements to end user groups to gather feedback

8



Adjust final requirements in line with user group feedback



SYSTEM SPECIFICATION

Forget the bells and whistles, many ERP selection decisions come down to core hardware and network choices.



SYSTEM SPECIFICATION TASKS

- 1

☐

Identify the total number of users who will require system access
- 2

☐

Determine preferred delivery platform (cloud, on-premise, hybrid etc.)
- 3

☐

Identify mobile access requirements (web-app, native iOS, native Android etc.)
- 4

☐

Identify need for mobile device compatibility (hand-held scanners etc)
- 5

☐

Define offline system access requirements
- 6

☐

Identify language and currency requirements
- 7

☐

Identify requirements for integration with existing systems
- 8

☐

Document existing hardware environment
- 9

☐

Document existing network environment



VENDOR SERVICES

Your assesment of vendors is not based solely on their software products. You can't get anywhere without training, support and data migration.



VENDOR SERVICES TASKS

1



Document requirements for support scope and delivery method (phone support, online support etc.)

2



Document requirements for training scope and delivery method (classroom training, on-site training)

3



Document requirements for implementation consultancy

4



Document requirements for external project management

5



Identify data protection and security compliance requirements

6



Identify critical data sets in your legacy systems

7



Document data migration requirements for these critical data sets

8



Identify external requirements for system and network maintenance



ROI FORECAST

No sign of subjectivity here. Either the investment in an ERP system makes sense, or it doesn't. The hard part is creating an accurate forecast for ROI.



ROI FORECAST TASKS

1



Define timeframe for TCO and return calculations

2



Forecast the value of each system requirement within the specified timeframe

3



Develop a change management plan including forecasts of efficiency during implementation

4



Forecast costs for the new system within the specified timeframe

5



Work with analysts and finance to produce final ROI forecast figures

6



Compare ROI forecasts for the new ERP with those of other prospective points of investment

7



Report on ROI forecasts to senior management and seek project approval

8



Receive sign-off on your projected budget



VENDOR SHORTLISTING

One of the major challenges during ERP selection is creating a shortlist of five or six candidate vendors from a market with 100's of solutions.



VENDOR SHORTLISTING TASKS

- ☐ 1 Research ERP employed by similar companies in your industry
- ☐ 2 Identify ERP solutions specific to your industry
- ☐ 3 Identify market leading solutions which offer some support in your industry
- ☐ 4 Compile initial shortlist of vendors
- ☐ 5 Identify competitors of your shortlisted vendors and add these to your initial shortlist
- ☐ 6 Produce an RFI document and send to shortlisted vendors
- ☐ 7 Narrow shortlist based on RFI responses
- ☐ 8 Compile requirements and business processes in an RFP document
- ☐ 9 Narrow shortlist based on RFP responses to produce final shortlist



VENDOR SELECTION

You can see the finish line. There is light at the end of the tunnel (or at the very least, a difficult decision).



VENDOR SELECTION TASKS

- 1

☐

Define the scope for your ideal software demonstration
- 2

☐

Build selection teams to attend software demo including user group members
- 3

☐

Book demonstrations with each vendor on your final shortlist
- 4

☐

Seek at least two to three references from each prospective vendor
- 5

☐

Produce an RFQ document and send to all vendors that were demoed
- 6

☐

Assemble selection committee to review all RFQ responses
- 7

☐

Make final selection decision and proceed to contract negotiations
- 8

☐

Agree terms of purchase and implementation with your chosen vendor
- 9

☐

Deliver documentation including vendor commitments and contacts to the implementation team



FURTHER READING

To further explore each of the areas covered in this checklist, have a read of the following articles, exclusively available on ERP Focus.

SELECTION TEAM & REQUIREMENTS GATHERING

- 4 Common Mistakes when Assembling an ERP Project Team
- Hiring an ERP Selection Consultant: Two Sides of the Coin
- 5 Steps to Successful ERP Requirements Gathering
- 3 Key Stakeholders for Your ERP Requirements Analysis

VENDOR SERVICES

- 4 ERP Support Strategies That Will Help Your ERP Project Run Smoothly
- 4 ERP Support Questions to Ask Your Vendor
- 3 Ways ERP Training Improves User Buy-In

ROI FORECASTING

- The Value of ERP ROI as a Project Metric
- How to Identify Returns for an ERP ROI Calculation
- 5 Costs You Need to Accurately Forecast for ERP ROI

SHORTLISTS & FINAL SELECTION

- 4 Mistakes You Will Make When Building Your ERP Vendor Shortlist
- ERP RFQ, RFI and RFP: Mastering those Vendor Selection Acronyms
- 3 Challenges for Businesses Selecting ERP in 2015-2016



10 SELECTION DON'TS

Now you know the “do’s” of ERP selection, be sure to avoid these ten common mistakes

X

Bypass C-Suite approval for your project, even if company structure technically allows you to do so

X

Assume that process efficiency will remain at 100% during implementation

X

Ignore training until the implementation phase. Format and schedule for training should be considered during system selection

X

Forget to factor in implementation costs during your ROI calculations - the price tag is just the tip of the iceberg

X

Move forward without a recovery plan - be prepared to put measures in place to reduce the impact of an unsuccessful project

X

Exceed more than 10 products on your final software shortlist

X

Purchase functionality beyond your requirements. This functionality can be considered once your core functionality have been addressed

X

Assume cloud is better because it is newer. Different companies have different requirements, some of which are met better by on-premise systems

X

Deliver documentation including vendor commitments and contacts to the implementation team

X

Deliver documentation including vendor commitments and contacts to the implementation team

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